

Executive Summary**Domestic Coffee Market Summary**

Firm sentiments were featured in Karnataka physical market, as on 21st November 2015 in fear of lower crop size of the season 2015/16. Rain and cyclone is continued in southern parts of India due to which almost 30% of Arabica crops are damaged.

As per DGCIS latest report, India received around Rs.318.68 crore as the total coffee exports revenue which is 48.98 million in USD in October 2015. This is higher by 4.09 % in Rs. and lower by 1.86% in USD respectively as against Rs.306.17 crore and USD 49.91 million respectively in the corresponding month of previous year. It stood at Rs. 2987.78 crore and the value in USD at 465.59 million since April-2014 to October 2015 up by 4.09% in Rs. however down by 1.60% in USD as against the last year revenue i.e. Rs.2851 crore and in USD 473.14 million in corresponding period of time.

According to the Coffee Board of India, India will produce coffee production at 355,600 tonnes this year. Picking of Arabica has started, but the weather in the southern parts of India is playing havoc on all types of crops like Paddy, Maize, Coffee, since a week. The current rains in south India might have a marginal impact on harvest, which began earlier this month. The rains are good for the next year crop. Indian coffee exports are likely to increase due to rupee depreciation against dollar. On the other hand, international coffee prices are on continue downtrend mainly Arabica coffee prices which is also supporting Indian coffee exports volume to increase. Relatively, domestic consumption is also accelerating in nontraditional areas such as Maharashtra and Delhi is growing by 43% because of the penetration of cafes such as Barista, Coffee day and Starbucks. Overall the consumption is increasing by 6 to 7% year on year.

Recommendation:

Weekly Call - : Market participants are advised to go long above 7400 levels for a target of 7600 and 7800 with a stop loss at 6873 on closing basis.

International Coffee Market Summary

In view of traders, farmers in Vietnam have slowed down coffee crop harvesting on account of lackluster new crop demand and low selling price. Vietnam exported total 89,000 tonnes (1.48 million 60-kg bags) of coffee in October 2015 with an increase of 2.6% against last month record which is slightly down from 95000 tonnes as given by the government estimates. Cherries will mature on a large scale in 15 days or so, so the harvest will enter its full swing by then. Harvesting pace is expected to accelerate in next month. Price in Vietnam have dropped faster than the drop of 0.2% by London's January price.

According to the U.N. Weather Agency, the current EL Nino weather pattern is likely to bear the brunt which will also potentially help boost Arabica output in Brazil and Indonesia during 2016/17 season. In Brazil, this means rains in the Arabica-growing southern regions of Parana and parts of Sao Paulo will be higher than normal and below average in the mostly Robusta northern regions of Bahia, Espirito Santo and Cerrado Mineiro. In the south, rains arrived late but in time to reverse the impact of a drought and trigger a strong output recovery. But El Niño has brought prolonged dry weather to the Robusta, or conillon areas in the north, which are also suffering in parts from irrigation bans. Vietnam, the number 1 Robusta producer, dry weather has had some impact, but supplies are holding up relatively well. However, number 3 Robusta producer Indonesia has borne the brunt of the El Nino impact in Asia.

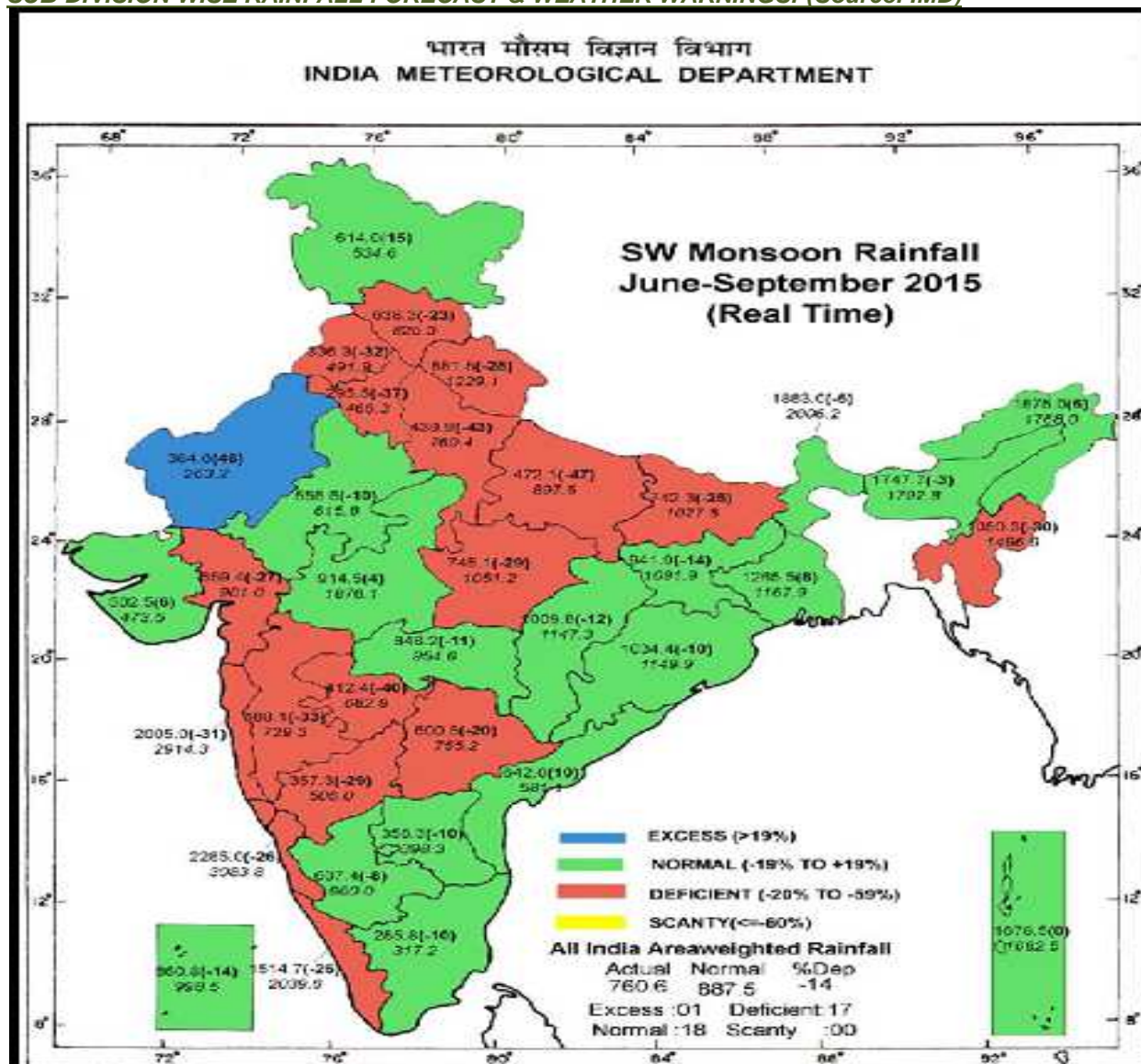
Domestic Export and Import Scenario :-

As per the Coffee Board of India, provisional Indian green coffee exports from 1st January 2015 to 19th November 2015 is registered significantly down by 3.03% at 220311 metric tons as compared to 227209 metric tons exported during the corresponding period of previous year. India re-exports maximum Instant type of coffee which is recorded down by 39.08% to 26260 metric tons in this year during 1st January 2015 to 19th November 2015 from preceding year instant coffee volume i.e. 43111 metric tons. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 31.14% to 30083, 27.24% to 9804 metric tons respectively against last year exports volume i.e. 43690 metric tons, 13476 metric tons respectively in the same period of time due to lower demand.

Below table shows coffee exports details of India :-

Export update: From 01 st January 2015 to 19th November 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)	30083	9804	32162	121685	35	281	26260	220311
2	Provisional exports corresponding period last year	43690	13476	21585	105041	51	255	43111	227209
3	Provisional re-exports	0	0	0	0	119	274	57292	57685
4	Provisional re-exports corresponding period last year	0	0	0	0	0	0	45086	45087
5	Total provisional exports (1+3)	30083	9804	32162	121685	154	555	83552	277996
6	Total provisional exports corresponding period last year (2+4)	43690	13476	21585	105041	51	255	88197	272296

Source: The Coffee Board Of India

Weather Updates:-
SUB-DIVISION WISE RAINFALL FORECAST & WEATHER WARNINGS:-(Source: IMD)


Source:

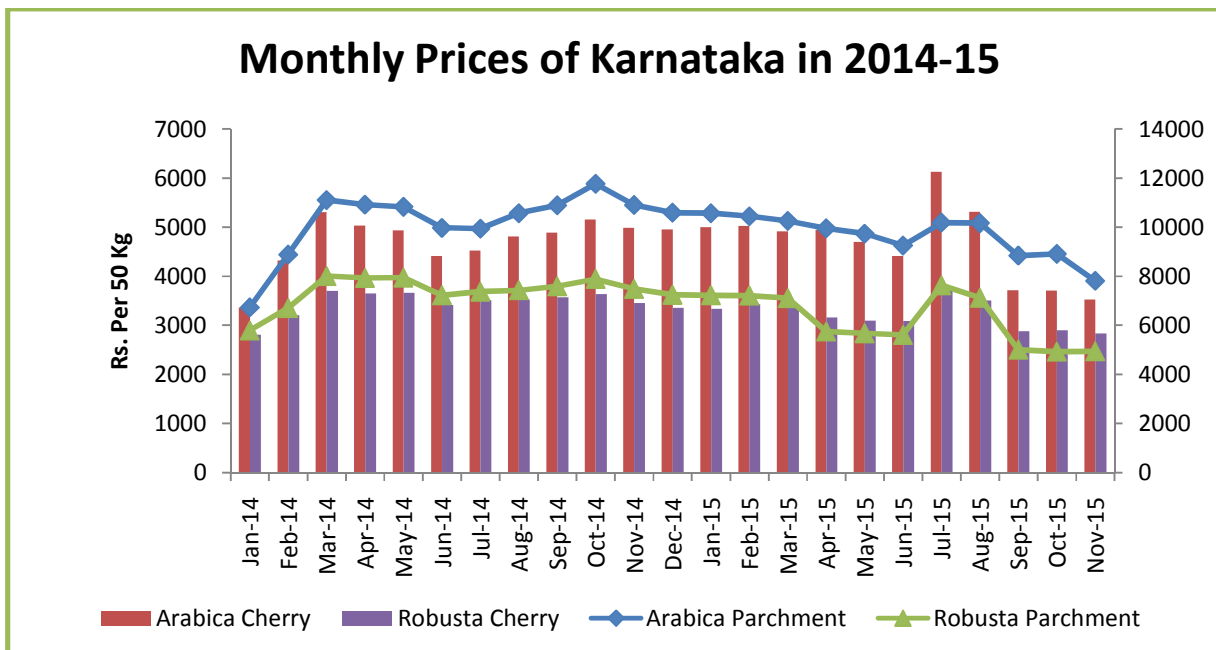
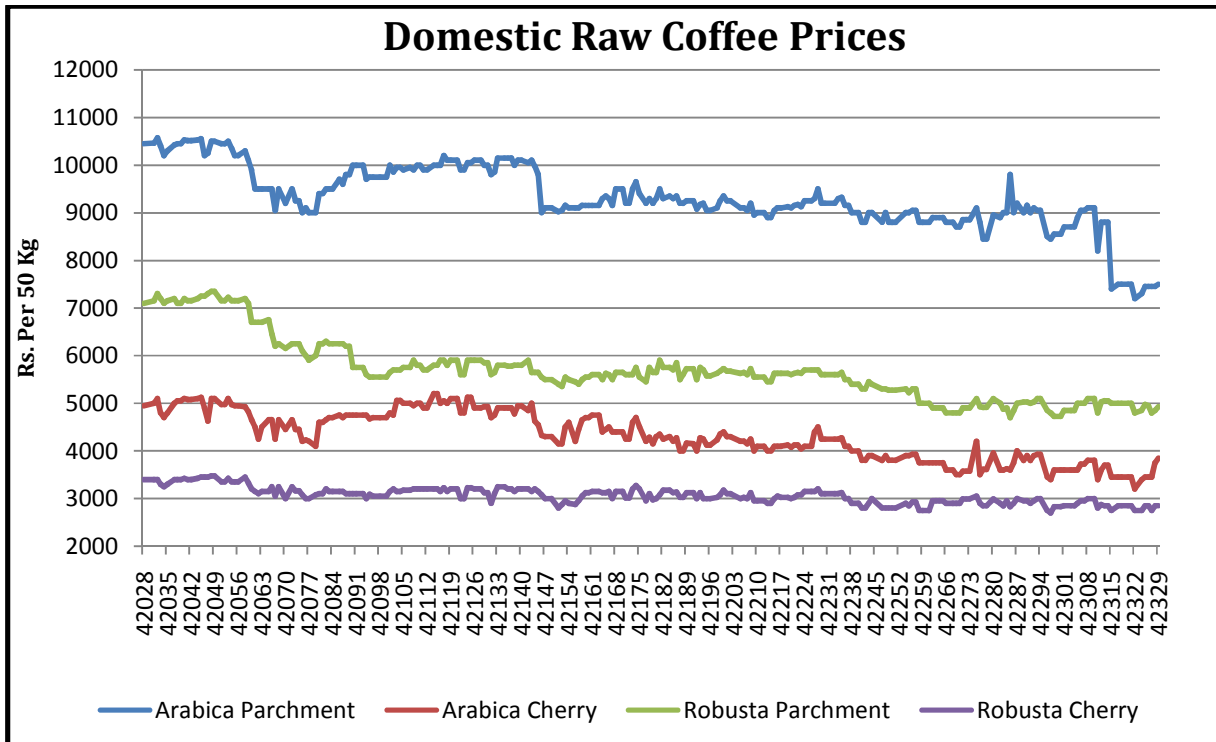
- Heavy to very heavy rainfall with isolated extremely heavy falls occurred at a few places over north Tamilnadu & Puducherry; at isolated places over Rayalaseema and Coastal Andhra Pradesh on 16th. Heavy to very heavy rainfall occurred at a few places over Coastal Andhra Pradesh and at isolated places over north Tamilnadu on 17th November.
- Moderate to dense fog observed at isolated places over east & northeast India during second half of the week.
- Monsoon current advanced over the Andaman Sea 4 days earlier than its normal date of 20th May. However, it set in over Kerala on 5th June, 4 days later than its normal date of 1st June and covered the entire country by 26th June, nearly 20 days earlier than its normal date of 15th July. Withdrawal of monsoon from west Rajasthan commenced on 4th September against its normal date of 1st September.

Domestic Coffee Crop Situation:-

- According to recent updates of USDA, total availability of India is registered up by 5.13% to 9032 thousand 60-kg bags for 2015-16 season against 8591 thousands 60-kg bags in preceding year supported by higher crop estimates, opening stocks and total imports which stood at 2691 and 1041 thousand 60-kg bags respectively.
- Total demand of India is also reported up by 5.93% to 6250 thousands 60-kg bags for 2015-16 season from 5900 thousands 60-kg bags in previous year record followed by higher exports volume estimates and domestic consumption i.e. 5000 against 4700 and 1250 thousands 60 kg bags against 1200 thousands 60 kg bags.

Below table shows coffee balance sheet of India since 2010-11:-(Source: USDA)

All figures in Thousands-60 kg bags						
Item	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Supply						
Opening Stock	2691	2026	1982	1473	1742	2633
Crop Size	5300	5440	5075	5303	5230	5035
Bean Imports	1000	1080	1104	1130	879	820
Roast & Ground Imports	3	3	3	3	1	0
Soluble Imports	38	42	45	31	12	0
Total Imports	1041	1125	1152	1164	892	820
Availability	9032	8591	8209	7940	7864	8488
Demand						
Soluble Domestic consumption	600	430	430	350	380	205
Roasted, Ground Dom. Consumption	650	770	770	750	788	1026
Total consumption	1250	1200	1200	1100	1168	1231
Bean Exports	3500	3200	3300	3420	3735	4160
Roast & Ground Exports	3	4	16	3	4	5
Soluble Exports	1497	1496	1667	1435	1484	1350
Exports	5000	4700	4983	4858	5223	5515
Total Demand	6250	5900	6183	5958	6391	6746

Coffee Prices Of Auction Market & State Wise Market


Source: Agriwatch

Domestic Raw Coffee Prices (Karnataka):-

Variety	21.11.2015	14.11.2015	Change
Arabica Parchment	7500	7200	300
Arabica Cherry	3850	3200	650
Robusta Parchment	4925	4800	125
Robusta Cherry	2850	2750	100

* Values in Rs per 50 Kg

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

Grade	05.11.2015	29.10.2015	Change	05.11.2015	29.10.2015	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	--	--	-	--	--	-
AA	274.6	--	-	--	--	-
PB	184	177.5	3.66	163	175	-6.85
A	--	--	-	--	--	-
AB	--	--	-	--	--	-
B	--	--	-	--	--	-
C	135	138	-2.71	--	--	-
BBB	122.5	--	-	--	--	-
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	
RKR	--	--	-	--	--	-
A	--	--	-	--	--	-
PB	127	--	-	117	110.5	5.88
AA	--	--	-	--	116.5	-
AB	--	--	-	118	113	4.42
B	--	--	-	--	--	-
C	118	--	-	111.26	107	3.39
BBB	--	--	-	106	104.5	1.43

Values in Rs. per kg

Technical Analysis(Domestic Arabica Parchment Coffee At Karnataka Market)


Outlook -Prices show upside momentum during the week. We expect prices to trade higher side in next week.

- Technical chart shows significantly downzone of the market.
- RSI is also moving down in oversold region at 26.60 in this week against 27.98 , hinting further downward momentum in the next week.
- Simple moving average supports falling zone of the market.
- We expect further downtrend in the market in coming days.

Strategy: Market participants are advised to go short for the short period of time.

Arabica Parchment (Karnataka Spot Market Price)

Support and Resistance				
S2	S1	PCP	R1	R2
6618	6873	7500	7674.10	7875.

Units in Rs./50 kg.

International Market Updates

The daily price of the ICO composite indicator surged from 114.80 cents/lb at the beginning of the month to a high of 125.08 on 14 October 2015. The Certified washed Arabica coffee stocks held against the New York exchange were seen to decrease by 2,475 bags yesterday; to register these stocks at 1,850,293 bags. There was meanwhile a larger in volume 4,674 bags decrease to the number of bags pending grading for this exchange; to register these pending grading stocks at 21,922 bags. The Certified Robusta coffee stocks held against the London exchange were seen to decrease by 2,833 bags on Wednesday 18th. November; to see these stocks registered at 3,353,000 bags on the day.

Below table show U.S. green coffee stocks details which fell by 168,880 bags to 5.9 million 60-kg bags by the end of October 2015:-

Ports	Total Exchange& Non-Exchange	Change From Last Date
New York	1827138	-92343
New Orleans	698,077	-6955
Jacksonville	404000	15000
Miami	139732	-6485
Houston	527,620	-11027
Laredo	48535	-3705
San Francisco	806064	-4583
Norfolk	471682	-18826
Philadelphia	8820	300
Seattle/Tacoma	322701	-30028
Los Angeles/ Long Beach	154867	4696
Baltimore	390225	7710
South Carolina	148767	-22634
Total USA	5948228	-168880

Source: Reuters

Others :-

- As per the National Coffee Association, Guatemala coffee exports for the month of October stood at 18,563 bags or 27.98% lower than the same month last year, at a total of 47,792 bags. This figure is however ahead of the new crop that is only now starting to be harvested is of little consequence, as it more than likely is made up from forward sold stocks from the last crop. While in terms of the new crop the early forecasts are for this crop to be close to 10% larger than the previous crop, at approximately 3.4 million bags.
- According to sources, Kenya is forecasted to go up by a almost quarter to 50,000 metric tonnes in the 2015/16 crop year which runs until next September buoyed by initiatives to boost production and to crop cycles. Revenue after coffee exports is likely to rise at 20 billion shilling (\$196 million) based on current exchange rate against \$ 182.53 million the last year. Kenya is a small coffee producer, accounting for just 1 percent of the world's annual crop, but roasters seek out its quality Arabica beans to blend them with coffee from other regions. Coffee is one of Kenya's main foreign exchange earners.

Coffee Exports Details Of The World:-

Below are global coffee exports details (In thousands 60-kg bags) for the current crop:

Source	Date Issued	2014/15	2015/16	Robusta	Arabica	Global Production Forecast 2014/15	Supply/Demand 2014/15
Conab	29-Sep	45.3	42.15	10.85	31.3		
Volcafe	26-Aug	49.2	48.3	15.7	32.6	143.8	-6.4
Rabobank	25-Aug-15	48.5	48.5	16.5	32	142.7	-6.9
Terra Forte	13-Aug-15	46.78	47.28	15.2	32.05		
Intelligent Coffee Insights	13-Aug-15		46.1	16	30.1		
IBGE Statistic	11-Aug-15	45	44.7				
BMI Research	11-Aug-15	45.3	46.3				
Procafe	4-Aug-15		41-43				
USDA	19-Jun	51.2	52.4	16.1	35.7		
Neumann	2-Jun-15	49.3	47.3	16.1	31.2	148.5	-6.5
U.S. Attached	12-May-15	51.2	52.4	14.4	38		
IBGE	12-May-15		42.5	11	31.4		
Volcafe	4-May-15	49.2	51.9	16.4	35.5		
Mercon	27-Apr-15	50.5	50.3				
Marex Spectron	27-Apr-15	49.5	49				
Citi	12-Apr-15	48	48				
Wolthers-Dueque	9-Apr-15	44.21	45.9	11.4	34.2		
Comexim	1-Apr-15	49.35	48.6	13.65	34.95		
Coex	31-Mar-15	47.5	45.08				
INTL FC Stone	25-Mar-15	48-49	44-45.5	11.5-12	32.5-33.5		
Neumann	March	47.9	45.3			141.9	-6.8
Ecom	March	54.6	49.75	17.7	32		
CNC/Procafe	13-Mar-15		40.3-43.25	10.3-11.1	30-32.15		
Volcafe	19-Feb-15	47	49.5	16.5	33	142.2	-8.9
Terra Forte	13-Feb-15	46.78	47.28	15.2	32.05		
Olam	12-Feb-15		49				
IBGE Statistics Institute	12-Feb-15		43.9	11.7	32.2		
Conab	13-Jan-15		44.1-46.6	11.6-12.2	32.5-34.4		
Conab	22-Dec-15	45.3		13.03	32.3		
USDA	19-Dec-14	51.2		17	34.2	149.8	
Volcafe	17-Dec-14		49.5	16.5	33		
Ecom	15-Dec-14	55	50				
ICO	11-Dec-14					141	-0.8

Source: Reuters

International Coffee Price Trend:-

Germany Market – Hamburg and Bremen, France Market – (Le Havre and Marseilles) * Values

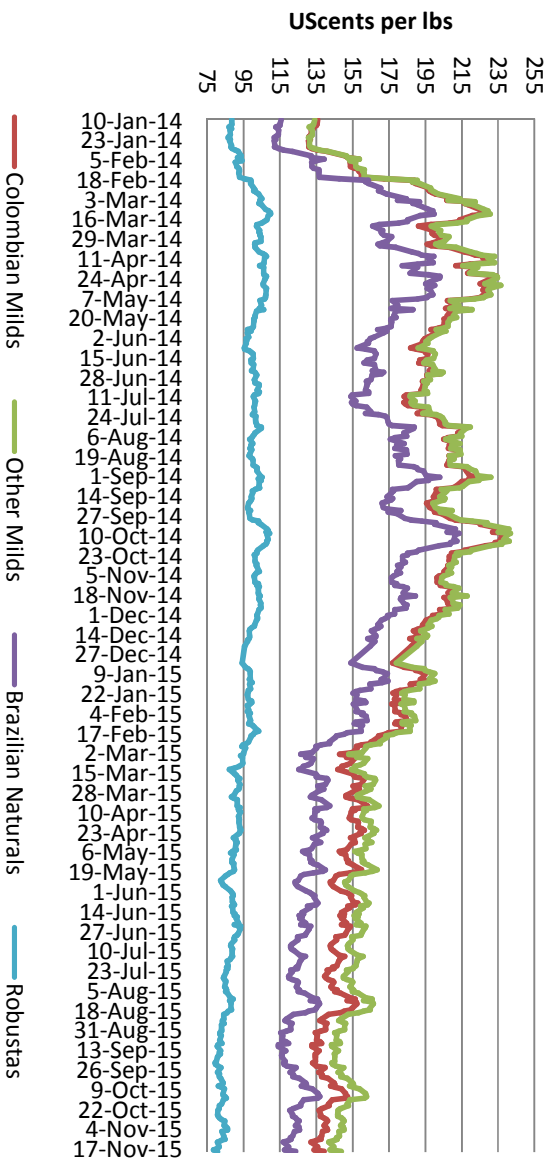
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	19.11.2015	12.11.2015	19.10.2015	19.11.2014
ICO Composite Indicator	115.12	113.20	117.72	167.83
Colombian Milds				
US	139.25	134.75	138.00	211
Europe	139.35	134.92	145.85	217.84
Group Indicator	139.30	134.83	141.61	214.14
Other Milds				
US	149.94	146.44	151.61	220.94
Europe	147.93	143.69	152.60	216.10
Group Indicator	148.75	144.82	151.96	217.94
Brazilian Naturals				
US	112.25	108.75	115.0	176
Europe	127.74	123.31	130.37	194.27
Group Indicator	123.71	119.52	126.37	189.52
Robusta				
US	87.67	89.67	88.08	108.42
Europe	79.28	81.12	81.91	103.37
Group Indicator	80.7	82.58	82.96	104.18

US cents/lb

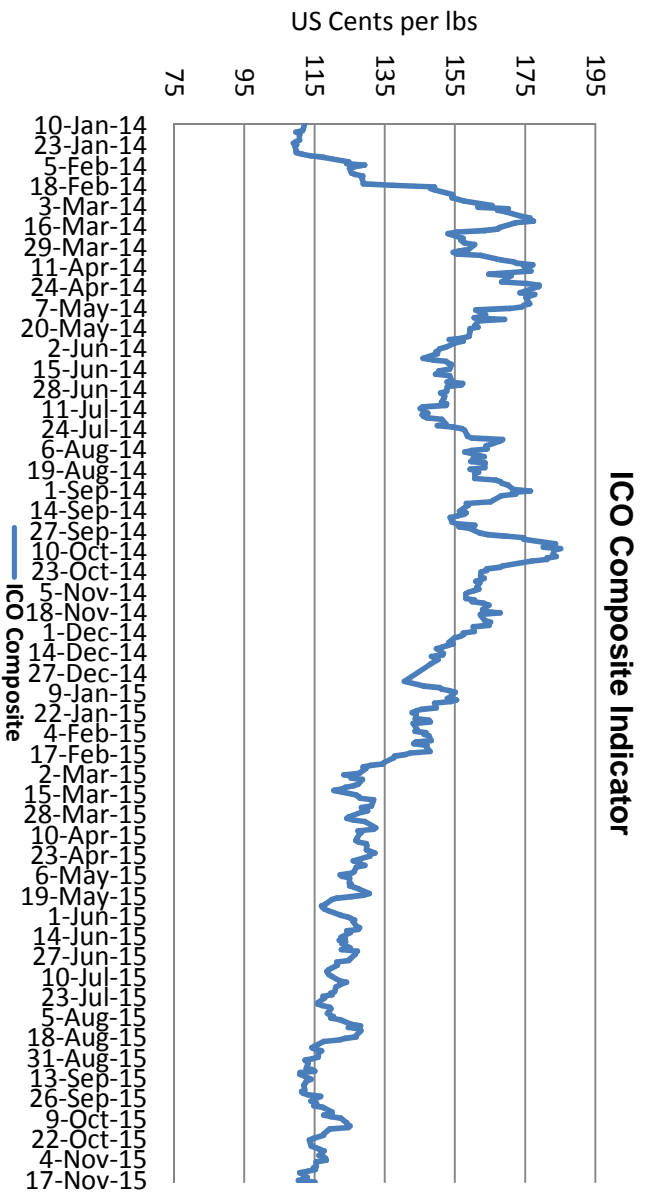
International Coffee Indicators Charts:-

Below Table shows New York and London Future Price and Spread:-

International Coffee Group Indicator



Source: ICO



Source: ICO

International Future Market Prices :-

ICE Arabica Coffee Futures Prices				
Contract Months	Today(20-November-2015)	Week Ago(13-November-2015)	Month Ago(20-October-2015)	Weekly Change (%)
15-Dec	121.90	112.15	124.75	8
16-Mar	124.40	115.80	128.10	6.91
16-May	126.55	118.0	130.15	6.76

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(20-November-2015)	Week Ago(13-November-2015)	Month Ago(20-October-2015)	Weekly Change (%)
15-Nov	1539	1518	1557	1.38
16-Jan	1572	1552	1585	1.28
16-Mar	1600	1567	1600	2.10

USD/T
International Coffee Prices

	12.11.2015	05.11.2015	12.10.2015	12.11.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	35750	36150	36100	42000
Vietnam FOB (2-5 pct)* (Saigon port)	1660	1685	1693	2089
Indonesian FOB (4-80 defects)** (Lampung Port)	1690	1710	1660	1990

***FOB Values are in USD/T**
Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	Prices This Auction In (09/11/2015)	Average Prices In	Prices Last Auction In (02/11/2015)
Arabica AA	195-278	255.33	164-281
Arabica AB	144-274	222.36	120-244
Arabica C	73-216	154.78	72-193
Arabica PB	120-247	205.88	130-230
Arabica T	48-150	99.45	50-169
Arabica TT	126-215	162.39	105-218

Units in \$ per 50 kg bags

Technical Analysis Of Coffee Future Market (Dec'2015 Contract At ICE Future Market)



Outlook -Prices show higher side of the market during the week. We expect prices to trade sideways to firm tone in the market.

- Candlestick chart depicts uptrend in the market.
- 14 days EMI hints slight up momentum at 121.36 against 121.28 in the market.
- Falling volume and higher prices indicates short covering phase of the market.
- RSI is remain up at 47.02 compared to 39.35 of last week momentum indicating steady to strong tone in the next week.

Strategy: Market participants are advised to go long for the short period of time.

Coffee Future Market(ICE Market)

Support and Resistance				
S2	S1	PCP	R1	R2
104.73	108.39	121.90	126.35	133.53

Technical Analysis Of Coffee Future Market (Dec'2015 Contract At LIFFE Future Market)


Outlook -Prices show upside momentum during the week. We expect prices to trade upside in next week.

- Candlestick chart shows upward momentum in the market on buying interests.
- Relatively, 14-days EMI is moving remain at 1604 against last week, indicating further steady to weak tone in the market.
- RSI is also up at 47.02 in neutral region against 38.76 of last week hinting a further upward momentum of the market in upcoming week.

Strategy: Market participants are advised to buy in the short period of time.

Coffee Future Market(ICE Market)

Support and Resistance				
S2	S1	PCP	R1	R2
1429	1446	1539	1603	1669

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