

Executive Summary
Domestic Coffee Market Summary

Firm tone were witnessed in Karnataka physical market during this week, as on 16th June 2016 supported by improved demand and lower crop estimates for the season 2016/17 as recently given by the Coffee Board of India. Roasters have suddenly become a bit active since the markets are climbing high, trying to cover quantities.

According to recent released data by the Coffee Board Of India, the post blossom estimates of total coffee crop size for the season 2016/17 is placed lower by 8.04% or (28,000 MT) to 320,000 MT against 348,000 MT in the current season 2015/16 due to poor rainfall and high temperature during growing period of time. While, Arabica coffee crop size for 2016-17 is placed down by 3.38% (3,500 MT) over the corresponding final estimate of 2015-16, while the Robusta estimate has shown a decrease of -10.02% (24,500 MT) over the corresponding final estimate of 2015-16. The hot and humid weather along with insufficient showers resulted in pinking and scorching of buds in Robusta.

As per DGCIS latest report, India received around Rs.603.49 crore as the total coffee exports revenue which is 89.68 million in USD in June 2016. This is higher by 19.74 % in Rs. and 13.63% in USD respectively as against Rs.503.98 crore and USD 78.92 million respectively in the corresponding month of previous year. It stood at Rs.1656.50 crore and the value in USD at 247.61 million since April-2015 to June 2016 higher by 6.28% in Rs. and 0.87% in USD as against the last year revenue i.e. Rs.1558.55 crore and in USD 245.48 million in corresponding period of time.

As per the Coffee Board of India, provisional Indian green coffee exports from 1st January 2016 to 13th July 2016 is registered higher by 17.49% at 173905 metric tons compared to 148009 metric tons exported during the corresponding period of previous year. India re-exports maximum Instant type of coffee. Instant Coffee export from 1st January 2016 to 13th July 2016 this year, recorded down by 3.8% at 13473 metric tons from preceding year volume of 14006 metric tons. Total provisional exports of Arabica parchment, Arabica Cherry and Robusta Cherry is placed higher by 26.53% at 30539, 1.17% to 8089 metric tonnes and 31.35% at 104204 metric tons respectively against exports volume of 24135 metric ton, 7995 metric tonnes and 79328 metric tons respectively in the corresponding period of last year. However, Robusta parchment is registered lower at 17456 metric tonnes with a decline of 21.93%.

Recommendation:

Weekly Call -: Market participants are advised to go long on the current level for short period of time.

International Coffee Market Summary

According to Cooxupe, as of now farmers in Brazil have harvested about 43.3% of the new Brazil crop farms belonging to members of the co-op have been harvested by July 8, which is higher against 27.3% as harvested in the same area in previous year. The South Minas areas are most advanced with 46.4 pct harvested, while the Sao Paulo coffee areas in which it is active have harvested 40.2 pct of the crop so far. The Cerrado region in Minas Gerais state is not far behind with 39.1 pct of members' farms harvested. Dry weather condition supported a success to harvest coffee crop. South Minas and Sao Paulo are the main coffee belts in Brazil. As per the report of Safras & Mercado, currently, farmers of the country have harvested about 58% of the new Brazil crop as on July 12,2016. 20-30 pct of the coffee fruit in leading Arabica areas in South Minas and Mogiana has fallen to ground due to rains in June, deteriorating quality of the commodity.

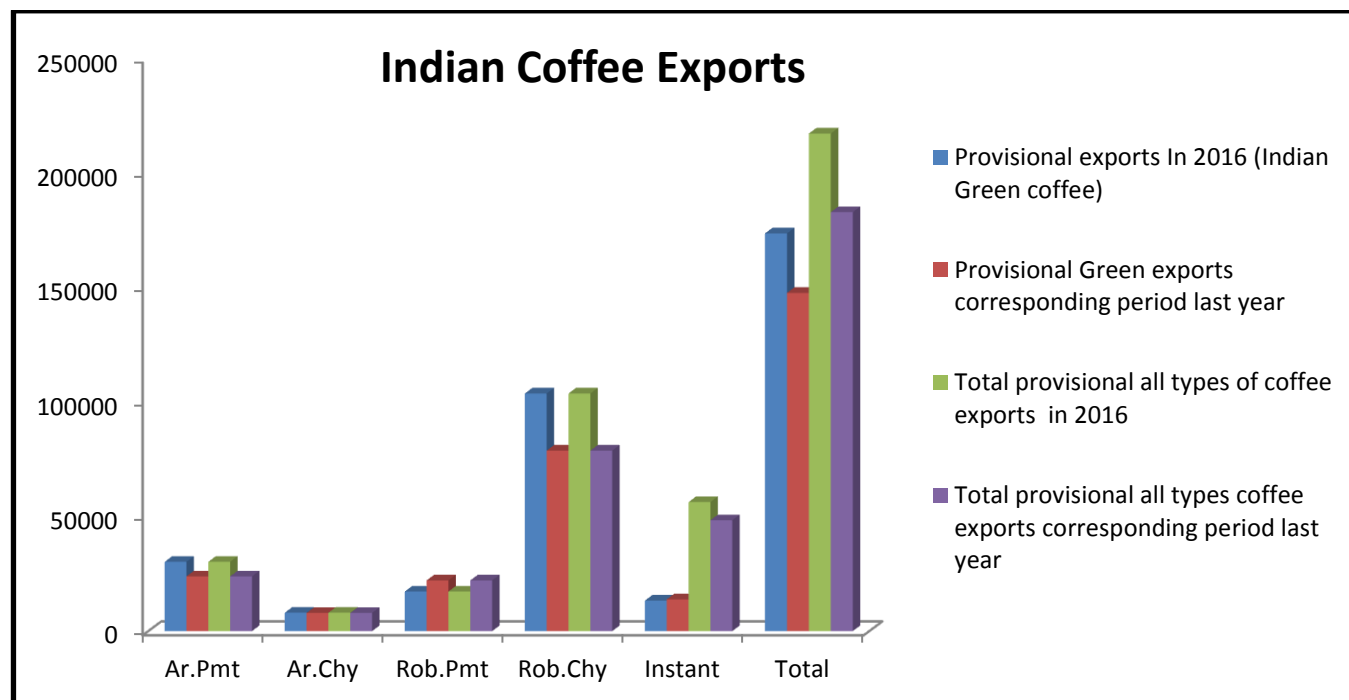
According to Cecafe recent report, Brazil exported 2.07 million 60-kg bags of green coffee in June 2016 the 2015/2016 (July-June) crop year the slowest pace of exports for and down nearly 12 percent from last year record after weather and depleted stocks curbed shipments heading into the new harvest. However, Arabica coffee shipment is inched up by 2.6% to 1.98 million bags as compared to last season while shipments of Robusta were down nearly 80 percent at 83,300 bags.

Domestic Coffee Exports of India -:

Below table shows coffee exports details of India:-

Export update: From 01 st January 2016 to 13th July 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)	30539	8089	17456	104204	23	122	13473	173905
2	Provisional exports corresponding period last year	24135	7995	22362	79328	15	168	14006	148009
3	Provisional re-exports	0	0	0	0	0	48	43419	43467
4	Provisional re-exports corresponding period last year	0	0	0	0	119	131	34867	35116
5	Total provisional exports (1+3)	30539	8089	17456	104204	23	169	56892	217372
6	Total provisional exports corresponding period last year (2+4)	24135	7995	22362	79328	134	299	48873	183125

Source: The Coffee Board Of India



Source: The Coffee Board Of India

Domestic Coffee Export :-

Below table shows Coffee Production details of India:-

State/District	Post Blossom Estimate 2016-17			Final Estimate 2015-16		
	Arabica	Robusta	Total	Arabica	Robusta	Total
Karnataka						
Chikmagalur	38,750	38,035	76,785	40,600	41,400	82,000
Kodagu	17,510	103,925	121,435	19,150	118,150	137,300
Hassan	18,225	12,900	31,125	18,900	13,320	32,220
Sub total	74,485	154,860	229,345	78,650	172,870	251,520
Kerala						
Wayanad0	0	51,950	51,950,	0	57,850	57,850
Travancore	990	6,750	7,740	1,000	7,480	8,480
Nelliampathies	1,150	300	2,750	1,200	1,700	2,900
			62,440			
Sub total	2,140	60,300	62,440	2,200	67,030	69,230
Tamil Nadu						
Pulneys	6,550	365	6,915	6,785	340	7,125
Nilgiris	1,400	3,750	5,150	1,325	3,575	4,900
Shevroys (Salem)	3,625	70	3,695	3,400	70	3,470
Anamalais (Coimbatore)	1,300	500	1,800	1,300	500	1,800
Sub total	12,875	4,685	17,560	12,810	4,485	17,295
Non Traditional Areas						
Andhra Pradesh	9,750	50	9,800	9,150	50	9,200
Orissa	650	0	650	600	0	600
Sub Total	10,400	50	10,450	9,750	50	9,800
North Eastern Region	100	105	205	90	65	155
Grand Total (India)	100,000	220,000	320,000	103,500	244,500	348,000

Source:- The Coffee Board Of India

Domestic Raw Coffee Prices (Karnataka):-

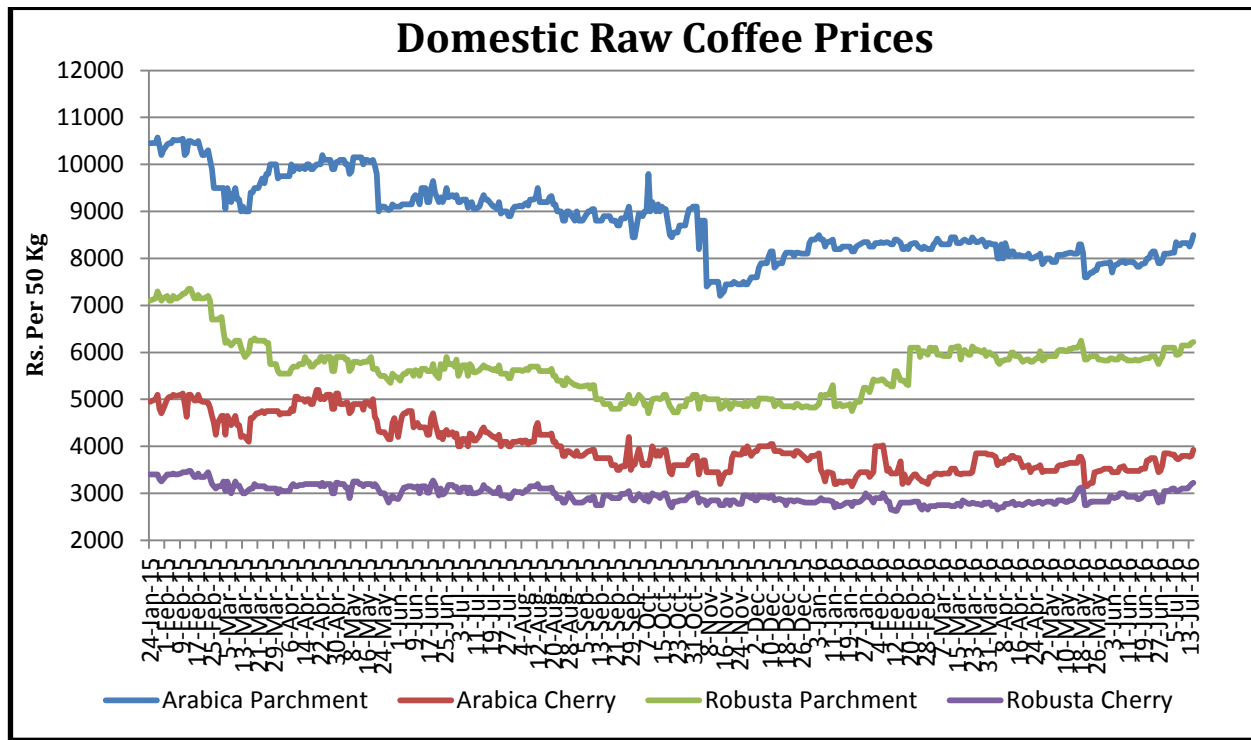
Variety	15.07.2016	08.07.2016	Change
Arabica Parchment	8500	8280	220
Arabica Cherry	3925	3750	175
Robusta Parchment	6225	5975	250
Robusta Cherry	3225	3075	150

* Values in Rs. per 50 Kg

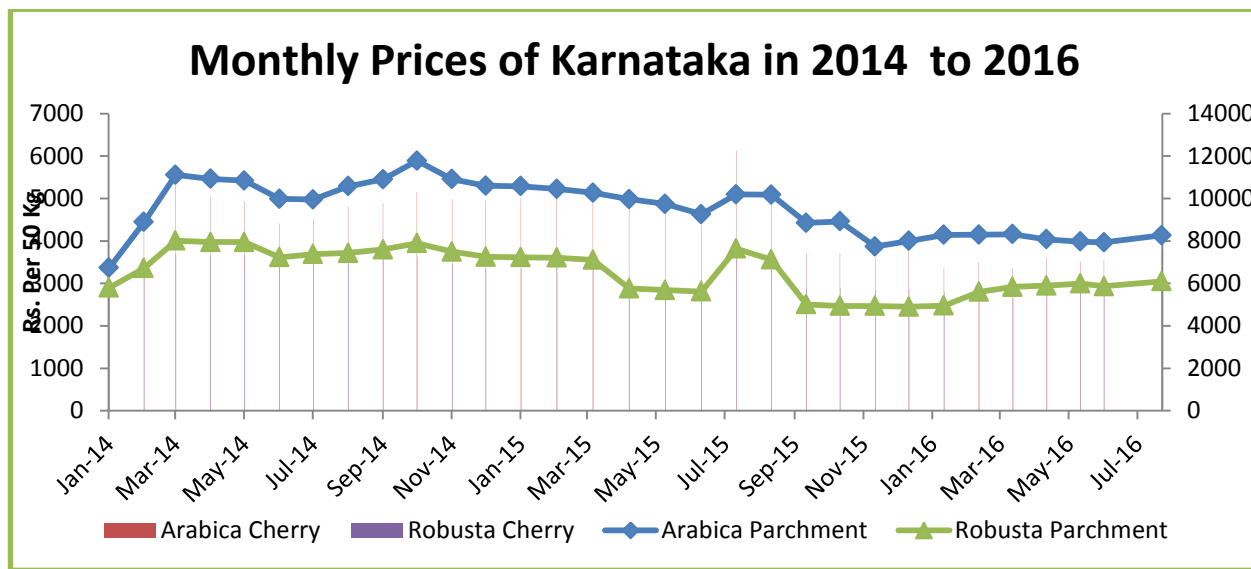
ICTA Auction Prices (Bangalore)(New Season(2015-2016) Crop

Grade	07.07.2016	30.06.2016	Change	07.07.2016	30.06.2016	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	248	---	---	---	---	---
AA	242	---	--	---	---	---
PB	211	213.1	-2.1	---	144	---
A	220	215.3	4.7	---	---	---
AB	---	---	---	---	---	---
B	---	191.5	---	---	---	---
C	---	167	---	---	---	---
BBB	118	120.35	-2.35	---	108	---
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	
RKR	---	---	---	---	---	---
A	---	---	---	---	---	---
PB	---	138.5	---	120.7	118.8	1.9
AA	---	---	---	127.5	124.1	3.4
AB	---	144	---	124.5	120.1	4.4
B	---	---	---	---	---	---
C	---	130	---	118.5	114.5	4
BBB	106.5	108	-1.5	104.5	103	1.5

Values in Rs. per kg

Coffee Prices Of Auction Market & State Wise Market


Source: Agriwatch



Source: The Coffee Board Of India

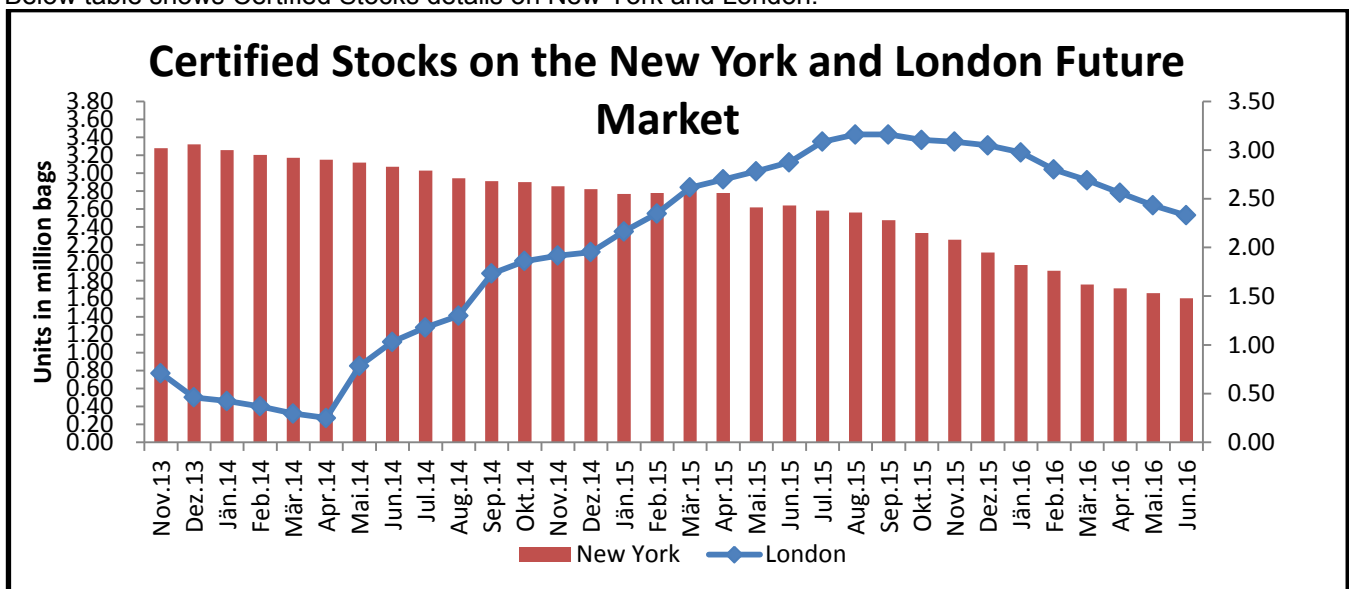
International Market Updates

ICE coffee future prices declined by 7.01% to 150.30 cents/lb in this week against 140.45 cents/lb of the last week. As per RTRS, ICE certified stocks increased by 435 bags to 1297352 bags as on July 8, 2016 against 1296917 bags as on June 30, 2016. As per sources, U.S. green coffee stocks increased by 126,424 bags to 6.2 million 60-kg bags by the end of June 2016. Coffee prices in International market went up in June month 2016 supported by strong Brazilian real against the US dollar and the 2016/17 Brazilian crop entered its potential frost season. The daily price of the ICO composite indicator increased steadily over the course of the month, starting from a low of 118.53 US cents/lb on 1 June and ending on a high of 132.04, its highest daily level since April 2015 which may affect exporters revenue. On the other hand four group indicators also surged from May month record.

As per U.S. government weather forecaster, the La Nina weather phenomenon is favored to develop during August through October 2016. There is a 55 percent to 60 percent chance that the La Nina weather phenomenon will develop during the fall and winter of 2016/17. La Nina, which is typically less damaging than El Nino, is characterized by unusually cold ocean temperatures in the equatorial Pacific Ocean.

As per ICO, Certified stocks on the New York and London future market declined by 3.26% to 1.48 million bags and 4.16% to 2.53 million bags respectively in June 2016 against 1.53 million bags and 2.64 million bags respectively in May 2016.

Below table shows Certified Stocks details on New York and London:-



Vietnam:- As per sources, Vietnam may produce lower coffee crop size by 20 to 25% in 2016/17 season as compared to the last harvest after rain returned to the Central Highlands coffee belt in mid-May, earlier than expected. As per the government data, Vietnam shipped total 158,500 tonnes (2.64 million 60-kg bags) of coffee in June 2016 with a decline of 2.2 percent from May 2016. Last months' exports brought Vietnam's coffee shipments between October 2015 and June, the first nine months of the 2015/2016 crop year, to 1.32 million tonnes, up 32 percent from a year ago. Traders in Vietnam forecasted the exports volume of June month at 150,000 to 170,000 tonnes while the government had forecasted at 160,000 tonnes. The coffee crop year lasts between October and September.

Colombia:- As per Coffee Federation, coffee exports is likely to decline by nearly half in July, to as few as 600,000 60-kg bags, due to a truckers' strike preventing shipments from farms and warehouses getting to ports. The strike started in early June, has lead to price increases across the board for food stuffs as truckers block roads amid talks with the government about transport tariffs.

Colombia produced down washed Arabica coffee beans by 7% to 1.16 million 60-kg bags compared to last year's record production due to the effect of the EL Nino drought and brace for potential heavy rains influenced by the La Nina phenomenon. Relatively, coffee exports of the country is also registered down by 7% to 932,000 bags. Twelve-month production through June was 14.47 million bags, an increase of 13 percent over the previous year.

Coffee Balance Sheet Of The World:-

Below table depicts Monthly Coffee Exports of the World:-

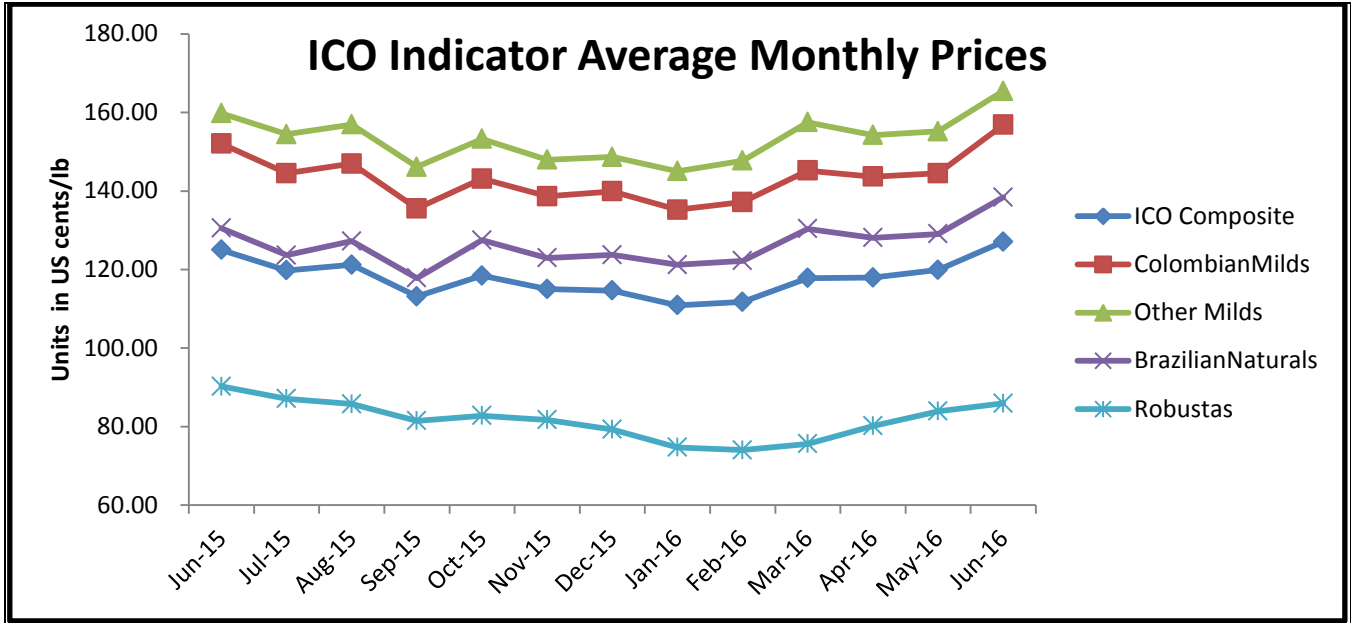
Monthly Export Statistics - May 2016						
	May 2015	May 2016	% change	October - May 2014/15	October - May 2015/16	% change
Angola	0	2	-	9	8	-10.0%
Bolivia	0	1	-	24	24	0.6%
Brazil	2 925	2 418	-17.3%	24 782	23 874	-37.0%
Burundi	1	5	49.2%	138	203	46.9%
Cameroon	41	45	97.0%	285	182	-36.3%
Central African Republic	13	13	19.0%	35	77	12.1%
Congo, Dem. Rep. of	12	12	-13.0%	88	79	-10.1%
Colombia	1 006	891	-11.4%	7 909	8 606	88.0%
Costa Rica	146	172	18.2%	730	819	12.2%
Côte d'Ivoire	191	170	-11.0%	937	1 080	15.3%
Cuba	2	1	-33.3%	8	17	11.4%
Dominican Republic	2	2	-15.5%	13	10	-22.3%
Ecuador	60	74	23.2%	641	594	-73.0%
El Salvador	91	37	-59.2%	475	281	-40.8%
Ethiopia	338	301	-11.1%	1 577	1 803	14.3%
Gabon	0	0	-	0	0	-
Ghana	0	0	-	9	1	-88.2%
Guatemala	410	353	-13.9%	1 776	1 812	20.0%
Honduras	716	722	0.8%	3 793	3 775	-0.5%
India	500	627	25.3%	3 416	3 974	16.3%
Indonesia	535	320	-40.2%	4 583	3 992	-12.9%
Jamaica	2	1	-44.6%	7	5	-35.1%
Kenya	80	70	-12.7%	479	464	-32.0%
Liberia	0	0	-	1	3	41.0%
Madagascar	4	6	60.8%	58	42	-26.4%
Malawi	2	1	-44.8%	17	9	-45.2%
Mexico	226	230	19.0%	1 578	1 528	-32.0%
Nicaragua	266	296	11.5%	1 227	1 259	26.0%
Panama	4	3	-28.5%	22	29	31.7%
Papua New Guinea	68	52	-22.9%	416	376	-96.0%
Paraguay	0	0	-	0	0	-
Peru	101	100	-15.0%	1 191	1 806	51.7%
Philippines	2	0	-	16	3	-79.9%
Rwanda	11	10	-12.6%	165	176	63.0%
Sierra Leone	4	3	-15.8%	20	32	61.9%
Tanzania	56	72	29.1%	548	704	28.4%
Thailand	5	2	-60.0%	25	16	-34.9%
Timor-Leste	3	4	27.9%	82	59	-27.3%
Togo	13	12	-40.0%	145	55	-62.1%
Uganda	263	287	92.0%	2 112	2 283	81.0%
Vietnam	1 829	1 950	66.0%	15 050	15 575	35.0%
Yemen	0	1	-	17	5	-68.8%
Zambia	0	0	-	2	1	-38.5%
Zimbabwe	1	1	-13.0%	8	4	-49.1%
Others	64	49	-23.2%	304	300	-14.0%

Source: USDA

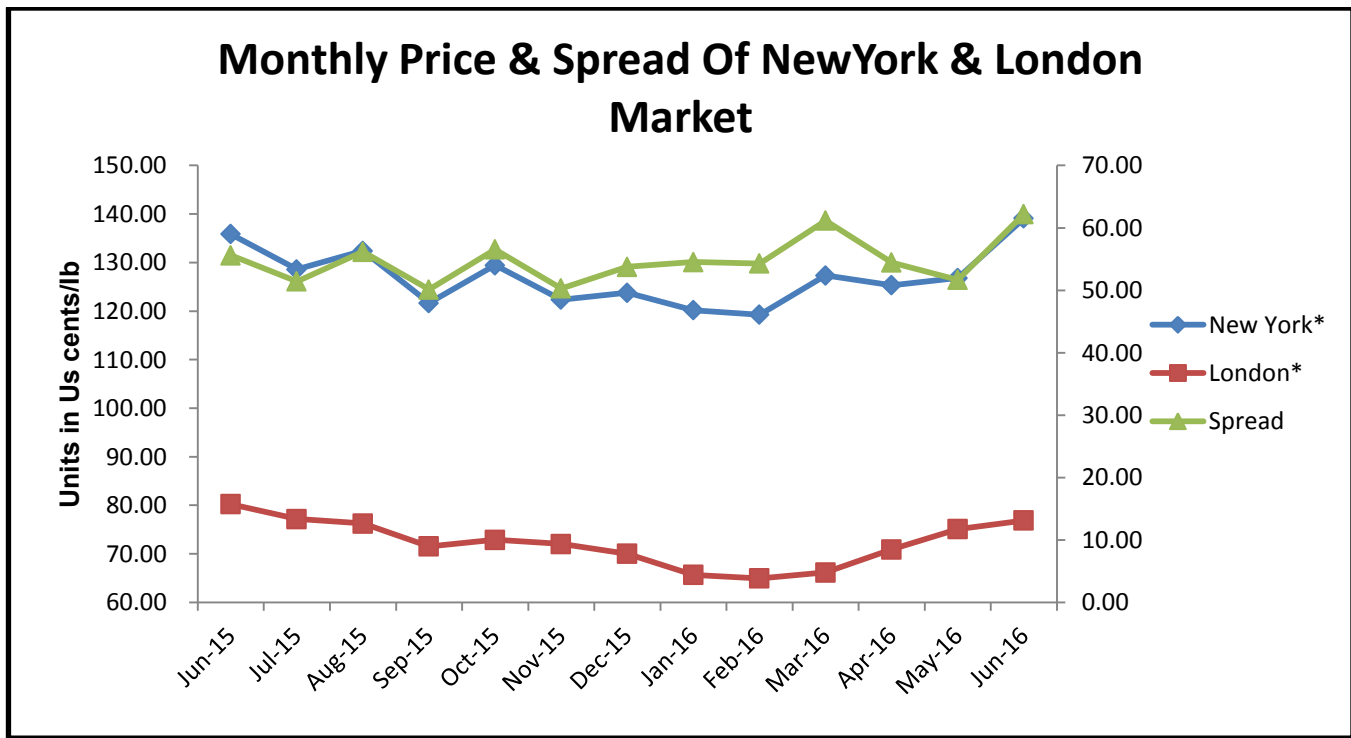
International Coffee Price Trend:-
Germany Market – Hamburg and Bremen, France Market – (Le Havere and Marseilles) * Values

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	14.07.2016	7.07.2016	14.06.2016	14.07.2015
ICO Composite Indicator	137.36	130.50	125.98	124.10
Colombian Milds				
US	171.25	161.75	158	149
Europe	168.92	159.77	155.56	152.44
Group Indicator	170.18	160.84	156.88	150.58
Other Milds				
US	178.44	170.19	164.69	159.19
Europe	177.92	167.16	164.97	161.49
Group Indicator	178.13	168.40	164.86	160.62
Brazilian Naturals				
US	137.25	127.75	122	118
Europe	154.95	146.67	142.83	132.87
Group Indicator	150.35	141.97	137.41	129
Robusta				
US	99.17	96	91	94.33
Europe	91.28	88.08	82.81	87.88
Group Indicator	92.62	89.43	84.20	88.91

US cents/lb

International Coffee Indicators Charts:-


Source: ICO



Source: ICO

International Future Market Prices :-

ICE Arabica Coffee Futures Prices				
Contract Months	Today(14-July-2016)	Week Ago(07-July-2016)	Month Ago(14-June-2016)	Weekly Change (%)
16-Jul	150.30	140.45	135.10	7.01
16-Sep	152.15	141.80	137.05	7.30
16-Dec	155.10	144.80	139.75	7.11

US cents/lb

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(14-July-2016)	Week Ago(07-July-2016)	Month Ago(14-June-2016)	Weekly Change (%)
16-Jul	1836	1760	1618	4
16-Sep	1842	1762	1651	5
16-Dec	1860	1776	1669	5

USD/T

International Coffee Prices

	14.07.2016	07.07.2016	14.06.2016	14.07.2015
Vietnam (Robusta Beans Spot) (Dong/Kg)	38100	37250	36700	36700
Vietnam FOB (2-5 pct)* (Saigon port)	1791	-	1675	1783
Indonesian FOB (4-80 defects)** (Lampung Port)	1940	-	1790	1850

*FOB Values are in USD/T

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	Prices This Auction In (21/06/2016)	Average Prices In	Prices This Auction In (14/06/2016)
Arabica AA	57-305	216.16	51-300
Arabica AB	57-272	202.16	50-262
Arabica C	54-235	179.27	20-216
Arabica PB	48-254	198.37	50-240
Arabica T	8-151	104.92	18-149
Arabica TT	52-220	136.73	50-217

Units-\$/50 kg bags

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


Outlook -Prices show upside of the market during the week. We expect prices to trade upper side in the market.

- Candlestick chart depicts uptrend in the market.
- Relatively,14 days EMI stood up at 140.16 against 137.95 in the market hints upward momentum in the market.
- Lower volume however higher prices indicates further short covering phase of the market.
- On the other hand, RSI is up at 63.25 compared to 61.51 of last week momentum indicating 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
125.98	134.92	145.70	165.2	172.64

Technical Analysis Of Coffee Future Market (July'2016 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 slight upward momentum in the market.
- However, 14-days EMI is moving higher at 1731 against last week records i.e.1700, indicating further upper tone in the market.
- On the other hand, RSI is higher at 76.65 in neutral region against 75.87 of last week hinting a further upward momentum of the market in upcoming week.

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

Coffee Future Market(ICE Market)

Support and Resistance				
S2	S1	PCP	R1	R2
1518	1649	1810	1924	1973

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