

Executive Summary**Domestic Coffee Market Summary**

Weak tone continues in Karnataka physical market, as on 16th January 2016, on declining demand and pressure of lower International coffee prices. Picking of Robusta have been started in most irrigated areas and crops progress is in good condition. Arabica coffee harvesting is almost finished in India. New crop demand will be offered at less prices since the overall world crop seems good.

As per the Coffee Board of India, provisional Indian green coffee exports from 1st January 2016 to 13th January 2016 is registered up by 28.58% at 5771 metric tons as compared to 4488 metric tons exported during the corresponding period of previous year. India re-exports maximum Instant type of coffee which is recorded down by 52.75% to 369 metric tons in this year during 1st January 2016 to 13th January 2016 from preceding year instant coffee volume i.e.781 metric tons. Total provisional exports of Arabica parchment is placed higher at 1639 metric tonnes with a significant increase of 90.58% compared to previous year coffee exports volume i.e.860 metric tonnes however Arabica cherry is placed down by 34.33% to 283 metric tonnes with a decline of 34.33% against last year exports volume i.e. 860 metric tons. Total coffee exports stood higher at 8571 metric tonnes in this year during 1st January 2016 with a rise of 52.59% from 5617 metric tonnes in the last year during the corresponding period of time.

Recommendation:

Weekly Call - : Market participants are advised to stay away from the market for short period of time.

International Coffee Market Summary

As per ICO, world coffee production for 2015/16 is likely to go up by 1.4% to 143.4 million 60-kg bags as compared to 141.4 million bags as the estimate given in 2014/15. According to Conab, increases provisionally estimated in Vietnam, Colombia and Indonesia, among others, have compensated the lower production in Brazil. . Total production of Arabica is relatively unchanged on 84.3 million bags compared to 84.4 million last year, as lower production of Brazilian Naturals is matched by increases in Colombian Milds and Other Milds. A significant increase of 3.7% is expected in Robustas, with both Vietnam and Indonesia provisionally estimated higher.

According to the Uganda Coffee Development Authority, Uganda may produce higher coffee crop by 27% to 4.8% in 2015/16 due to increased planting. In Mexico, production is estimated at 3.9 million bags in 2015/16, while output in 2014/15 has been revised down to 3.6 million, and in Guatemala a slight increase is expected of 3.4% to 3.4 million bags. Finally, production in Peru is expected to start recovering in 2015/16 to 3.2 million bags, although export volumes so far this year are relatively similar to 2014/15.

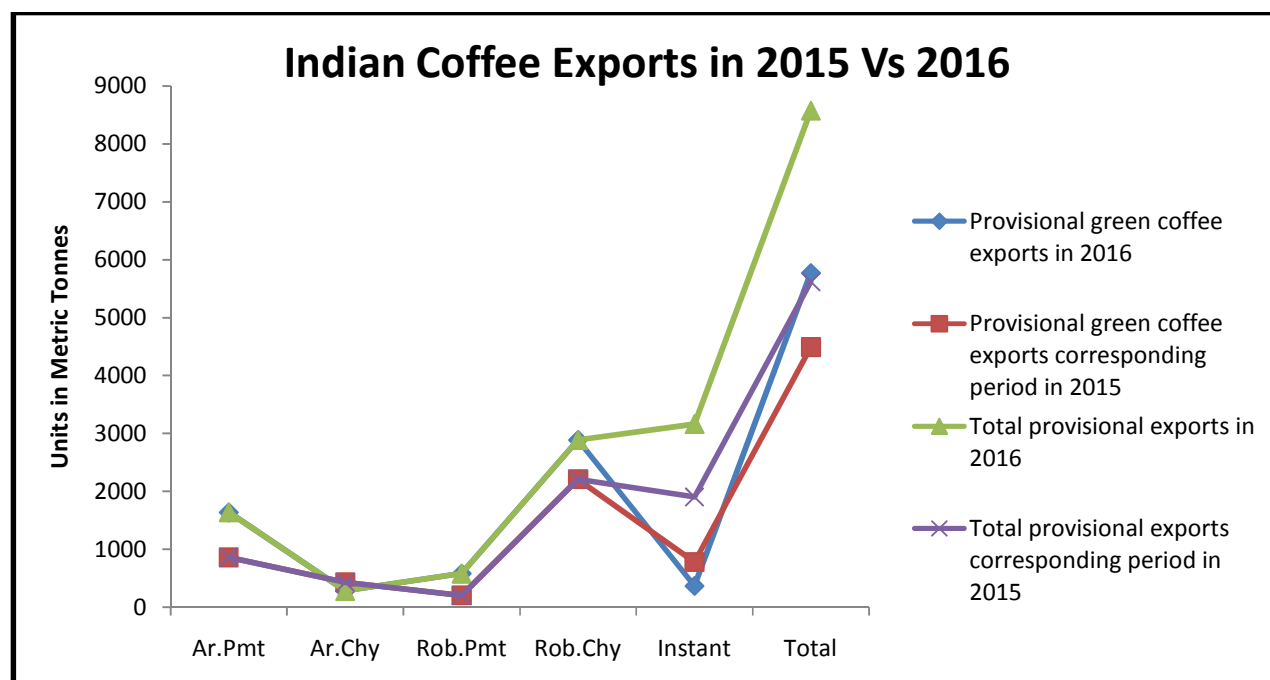
Coffee exports of the World declined to 17.2 million 60-kg bags in October and November, the first two months of the 2015/16 crop year, down 0.8 percent from the first two months of last year. In November 2015 alone, however, they rose to 8.51 million bags, up 2.3 percent from November 2014. In the 12 months ending in November 2015, Robusta exports went down by 7.3% to 41.33 million bags from the year-ago. While Arabica coffee exports were slightly down at 69.03 million bags, compared to 69.2 million bags. Coffee exports of Brazil increased by 6.9% to 3.37 million bags in November 2015 against last year record during the same period of time. Colombia exported 1.1 million bags with a rise of 9% against November 2014.

Domestic Export and Import Scenario :-

Below table shows coffee exports details of India :-

Export update: From 01 st January 2016 to 13th January 2016(in metric tonnes)									
	INDIAN COFFEE	Ar. Pmt	Ar. Chy	Rob. Pmt	Rob. Chy	Roasted seeds	R & G	Instant	Total
1	Provisional exports (Indian coffee)	1639	283	582	2889	0	10	369	5771
2	Provisional exports corresponding period last year	860	431	205	2209	0	4	781	4488
3	Provisional re-exports	0	0	0	0	0	5	2795	2800
4	Provisional re-exports corresponding period last year	0	0	0	0	1	5	1123	1128
5	Total provisional exports (1+3)	1639	283	582	2889	0	15	3164	8571
6	Total provisional exports corresponding period last year (2+4)	860	431	205	2209	1	8	1904	5617

Source: The Coffee Board Of India



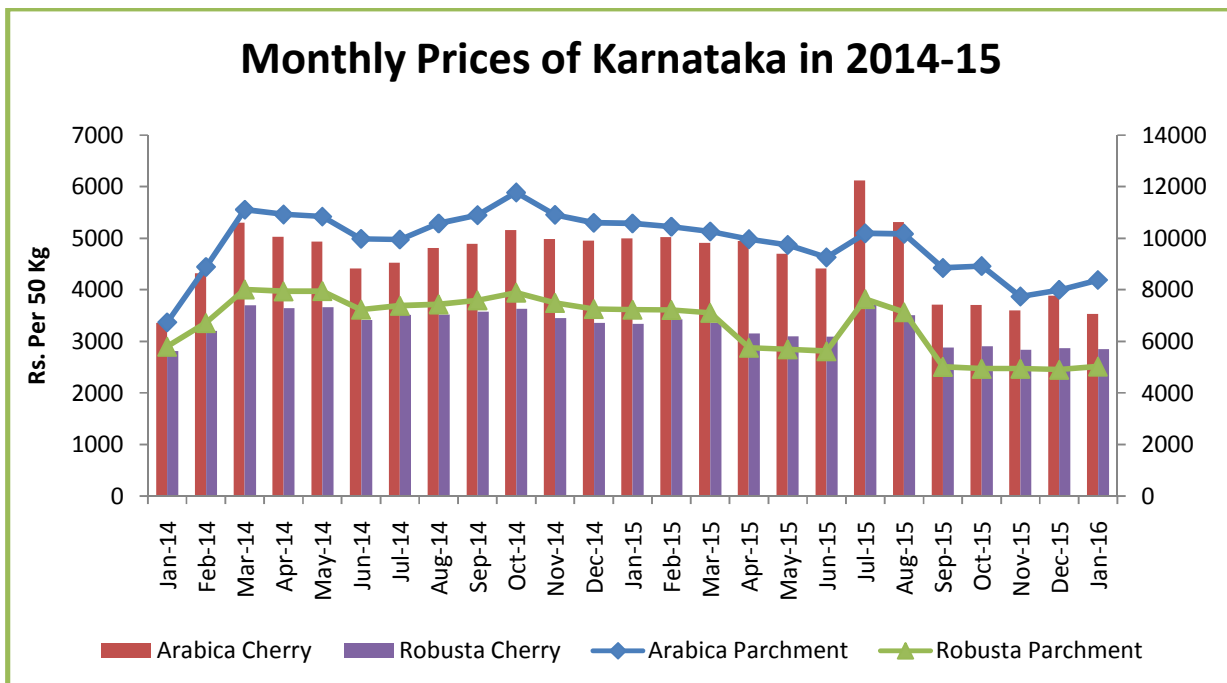
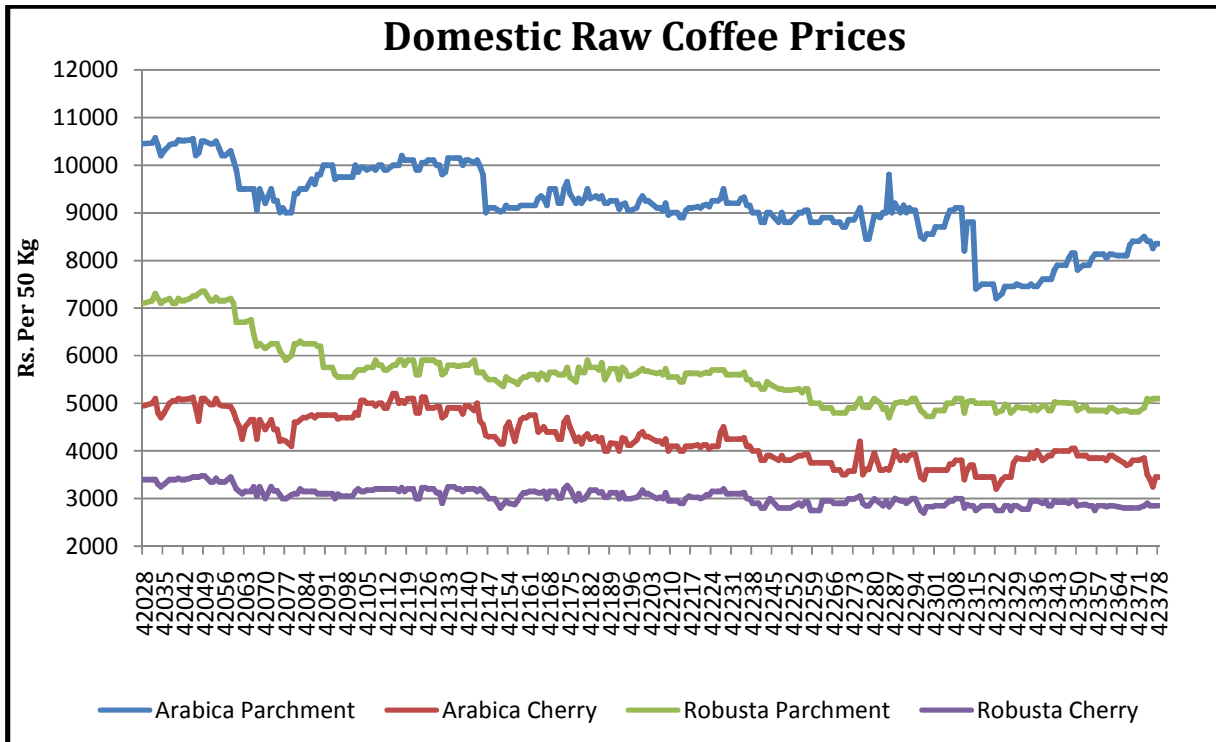
Source: The Coffee Board Of India

Domestic Coffee Crop Situation:-

Below chart shows Indian coffee estimates from 2014-15 to 2015-16:-

State/District	Post Monsoon Forecast 2015-16			Final Estimate 2014-15		
	Arabica	Robusta	Total	Arabica	Robusta	Total
Karnataka						
Chikmagalur	42,425	41,385	83,810	38,200	40,880	79,080
Kodagu	21,085	116,620	137,705	18,030	104,090	122,120
Hassan	18,950	12,875	31,825	18,525	13,505	32,030
Sub total	82,460	170,880	253,340	74,755	158,475	233,230
Kerala						
Wayanad	0	57,370	57,370	0	56,675	56,675
Travancore	1,000	7,380	8,380	880	7,370	8,250
Nelliampathies	1,200	1,700	2,900	1,175	1,600	2,775
Sub total	2,200	66,450	68,650	2,055	65,645	67,700
Tamil Nadu						
Pulneys	7,135	345	7,480	7,300	325	7,625
Nilgiris	1,475	3,825	5,300	1,550	3,850	5,400
Shevroys (Salem)	3,475	70	3,545	3,400	50	3,450
Anamalais (Coimbatore)	1,300	500	1,800	900	500	1,400
Sub total	13,385	4,740	18,125	13,150	4,725	17,875
Non Traditional Areas						
Andhra Pradesh	9,050	50	9,100	7,370	55	7,425
Orissa	600	0	600	550	0	550
Sub Total	9,650	50	9,700	7,920	55	7,975
North Eastern Region	105	80	185	120	100	220
Grand Total (India)	107,800	242,200	350,000	98,000	229,000	327,000

Source: The Coffee Board Of India

Coffee Prices Of Auction Market & State Wise Market


Source: Agriwatch


Domestic Raw Coffee Prices (Karnataka):-

Variety	16.01.2016	09.01.2016	Change
Arabica Parchment	8250	8350	100
Arabica Cherry	3225	3450	225
Robusta Parchment	4850	5100	150
Robusta Cherry	2750	2850	-150

* Values in Rs. per 50 Kg

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

Grade	07.01.2016	17.12.2015	Change	07.01.2016	17.12.2015	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	---	---	--			-
AA	---	244	--	--	--	-
PB	163	---	-4	150	142.5	7.5
A	----	----	--	163	---	-
AB	---	----	--	143	----	-
B	185	---	--	---	----	-
C	---		-5.8	---	---	-
BBB	---	105	-0.26	---	---	-
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	
RKR	---	---	-	--	--	-
A	---	---	-	---	---	-
PB	---	116	-	113.76	112.5	1.26
AA	---	---	-	117	121	-4
AB	---	---	-	113	114.26	-1.26
B	---	---	-	----	---	
C	---	107	-	107	108.5	1.5
BBB	---	---	-	104	105	-1

Values in Rs. per kg

Technical Analysis(Domestic Arabica Parchment Coffee At Karnataka Market)


Outlook -Prices show downside momentum during the week. We expect prices to trade steady to higher zone in next week.

- Technical chart shows downside momentum of the market.
- RSI is also moving down in neutral region at 45.74 in this week, against 47.18, hinting further downward momentum in the next week.
- Along with this, 18 days exponential moving average also supports downtrend 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)

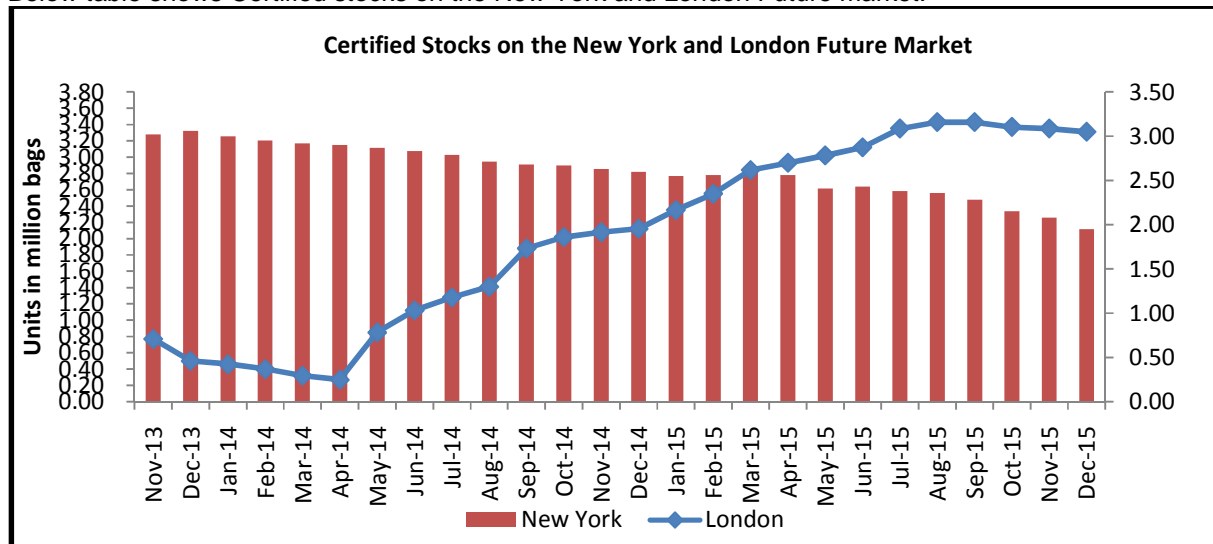
Support and Resistance				
S2	S1	PCP	R1	R2
7783	8075	8250	8712	8912

Units in Rs./50 kg.

International Market Updates

ICE coffee future prices closed at 115.90 cents/lb down by 2.15% against 118.45 cents/lb during this weekend. As per RTRS, ICE certified stocks went up by 14316 to 27681 bags in a week to January 12, 2015 against last week record.

Below table shows Certified stocks on the New York and London Future market:-

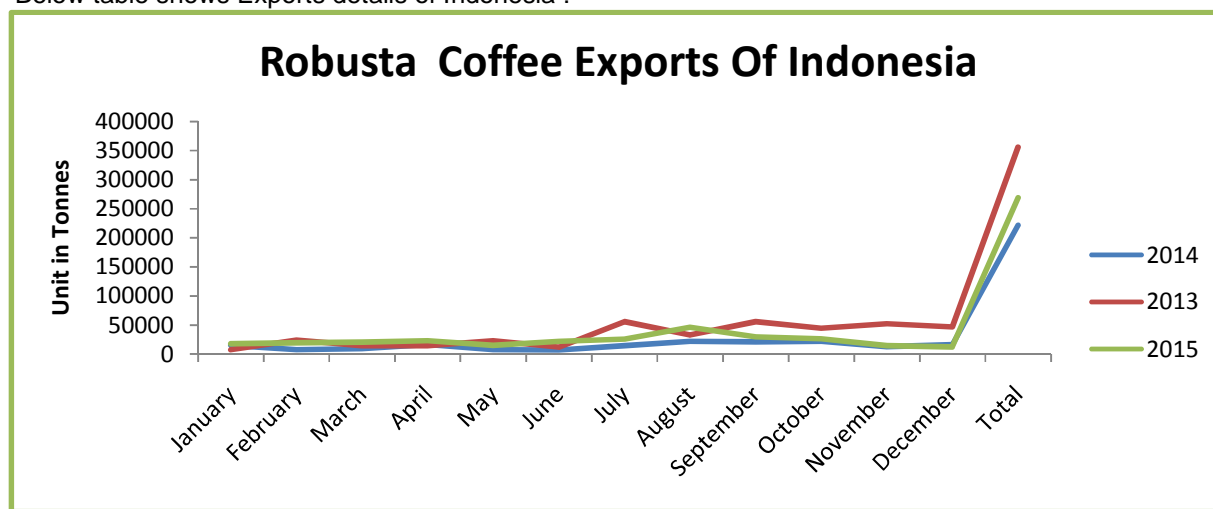


Source: Reuters

Vietnam:- Coffee production in Vietnam is placed lower at 26.5 million bags for 2014/15 followed by low exports recorded over the course of the year. In 2015/16 season, Vietnam may produce higher coffee crop size to 27.5 million bags.

Indonesia:- According to the government data, Robusta coffee exports fell by 44% to 12046.3 tonnes in December 2015 as compared to 21673.4 tonnes of Robusta in the same month a year earlier. Indonesia exported total 14351.84 tonnes in November 2015. Indonesia's full-year exports for 2015 to 269,113.18 tonnes, up 22 percent from 221,242.55 tonnes shipped in 2014.

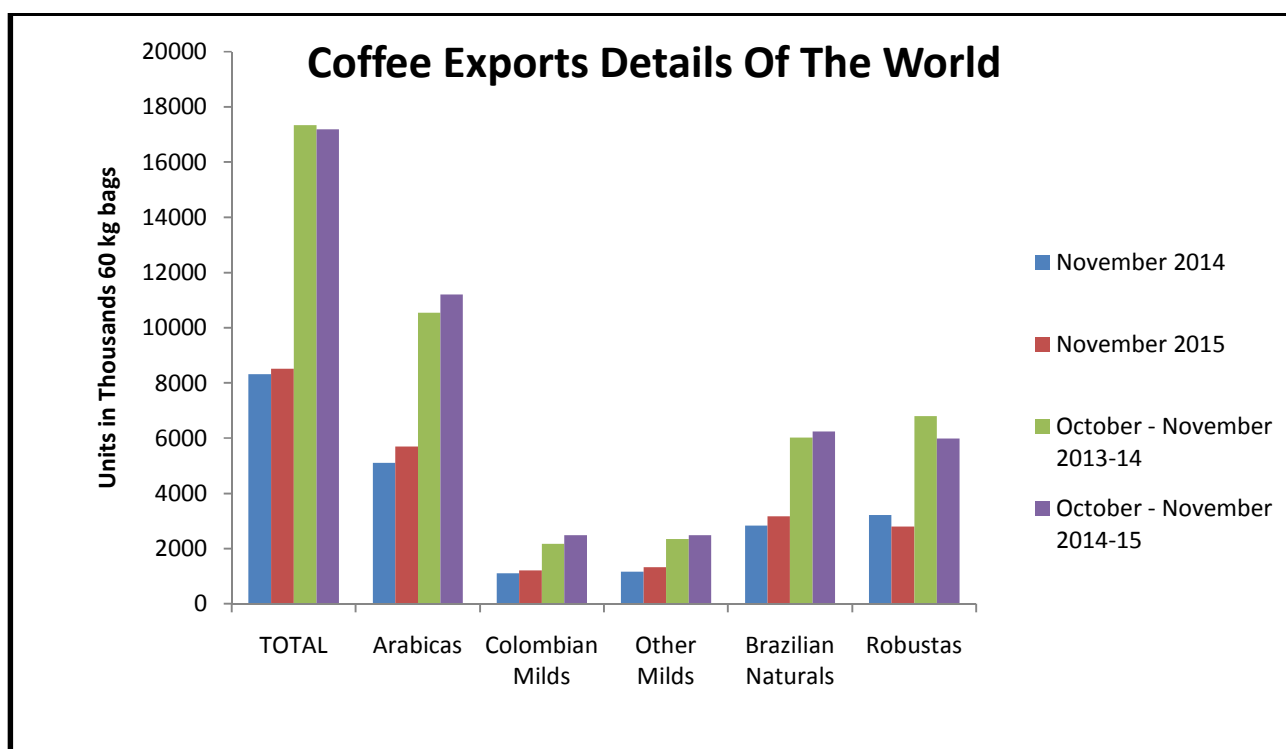
Below table shows Exports details of Indonesia :-



Source: Reuters

Coffee Exports Details Of The World:-

	November 2014	November 2015	October - November 2013-14	October - November 2014-15	% change	Monthly % change
TOTAL	8317	8506	17341	17195	-0.8%	23.0%
Arabicas	5096	5705	10542	11203	63.0%	11.9%
Colombian Milds	1104	1211	2164	2479	14.6%	96.0%
Other Milds	1164	1322	2348	2481	56.0%	13.6%
Brazilian Naturals	2828	3173	6029	6243	35.0%	12.2%
Robustas	3220	2801	6799	5992	-11.9%	-13.0%



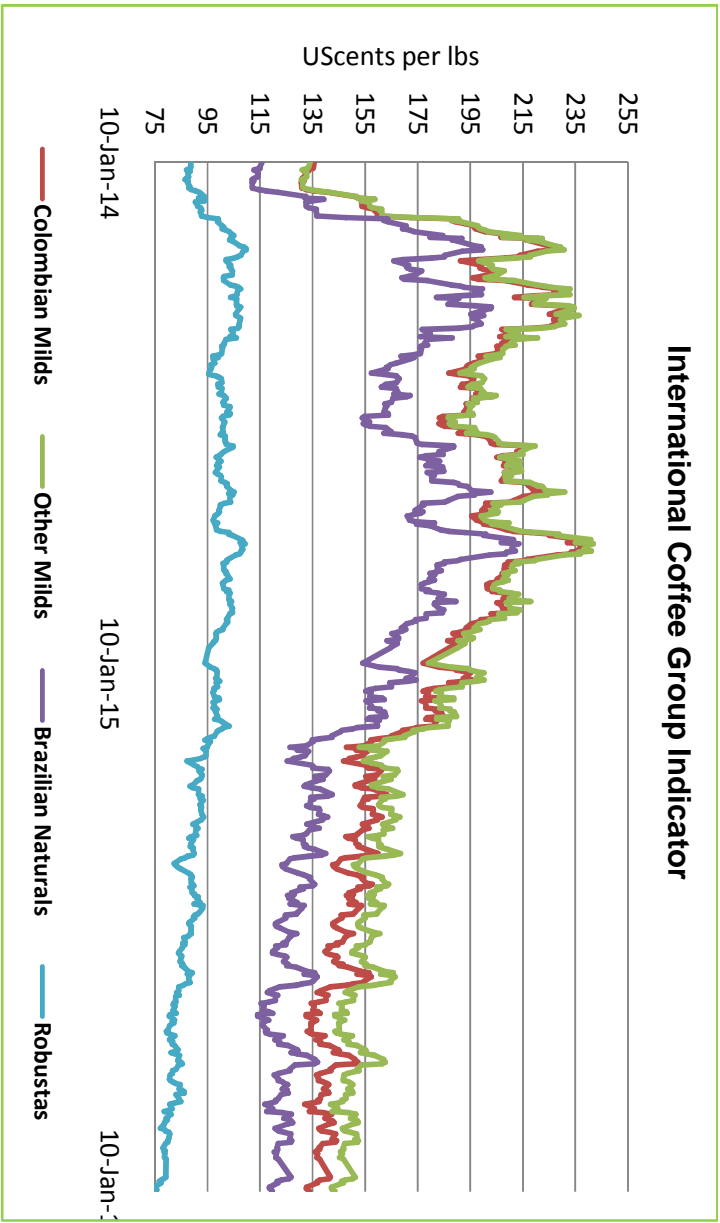
Source: ICO

International Coffee Price Trend:-
Germany Market – Hamburg and Bremen, France Market – (Le Havre and Marseilles) * Values

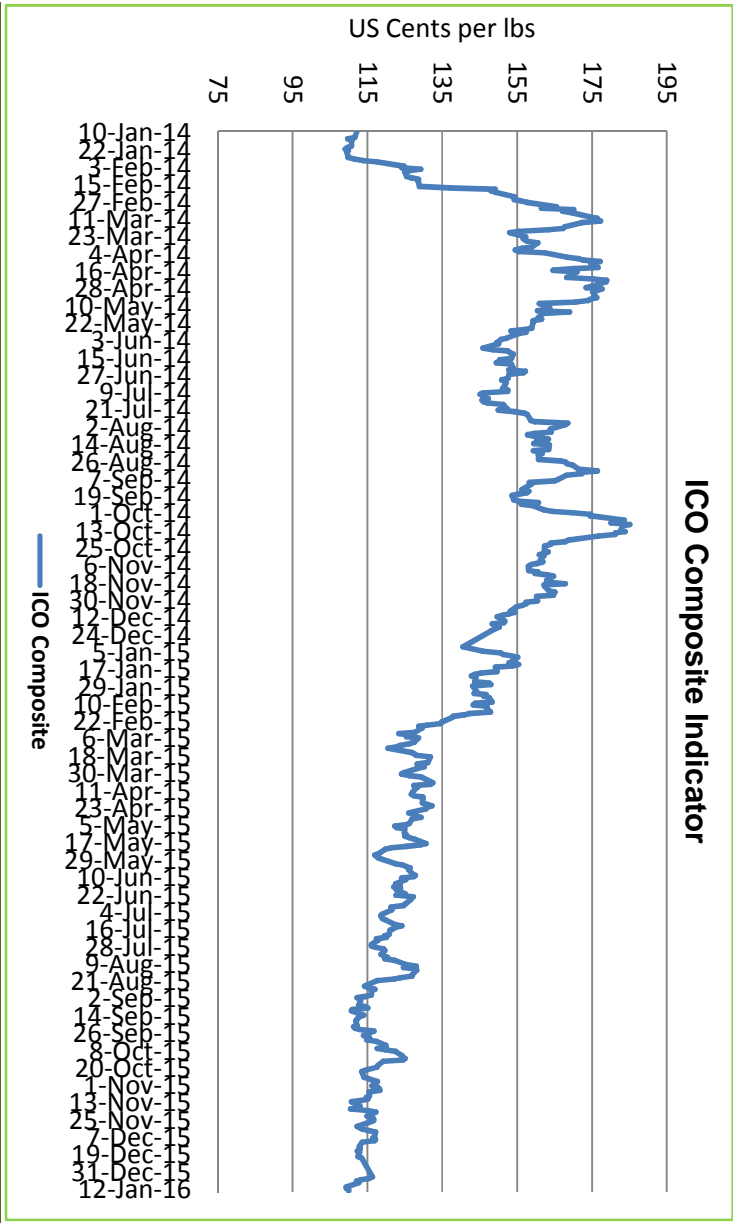
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	14.01.2016	07.01.2016	14.12.2015	14.12.2014
ICO Composite Indicator	110.01	112.09	112.85	164.68
Colombian Milds				
US	134	136.50	138	208.25
Europe	133.89	137.03	136.75	213.06
Group Indicator	133.95	136.74	137.43	210.46
Other Milds				
US	144.94	147.19	147.44	218.19
Europe	142.49	145.30	146.13	210.48
Group Indicator	143.49	146.07	146.67	213.41
Brazilian Naturals				
US	105	107.50	108	173.25
Europe	124.83	126.46	126.22	189.23
Group Indicator	119.67	121.53	121.48	185.08
Robusta				
US	82.25	83.67	84.92	107.67
Europe	73.40	75.20	76.75	102.34
Group Indicator	74.90	76.64	78.14	103.19

US cents/lb

International Coffee Indicators Charts:-



Source: ICO



Source: ICO

International Future Market Prices :-

ICE Arabica Coffee Futures Prices				
Contract Months	Today(14-January-2016)	Week Ago(07-January-2016)	Month Ago(14-December-2015)	Weekly Change (%)
16-Mar	115.90	118.45	119.90	-2.15
16-May	118.15	120.60	122.10	-2.03
16-Jul	120.20	122.60	124.15	-1.96

US cents/lb

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(14-January-2016)	Week Ago(07-January-2016)	Month Ago(14-December-2015)	Weekly Change (%)
16-Jan	1391	1434	1475	-3
16-Mar	1438	1479	1505	-3
16-May	1467	1509	1534	-3

USD/T

International Coffee Prices

	14.01.2016	05.01.2016	14.12.2015	14.01.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	32350	33550	40450	34750
Vietnam FOB (2-5 pct)* (Saigon port)	1502	1557.50	1925	1729
Indonesian FOB (4-80 defects)** (Lampung Port)	1590	1640	1610	1790

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

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	Prices This Auction In (12/01/2016)	Average Prices In	Prices This Auction In (05/01/2016)
Arabica AA	180-446	293.59	184-479
Arabica AB	139-362	250.51	143-399
Arabica C	71-241	166.48	85-262
Arabica PB	179-291	251.5	228-419
Arabica T	27-150	97.72	51-161
Arabica TT	130-224	161.65	111-271

Units in \$ per 50 kg bags

Technical Analysis Of Coffee Future Market (Mar'2016 Contract At ICE Future Market)(Units in USC/lb)


Outlook -Prices show down side of the market during the week. We expect prices to trade sideways to down trend in the market.

- Candlestick chart depicts downtrend in the market.
- 14 days EMI hints slight down momentum at 119.21 against 120.93 in the market.
- Higher volume and lower prices indicates further short build up phase of the market.
- RSI is also down at 43.22 compared to 46 of last week momentum indicating steady to weak tone in the next week.

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

Coffee Future Market(ICE Market)

Support and Resistance				
S2	S1	PCP	R1	R2
100.54	107.29	114.90	130.10	148.37

Technical Analysis Of Coffee Future Market (Jan'2016 Contract At LIFFE Future Market)


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

- Candlestick chart shows downward momentum in the market on selling interests.
- Relatively, 14-days EMI is moving down at 1458 against last week records i.e. 1484, indicating further steady to weak tone in the market.
- On the other hand, RSI is slight down at 33.17 in neutral region against 36.10 of last week hinting a further downward momentum of the market in upcoming week.

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

Coffee Future Market(ICE Market)

Support and Resistance				
S2	S1	PCP	R1	R2
1300	1362	1394	1494	1578

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