Highlights of the Week

Karnataka physical market featuredmixed tone this week ,on the back of ups and downs in demand as on7th August 2015. On the other hand, World crop for season 2015/16 estimated at 200 million bags against the consumption of 154.4 million bags, is also weighing on international as well as domestic price trend. Indian coffee exports declined as main buyers like European countries are not much active. Farmers are now growing mainly black pepper in the belt of Arabica plantations because prices of black pepper have risen last year from Rs. 400 per kg to Rs. 700 per kg in this year. Moreover, other crops like oak, areca nut, orange and cardamom are the source of income source forcoffee states planters.

According to the recently released data by the Coffee Board of India, planted area of coffee in Karnataka, Kerala and Tamilnadu is estimated at 2.30 lakh hectares, 0.85 lakh hectares, 3.15 lakh hectares respectively in 2013/14 which is same as compared to 2012/13 coffee planted area. However, planted area in Andhra Pradesh, Odisha and North Eastern Region is placed higher by 5.52 % to 0.61 lakh hectares and 3.32% to 4066 hectares and 4.81% to 6330 respectively in 2013/14 against 0.58 lakh hectares, 3935 hectares and 6039 hectares respectively, in 2012/13. In the current situation, most of the farmers are growing black pepper in the coffee area on its higher prices in 2014.

As per DGCIS latest report, India received around Rs. 503.98 crore as the total coffee exports revenue which is 78.92 million in USD in June 2015. This is higher by 20.03% in Rs. and 12.26% in USD respectively against Rs. 419.88 crore and USD 70.30 million respectively in previous year during the same month. It stood at Rs. 1558.55 crore and the value in USD at 245.48 million since April-2014 to June 2015 up by 11.41% in Rs. and 4.95% in USD against the last year revenue i.e. Rs.1398.87 crore and in USD 233.91 million in corresponding period of time.

According to ICO currently released data, global coffee exports is registered down by 3.31% at9688thousands 60 kg bags in June 2015 against 10020thousands 60 kg bags in last year in the same period of time followed by Robusta coffee exports down by 6.10% at3735 million bags and Arabica coffee exports is down by 3.8% at5.90 million bags. Total global coffee exports for the nine months of the 2014/15 season is placed down by 4.31% at 82148thousands 60 kg bags against 85850 thousand 60 kg bags in 2013/14.

As per Fedecafe, washed Arabica coffee output of Colombia stood at 1.24 million 60 kg bags in June 2015 which is higher by 31% as against last year output. Credit goes to replanting methods. Growers responded with a large scale replanting programme, where infected trees were ripped up and replaced with rust-resistant varieties. USDA forecasts, total output of Colombia at 13.0 million bags for 2015/16 season.

Exports and Imports of India

As per the Coffee Board of India, provisional Indian green coffee exports is registered significantly down by 4.01% at167130 metric tons from 1st January 2015 to 6th August 2015 as compared to 174116 metric tons of previous year exports during the same time period. India re-exports maximum Instant type of coffee which is recorded down by 31.45% at 18833 metric tons in this year during 1st January 2015 to 6th August 2015 from preceding year instant coffee volume i.e. 27476 metric tons. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 35.96% to 25641, 25.83% to 8201 metric tons respectively against last year exports volume i.e. 40044 metric tons, 11058 metric tons respectively in the same period of time due to lower demand.

Below table shows Coffee Exports Volume details of India:-**Export update:** From 01st January 2015 to 06th August 2015 (in metric tonnes)

	INDIAN COFFEE	Ar.Pmt	Ar.Chy	Rob.Pmt	Rob.Chy	Roasted seeds	R & G	Instant	Total
1	Provisional exports (Indian coffee)	25641	8201	25160	89066	27	202	18833	167130
2	Provisional exports corresponding period last year	40044	11058	16377	78952	38	171	27476	174116
3	Provisional re-exports	0	0	0	0	119	169	40571	40859
4	Provisional re-exports corresponding period last year	0	0	0	0	0	0	33052	33052
5	Total provisional exports (1+3)	**25641**	**8201**	**25160**	**89066**	**146**	**371**	**59404**	**207989**
6	Total provisional exports corresponding period last year (2+4)	**40044**	**11058**	**16377**	**78952**	**38**	**171**	**60528**	**207168**

Source: The Coffee Board Of India

Weather Updates (Current Status of Southwest Monsoon 2015 And Forecast)

Weekly Rainfall(30th July to 5th August 2015):-
During the week, rainfall was above normal by 21% over the country as a whole. Rainfall was above normal over northwest & central India. Details are given below:
Details are given below:

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
Country as a whole	48.2	65	-26%
Northwest India	38.2	54.6	-30%
Central India	59.3	78	-24%
South Peninsula	22.2	45	-51%
East & northeast India	76	81.7	-7%

Source:IMD

Monthly Rainfall(July 2015):-Cumulative rainfall for the country as a whole for the month of July was 84% of LPA against the Long Range Forecast of 92% of LPA with a model error of ± 9%. Details of the rainfall distribution over India as a whole and all the four broad homogeneous regions of India are given below:

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
Country as a whole	241.9	289.2	-16%
Northwest India	228.2	218.2	5
Central India	268.6	324.8	-17%
South Peninsula	112.3	219.9	-49%
East & northeast India	372.1	436.7	-15%

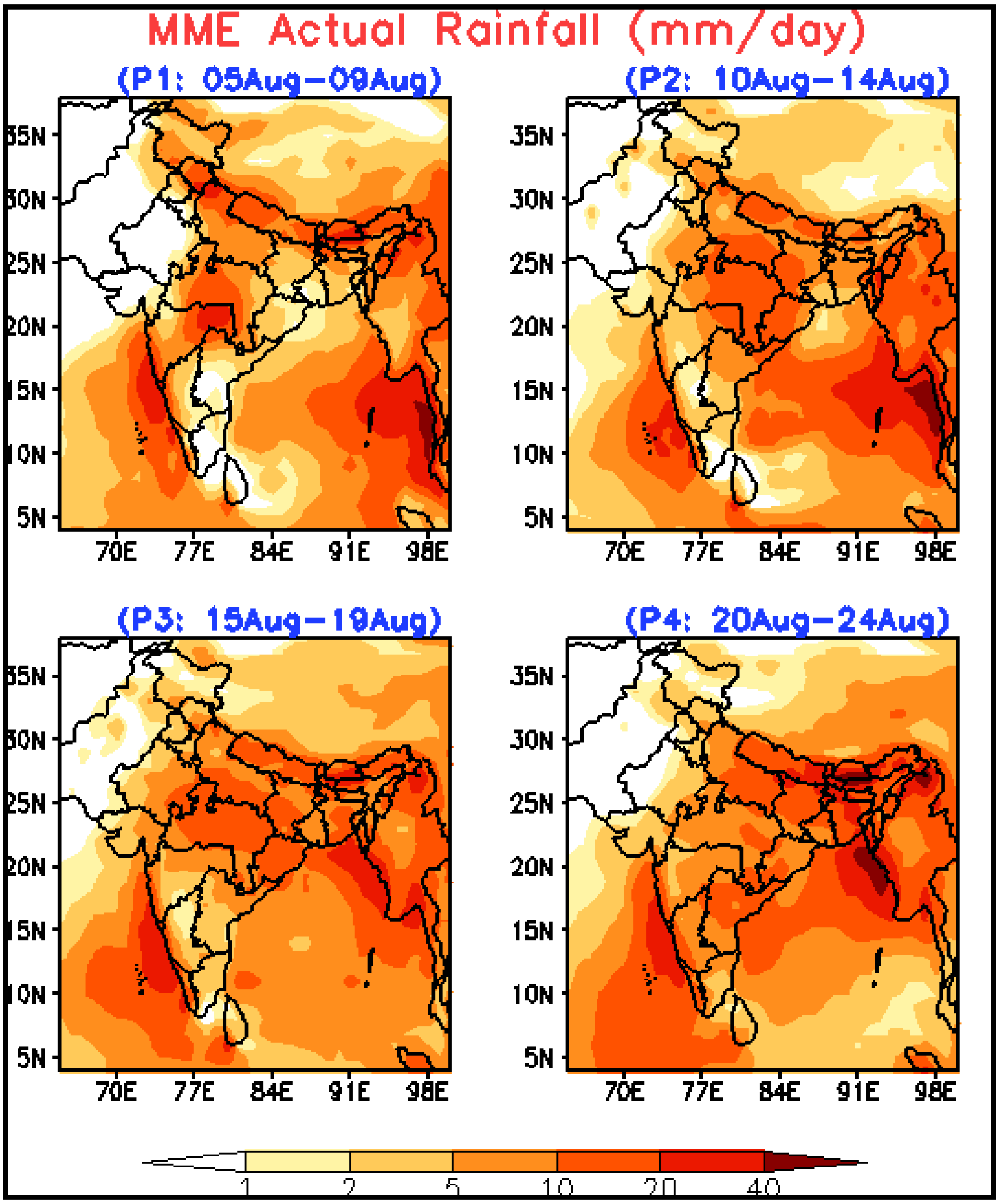
Source:IMD

Seasonal Rainfall(01 June to 05th August,2015):-For the country as a whole, cumulative rainfall during this year's monsoon so far upto 05 August has been 06% below the Long Period Average (LPA). Rainfall activity was near normal in all the broad homogeneous regions of India except south Peninsula. Details of the rainfall distribution over the four broad homogeneous regions of India are given below:

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
Country as a whole	468.6	499.8	-6%
Northwest India	342.8	327.1	5
Central India	525.1	545.9	-4%
South Peninsula	321.8	409.9	-21%
East & northeast India	772.8	846	-9%

Source:IMD

Below map shows Advance of Southwest Monsoon -2015:-



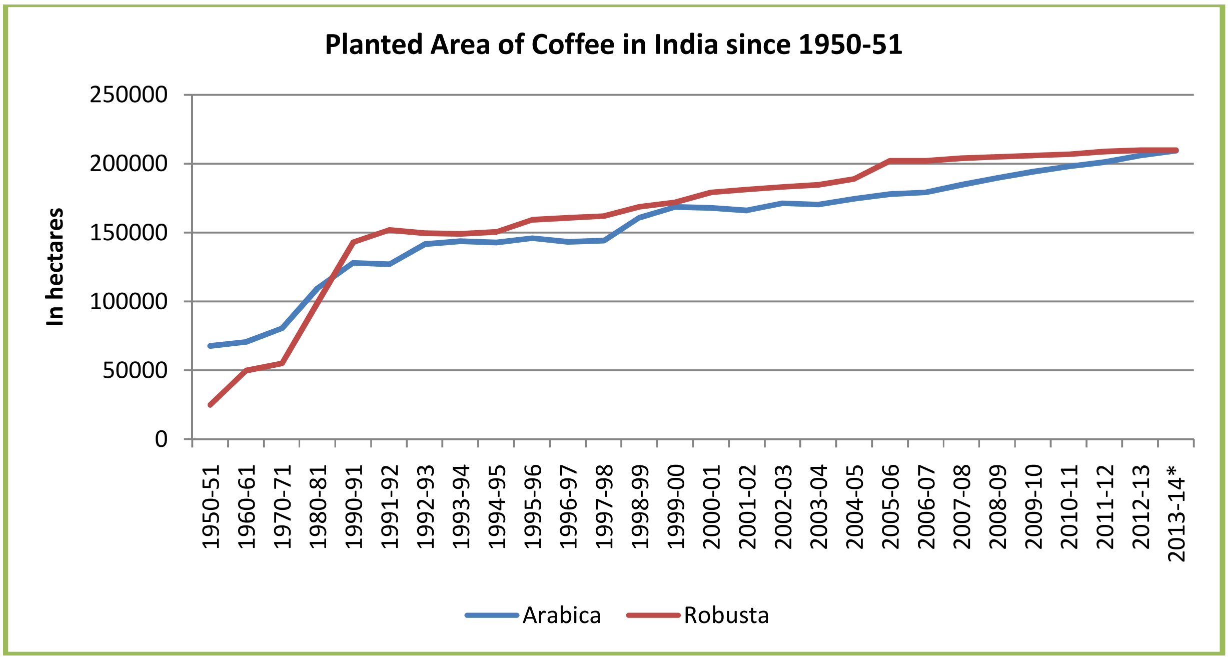
Source: IMD

The Southwest Monsoon was vigorous over Gangetic West Bengal on 30 July & 1 August; over West Rajasthan on 30 & 31 July; over Jharkhand on 2 August; over Marathwada& Vidarbha on 5 August. It was active over East Rajasthan on 30 July; over Nagaland, Manipur, Mizoram & Tripura and Gangetic West Bengal on 31July & 2 August; over Jharkhand on 31July, 1 & 3 August; over Nagaland, Manipur, Mizoram & Tripura, East Uttar Pradesh, Uttarakhand and Himachal Pradesh on 1 August; over Arunachal Pradesh on 3 & 5 August; Odisha and Chhattisgarh on 3 & 4 August, over West Madhya Pradesh on 4 & 5 August; over East Madhya Pradesh & Vidarbha on 4 August; over Assam & Meghalaya, Sub-Himalayan West Bengal & Sikkim and Madhya Maharashtra on 5 August.

Domestic Crops Condition and Production

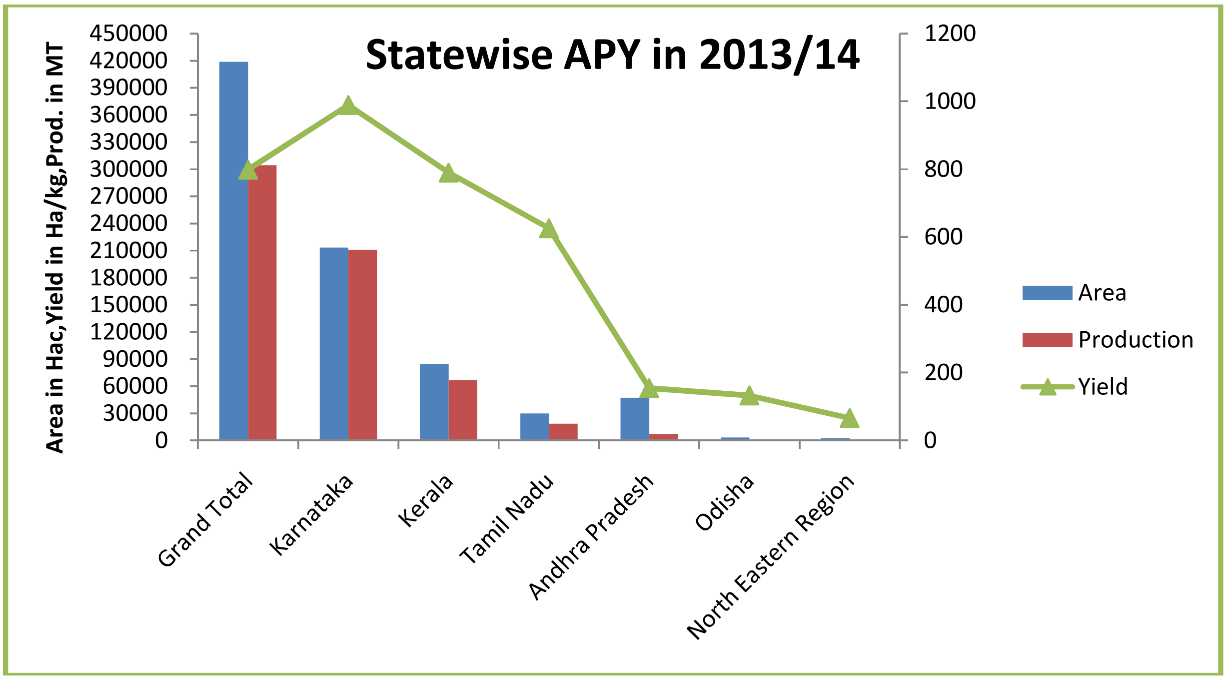
As per the Coffee Board Of India, India is covering continued higher planting area since 1950. Farmers in India planted total 418975 hectares in 2013/14 season which is higher than 415341 hectares in last season.

Below table shows planted area of Coffee in India since 1950-51:-



Source: The Coffee Board of India

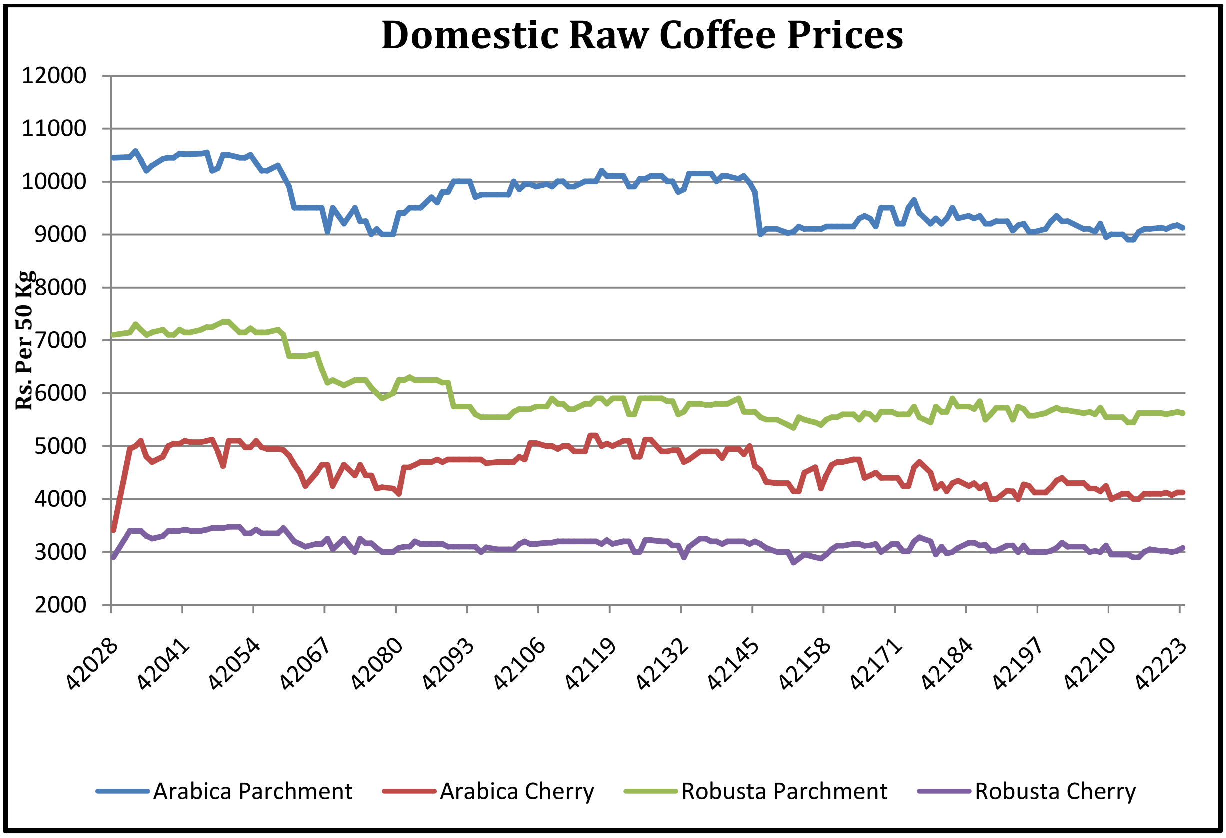
Below table shows State wise Area, Production and Yield in 2013-14:-



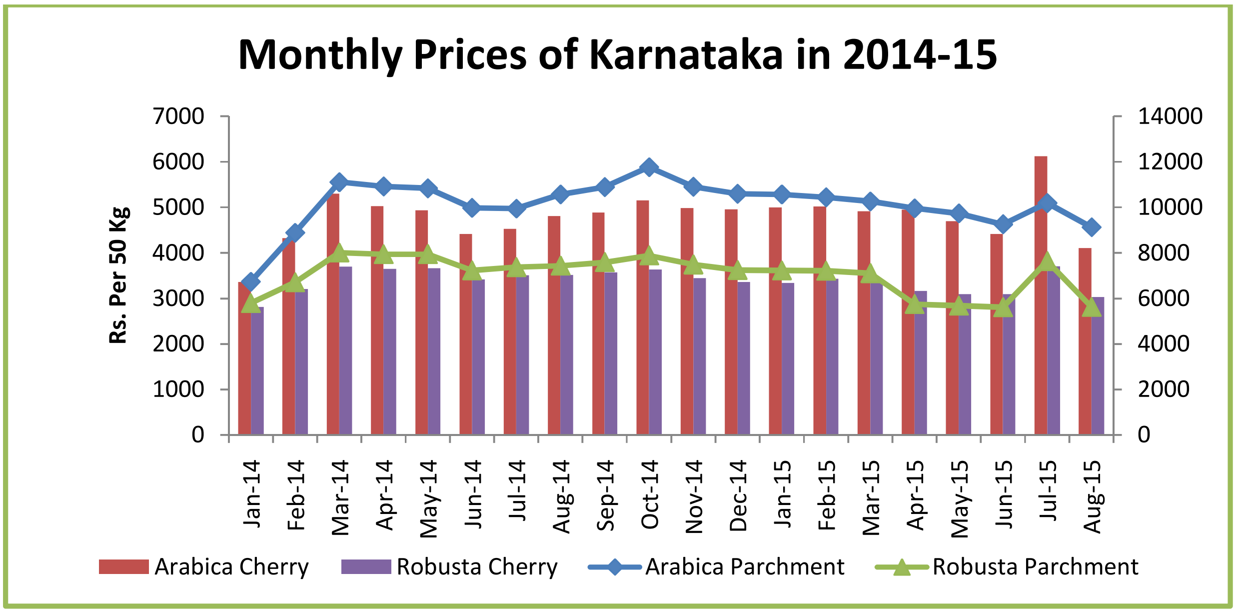
Source: The Coffee Board Of India

Coffee Prices of Auction Market & State-wise Market

Below mentioned charts depicts domestic raw coffee prices and monthly prices in 2014/15:-



Source: Agriwatch



Source: Agriwatch

Domestic Raw Coffee Prices(Karnataka):

Variety	7.8.2015	31.7.2015	Change
Arabica Parchment	9125	9100	25
Arabica Cherry	4045	4100	-55
Robusta Parchment	5625	5625	Unch
Robusta Cherry	3075	3050	25

*** Values in Rs per 50 Kg**

ICTA Auction Prices (Bangalore)(New Season(2014-2015) Crop

Grade	30.7.2015 Arabica Plantation	23.7.2015 Arabica Plantation	Change	30.7.2015 Arabica Cherry	23.7.2015 Arabica Cherry	Change
MNEB	--	--	--	--	--	--
AA	--	--	--	--	205.00	--
PB	--	230.00	--	--	172.00	--
A	--	--	--	--	--	--
AB	--	--	--	--	170.00	--
B	--	186.50	--	--	--	--
C	--	157.50	--	--	--	--
BBB	--	132.00	--	--	--	--
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	--	--	--	--	--
A	--	--	--	--	135.00	--
PB	--	130.00	--	--	125.00	--
AA	--	--	--	--	138.56	--
AB	--	--	--	--	--	--
B	--	--	--	--	--	--
C	--	--	--	--	120	--
BBB	--	--	--	--	115	--

Values in Rs. per kg

Technical Analysis of Domestic Arabica Parchment Coffee at Karnataka Market

Weekly Technical Outlook:-

- Technical chart shows an improvement in the market.
- RSIalso moving upin neutral regionat 41.25this week , hints furtherupwardmomentum in the next week.
- However, simple moving average supports falling zone of the market.
- We expect furthersteady to uptrend in the market in coming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	9020-9353

Units in Rs./50 kg.

Expected Support and Resistance

S2	S1	PCP	R1	R2
8648	9020	9125	9353.64	9765.02

Units in Rs./50 kg.

International Market Updates:

Weekly Future Review:-ICE Arabica coffee future prices of July contract declinedfor the eighttthstraight session in this week. Prices fell by 0.52% to 124.25 USC cents per Ib from 124.90 USC cents per Ib on lackluster demand.As per recent report, ICE Certified Arabica coffee stocks held in ICE-nominated warehouses decreased by 2205 bags at 2103,068 bags as on July 30,2015 from previous day volume i.e. 2105,273 bags.

Brazil:-In view of Commerzbank, Brazil is likely to produce coffee in the range of 49 to 52 million bags in 2014-15,while, USDA expects highest crop size at 52.4 million bags in expectation of a very strong recovery. On the other hand, National Coffee Council forecasts at 43.3 million bags in 2014-15.
As per the Cecafe Export Association, Brazil's green coffee exports is registered lower at 2.29 million 60 kg bags in June 2015 against 2.62 million bags in May 2015.Combined exports of the 2014-15(July-June) stood at 32.99 million bags of green coffee compared to30.6 million bags a year earlier.

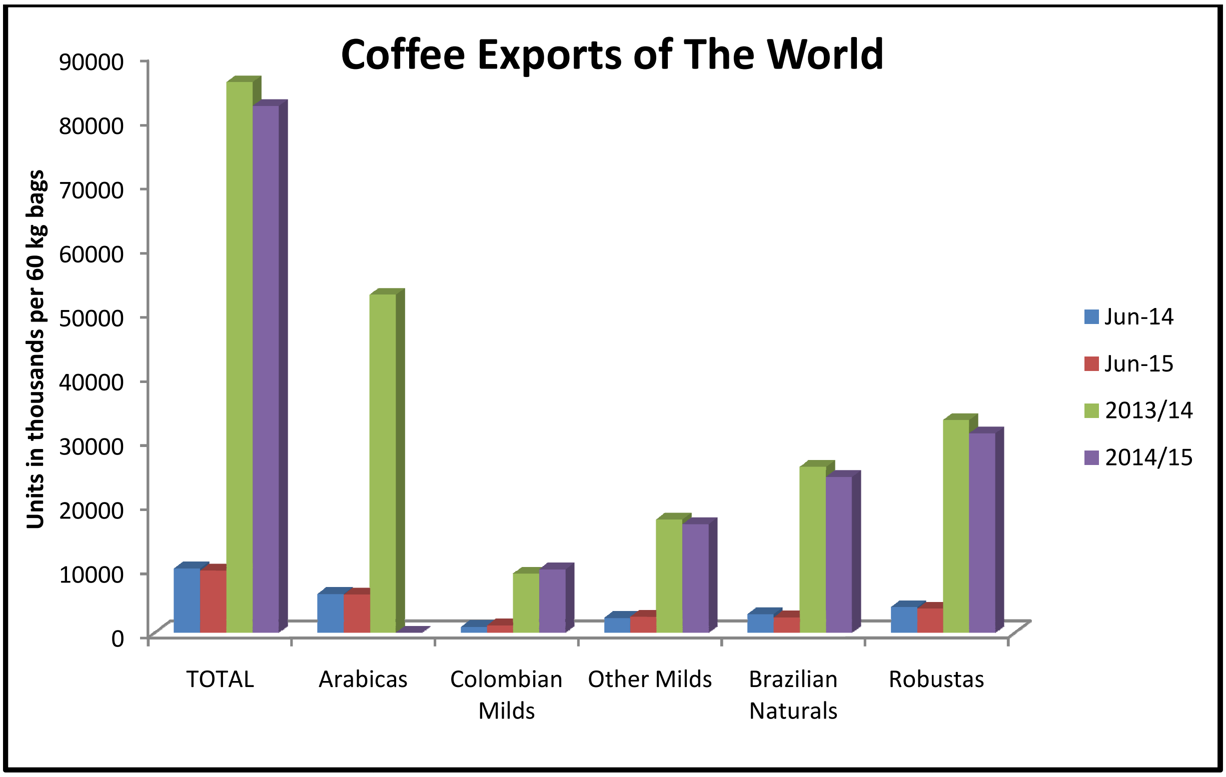
Vietnam:- As per Government, Vietnam may export higher volume of bitter beans by 29.8% to 115,000 tonnes (1.92 million 60 kg bags) in July month 2015 against last year records during the same period of time. The July shipments bring coffee exports so far in Vietnam's October 2014-September 2015 crop year to 1.09 million tonnes (18.24 million bags), down 22.7 percent from a year ago. While, Vietnam's traders expect total beans export at a wide range of 80,000 tonnes to 130,000 tonnes in July 2015.Vietnam's next 2015/2016 crop has been progressing well in the Central Highlands coffee belt. According to a Reuters' poll, Vietnam is likely to harvest coffee crop at 28.8 million bags in 2015/16 which will start in late October or early November 2015.

In the view of traders, exporters are willing to cash on with the November contract but buyers are not interested. As a result, premiums of Vietnamese coffee to global Robusta futures were unchanged as exporters rejected lower prices while slow sales in recent months have led to a decline in Vietnam's coffee exports. On the other hand, falling futures prices kept Vietnamese coffee sales slow.

El Salvador:- As per the National Coffee Council CSC, El Salvador shipped60,990 kg bags of coffee beans in June 2015 , higher by 20% as against 50841 kg bags in June 2014 as coffee plantations recovered from the tree-killing Roya fungus. Exports during the first nine months of the current 2014-15 harvesting season totaled 538,515 bags, up 17.8 percent from the same period during the 2013-14 season. El Salvador is one of Central America's smaller coffee producers.

World 's Coffee Exports Details

Below chart and table shows coffee exports details of the World :-



Source: ICO

	Jun-14	Jun-15	%change	2013/14	2014/15	%change
TOTAL	**10020**	**9688**	**-33.0%**	**85850**	**82148**	**-43.0%**
Arabicas	6041	5953	-15.0%	52701	51064	-31.0%
ColombianMilds	*877*	*1107*	*26.2%*	*9193*	*9875*	*74.0%*
OtherMilds	*2296*	*2472*	*77.0%*	*17655*	*16914*	*-42.0%*
BrazilianNaturals	*2869*	*2374*	*-17.2%*	*25853*	*24276*	*-61.0%*
Robustas	3978	3735	-61.0%	33150	31084	-62.0%

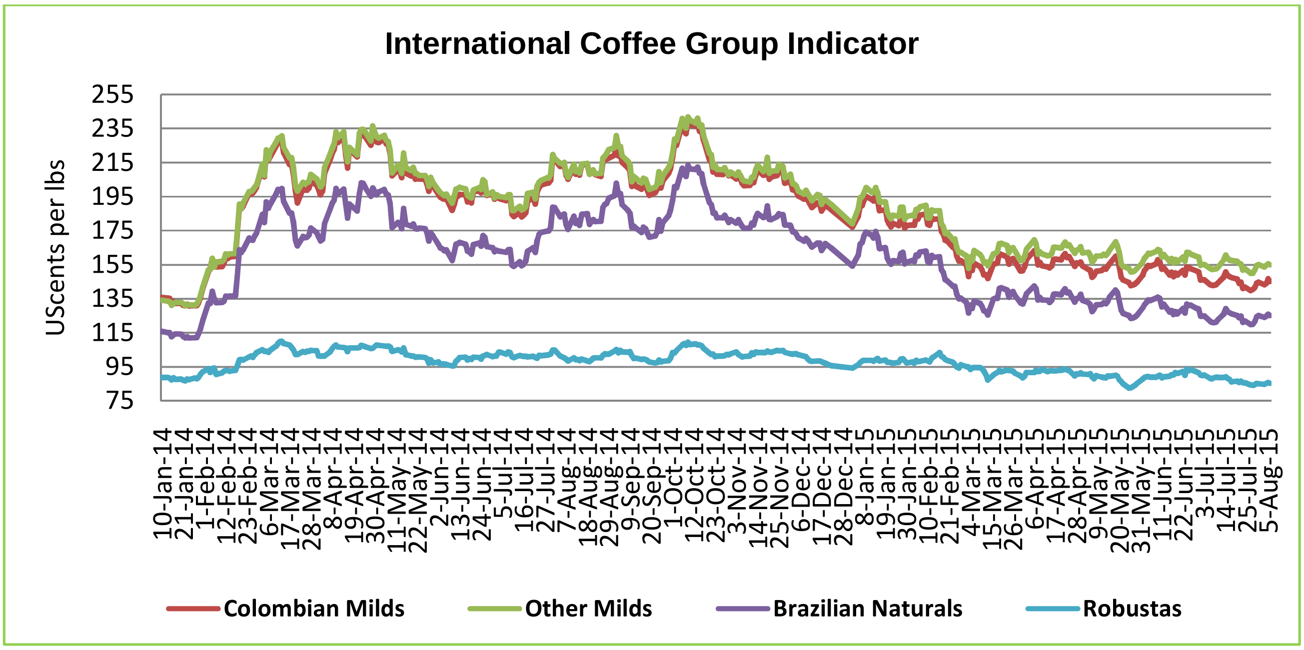
Source:ICO

International Coffee Price Trend

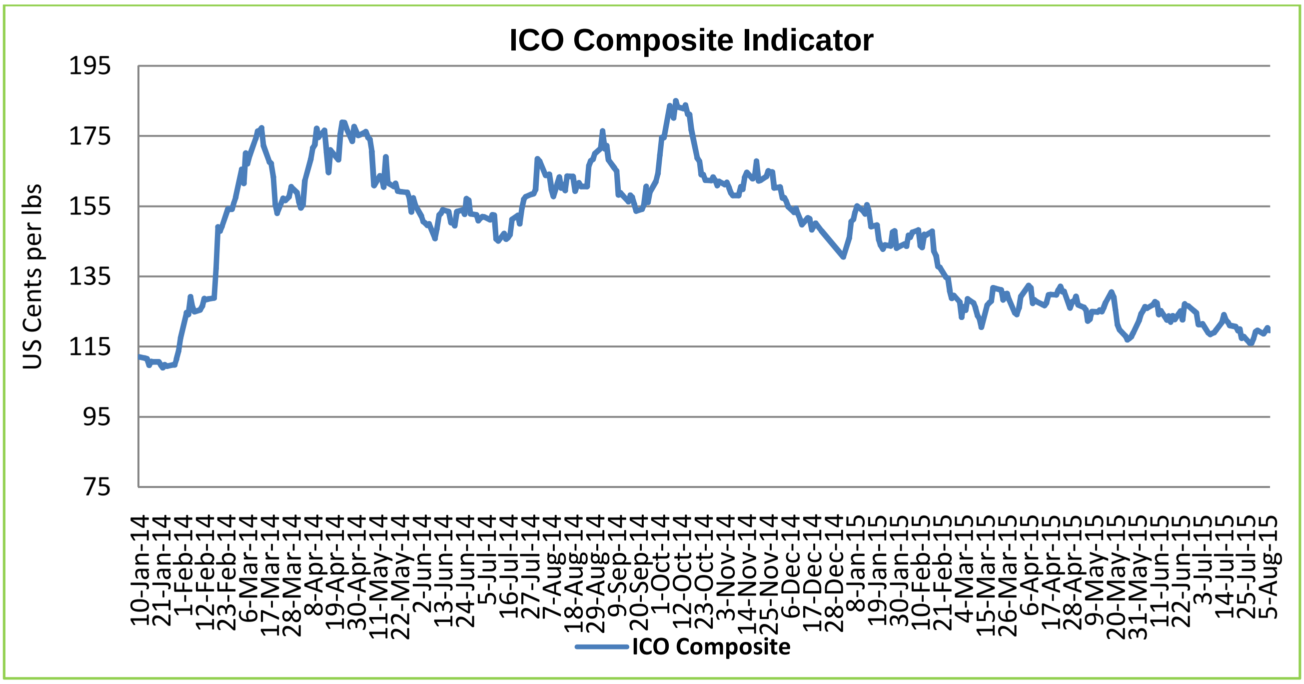
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**30.7.2015**	**23.7.2015**	**30.6.2015**	**30.7.2014**
ICO Composite Indicator	119.27	117.40	124.66	159.8
Colombian Milds				
US	141.00	137.50	149.50	204.5
Europe	147.71	144.95	151.82	204.34
Group Indicator	144.08	140.93	150.57	204.43
Other Milds				
US	153.94	149.19	159.19	208.75
Europe	154.86	153.23	159.57	206.98
Group Indicator	154.51	151.70	159.43	207.66
Brazilian Naturals				
US	113.00	108.50	119.50	164.5
Europe	128.41	125.43	132.20	180.83
Group Indicator	124.40	121.03	128.90	176.58
Robusta				159.8
US	91.08	90.92	97.75	
Europe	84.02	84.52	90.15	204.5
Group Indicator	85.15	85.54	91.37	204.34

Germany Market – Hamburg and Bremen, France Market – (Le Havere and Marseilles) * Values in US cents/lb

International Coffee Indicators Chart:-



Source:ICO



Source: ICO

International- Future Market Prices:-

ICE Arabica Coffee Futures Prices				
Contract Months	**Today(6-August-2015)**	**Week ago (30-July-2015)**	**Month Ago (6-July-2015)**	**Weekly Change (%)**
Sep-15	124.25	124.90	125.15	**-0.52**
Dec-15	127.35	128.10	128.95	**-0.58**
Mar-16	130.75	131.55	132.60	**-0.60**

Liffe Robusta Coffee Futures Prices				
Contract Months	**Today(6-August-2015)**	**Week ago (30-July-2015)**	**Month Ago (6-July-2015)**	**Weekly Change (%)**
Sep-15	1640	1774	1711	**-7.55**
Nov-15	1659	1648	1724	**0.66**
Jan-16	1675	1667	1741	**0.47**

USD/T

International Coffee Prices

	6.8.2015	30.7.2015	6.7.2015	6.8.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	--	36000	37150	38200
Vietnam FOB (2-5 pct)* (Saigon port)	--	1743	1795	1951
Indonesian FOB (4-80 defects)** (Lampung Port)	1670	1790	1860	2065

***FOB Values are in USD/T**

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	**Prices This Auction In (28/07/2015)**	**Average Prices In**	**Prices Last Auction In (21/07/2015)**
Arabica AA	154-255	228.6	94-262
Arabica AB	141-220	200.77	113-234
Arabica C	103-189	167.38	81-214
Arabica PB	140-221	194.46	122-228
Arabica T	56-152	104.85	55-154
Arabica TT	81-196	151.46	111-190

Units in $ per 50 kg bags

Technical Analysis of Coffee Future (July'15 Contract)at ICE Future

Weekly Technical Outlook:-

- Candlestick chart shows slight upside momentum in the market.
- Falling 14 days EMI hints minor declining phase in the market.
- Rising volume and prices indicates bullish phase of the market.
- However, RSI is also up at 41.86 compared to last week movement at 38.42 indicating weak tone in the next week.
- Fibonacci projection level on up wave hints first resistance level at 130.35 @23.6% and second resistance level at 148.6@ 38.2% for upcoming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	115-130

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
106.67	114.49	126.4	130.35	148.60

US cents/Ib

Technical Analysis of Coffee Future (July 2015 Contract) at LIFFE

Weekly Technical Outlook:-

- Candlestick chart depicts continued down phase of the market on selling pressures.
- 14-days EMI is moving lower at 1792from 1795 of last week, indicating further fall in the market.
- RSI is down at 41.48 in neutral region against 47.88 of last week hinting a further downward momentum of the market in upcoming week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	1726-1840

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1679	1726	1773	1840	1884

USD/T