

Executive Summary

Domestic Coffee Market Summary

Mixed trend were featured during week ended as on 30 Sep 2016 on slowly improved demand of exporters & on estimation of lower crop size in the world. Flow of coffee beans is very slow in the market as prices are very high in the international market as a result seller are very few in the market. Traders and exporters are not much active due to higher coffee prices. As of now, 8 to 10% stocks are remaining available in the market. Supportive weather condition is in coffee belts of India. Arabica picking will commence from November 2016 while farmers will start picking of Robusta beans From Jan- February 2016. Farmers and traders of India expect a fall in Robusta crops production by 15 to 20% despite good monsoon. While, the coffee board of India expects 10 to 20% decline to Robusta crops of this season harvesting.

As per the Coffee Board of India, provisional Indian green coffee exports to 1st January 2016 to 23rd September 2016 is registered higher by 15.58 % at 22267 metric tons compared to 192383 metric tons exported to the corresponding period of previous year. India re-exports maximum Instant of coffee. Instant Coffee exports to 1st January 2016 to 23 September 2016 this year, recorded down by 19.98% at 18380 metric tons from preceding year volume of 22970 metric tons. Total provisional exports of Arabica parchment, Arabica Cherry and Robusta Cherry is placed higher by 25.67 at 35019, 7.72% to 9247 metric tonnes and 30.48% at 136295 metric tons respectively from 1st January to 23 September against exports volume of 27864 metric ton, 8584 metric tonnes and 10449 metric tons respectively in the corresponding period of last year. However, Robusta parchment is registered lower for 23218 metric tonnes with a decline 17.85%. Coffee exports volume may rise in upcoming months due to continuous rainfall in Vietnam, one of the largest producer of Robusta beans.

Recommendation:

Weekly Call -: Market participants are advised to stay away on the current level for short period.

International Coffee Market Summary

As per ICO recent report , total coffee beans export of August month went higher at 9.76 million bags with an increase of 9.5% against last year record during the same period of time. Total coffee beans shipment of this season(the first 11 months of the 2015/16 season) which began on Oct. 1 last year, stood down by 1 percent at 102.75 million bags. Robusta coffee exports in August were down 2.4 percent year on year at 3.41 million bags. Cumulative Robusta exports for the season to date dropped by 7.7 percent to 37.43 million bags. Arabica coffee exports in August were 17.3 percent higher than in the same month last year at 6.35 million bags. Cumulative Arabica exports for the season to date rose 3.4 percent to 65.33 million bags.

Brazil has almost completed harvesting of this year's coffee. Arabica output was near a record, but Robusta-producing regions were severely affected by a drought for the second consecutive year. Brazil's Robusta output should fall to 8.3 million bags this year versus 11.1 million bags in 2015 and 13 million bags in 2014.

As per sources, Ivory coast shipped coffee beans higher by 25% to 52848 tonnes in the seven month to the end of August 2016 against 41919 tonnes of August 2015 in the corresponding period of time.

Below table shows Ivory coffee beans export details :-

Ivory Coffee Beans Exports (Units in Tonnes)			
States	Aug-16	July-16	Aug-15
Abidjan	5664	4794	7190
San Pedro	1802	1823	618
Total	7466	6617	7808
Cumulative	52848	45018	41919

Source: Reuters

Domestic Coffee Exports of India -:

Below table shows coffee exports details of India:-

Export update: From 01st January 2016 to 23 September 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)	35019	9247	23218	136295	40	168	18380	222367
2	Provisional exports corresponding period last year	27864	8584	28259	104449	28	228	22970	192383
3	Provisional re-exports	0	0	0	0	1	91	55297	55388
4	Provisional re-exports corresponding period last year	0	0	0	0	119	248	45112	45479
5	Total provisional exports (1+3)	35019	9247	23218	136295	41	258	73677	277755
6	Total provisional exports corresponding period last year (2+4)	27864	8584	28259	104449	147	476	68082	237861

Source: The Coffee Board Of India

COFFEE BOARD : BANGALORE						
COUNTRY WISE EXPORT OF COFFEE DURING 01/01/2016 To 28/09/2016						
[BOTH INDIAN AND RE-EXPORTED COFFEE]						
[PROVISIONAL AND BASED ON EXPORT PERMITS]						
NAME OF THE COUNTRY	ARABICA	ROBUSTA	INSTANT (GBE)	ROASTED (GBE)	ROASTED (GBE)	TOTAL
ITALY	7502.100	64517.520	307.208	90.521	90.521	72417.349
GERMANY	5877.140	20558.810	1365.000	0.117	0.117	27801.067
RUSSIAN FEDERATION	836.200	2270.650	18203.599	0.000	0.000	21310.449
BELGIUM	8392.180	9392.380	343.179	0.083	0.083	18127.822
TURKEY	79.320	393.780	10625.816	0.000	0.000	11098.916
SLOVENIA	54.000	9741.400	0.000	0.000	0.000	9795.400
JORDAN	5307.240	1823.510	56.160	0.000	0.000	7186.910
SPAIN	66.600	6850.600	37.440	0.000	0.000	6954.640
POLAND	15.090	1249.810	5519.093	10.849	10.849	6794.842
GREECE	264.000	5972.640	122.850	0.000	0.000	6359.490
OTHERS	16017.266	39227.976	38577.460	198.953	198.953	94021.655
TOTAL	44411.136	161999.076	75157.805	300.523	300.523	281868.540

Source: The Coffee Board Of India

Coffee Crop Situation In India:-

Below table shows Coffee Crop Details in 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
Sub total	2,140	60,300	62,440	2,200	67,030	69,230
			62			
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):-

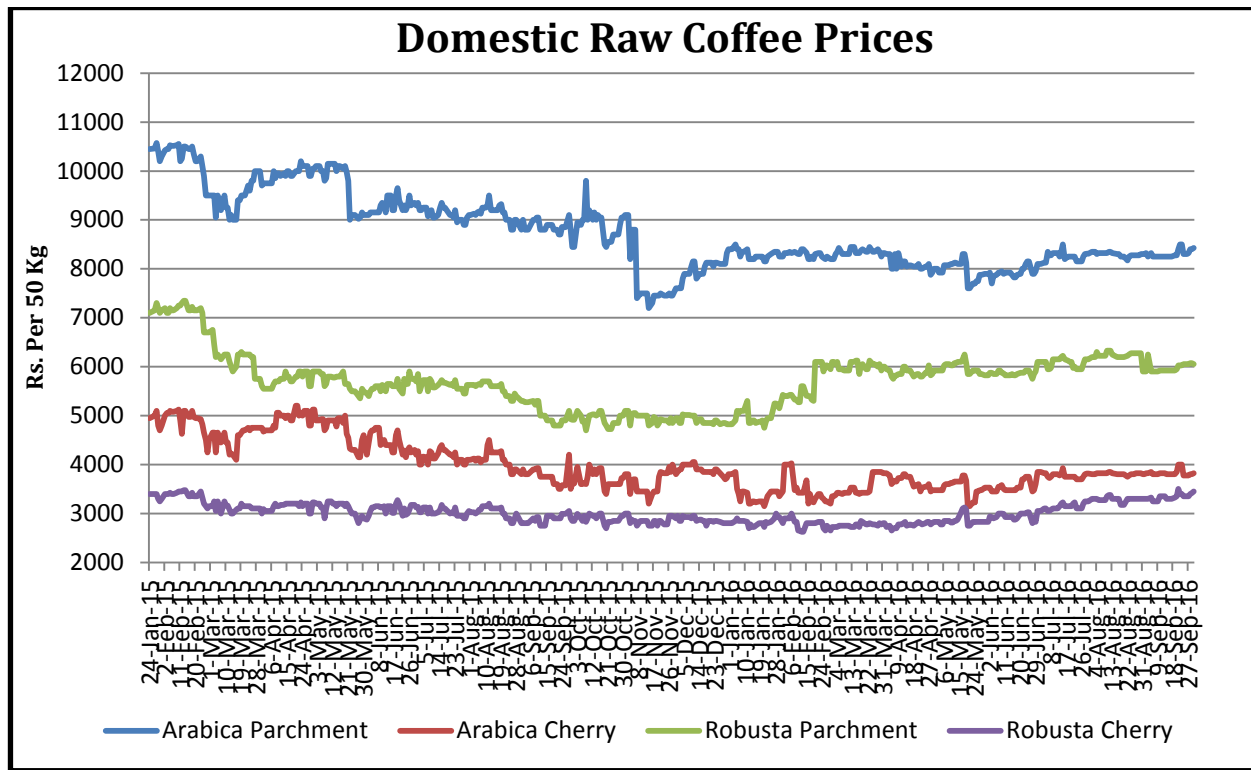
Variety	30.09.2016	23.09.2016	Change
Arabica Parchment	8425	8500	-75
Arabica Cherry	3825	4000	-175
Robusta Parchment	6050	6025	25
Robusta Cherry	3450	3400	50

* Values in Rs. per 50 Kg

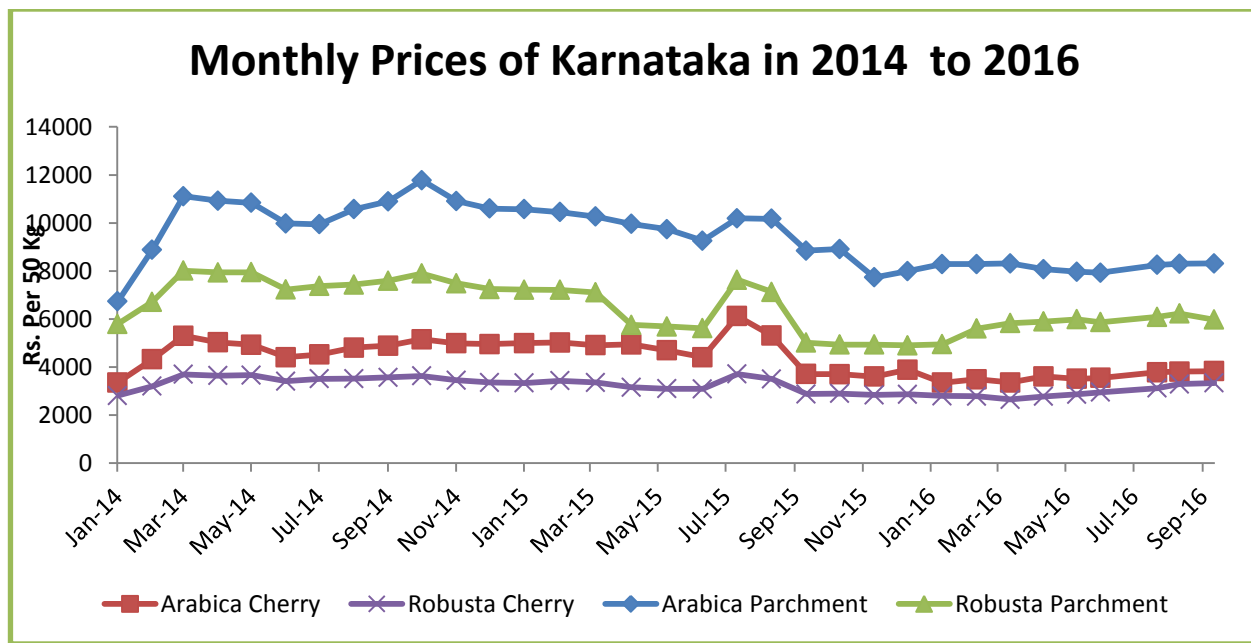
ICTA Auction Prices (Bangalore)(New Season(2015-2016) Crop

Grade	22.09.2016	08.09.2016	Change	22.09.2016	08.09.2016	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	---	---	---	---	---	---
AA	238	---	----	180	---	---
PB	224.50	225	-0.5	154	151.5	2.5
A	223.50	---	---	---	---	---
AB	---	---	---	151	150	1
B	213	---	---	---	---	---
C	138	---	---	124	125	-1
BBB	123.80	122	Unchanged	115	115	Unchanged
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	
RKR	154	---	---	---	---	---
A	---	---	---	---	---	---
PB	---	---	---	138.50	---	---
AA	---	---	---	144.50	---	---
AB	---	---	---	139.50	140	0.5
B	---	---	---	---	---	---
C	---	---	---	132	---	---
BBB	---	115	---	119.50	---	---

Values in Rs. per kg

Coffee Prices Of Auction Market & State Wise Market


Source: [The Coffee Board Of India](#)



Source: [The Coffee Board Of India](#)

International Market Updates

ICE coffee future prices declined by 3.28% to 153.50 cents/lb in this week as on 29th Sep 2016 against 158.50 cents/lb of the last week.

As per RTRS, ICE certified stocks declined by 7848 bags to 1258353 bags as on September 30, 2016 against previous day record i.e. 1266201 bags. Coffee stocks at European ports declined by 1.8 percent in July 2016. Stocks at the end of July fell to 729,073 tonnes from 742,142 tonnes a month earlier including the major coffee storage ports of Antwerp, Bremen, Hamburg, Genoa, Le Havre and Trieste.

Below table depicts certified stocks on the New York and London Future market:-

COUNTRIES	ANTWERP	BARCELONA	HAMBURG/B REMEN	HOUSTON	MIAMI	NEW ORLEANS	NEW YORK	Total
Burundi	53896	0	42405	0	0	0	5337	101368
Colombia	125190	0	29568	1470	40428	275	149056	345987
Coasta Rica	250	0	0	0	0	0	0	250
El Salvador	425	0	25	0	0	0	1020	1445
Guatemala	56	0	0	25	0	3610	4774	8465
Honduras	182256	0	9925	13284	250	1100	19785	226600
India	29787	0	854	0	0	0	0	30641
Mexico	133474	0	2936	251	0	0	13141	149802
Nicaragua	38881	0	0	550	0	1375	15200	56006
Peru	98518	0	50195	1373	0	0	85442	235528
Rwanda	44415	0	9148	0	0	0	640	54203
Tanzania	70	0	0	0	0	0	578	648
Uganda	20958	295	22157	0	0	0	3160	46570
Total in Bags	728176	295	167213	16953	40678	6360	298133	1257513

Source: Reuters

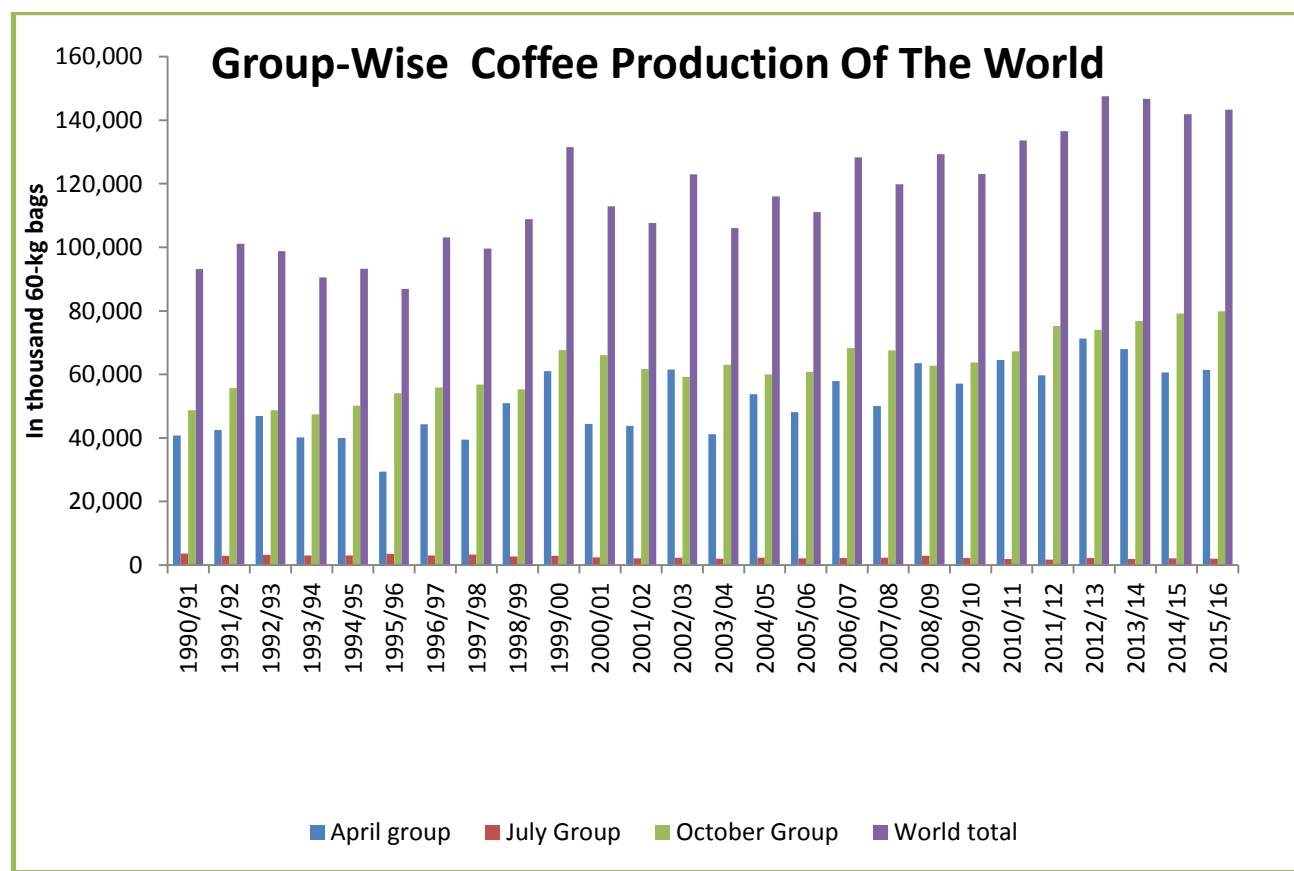
Uganda: According to Sources, Uganda has shipped 9% lower coffee beans to 291,059 60 kg bags in August 2016 against 320297 60 kg bags in previous year in the corresponding period of time on account of harsh weather condition. Uganda is one of the major country to commodity exports and earnings are a key source of foreign exchange for the east African country.

Honduras:- As Per the national coffee institute IHCAFE, Honduras is likely to ship total 7.2 million 60-kilogram bags of coffee during the current 2016-17 harvest because trees planted in the wake of a fungal outbreak three years ago boost production. Honduras is Central America's top coffee producer, and like other regional producers is recovering from a severe outbreak of the tree-killing fungus roya over the past few seasons. It is expected that total coffee exports volume for the season 2016-17 would be well above the latest estimate of 5.12 million bags for the current 2015-16 season on account of the renovation of farms after the roya damage. Honduras had forecast exports of 5.52 million bags for the current season, but earlier in September IHCAFE lowered its expectations due to the smuggling of Honduran beans into Guatemala and Mexico. The coffee season runs from October through September.

Coffee Exports Of The World:-

Coffee Production Of The World (In thousands 60 kg bags)						
Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
April group	64,493	59,717	71,331	68,009	60,583	61,464
July Group	1,887	1,678	2,222	1,886	2,086	1,955
October Group	67,270	75,187	74,009	76,850	79,180	79,887
World total	133,651	136,583	147,562	146,745	141,850	143,306

Source: ICO



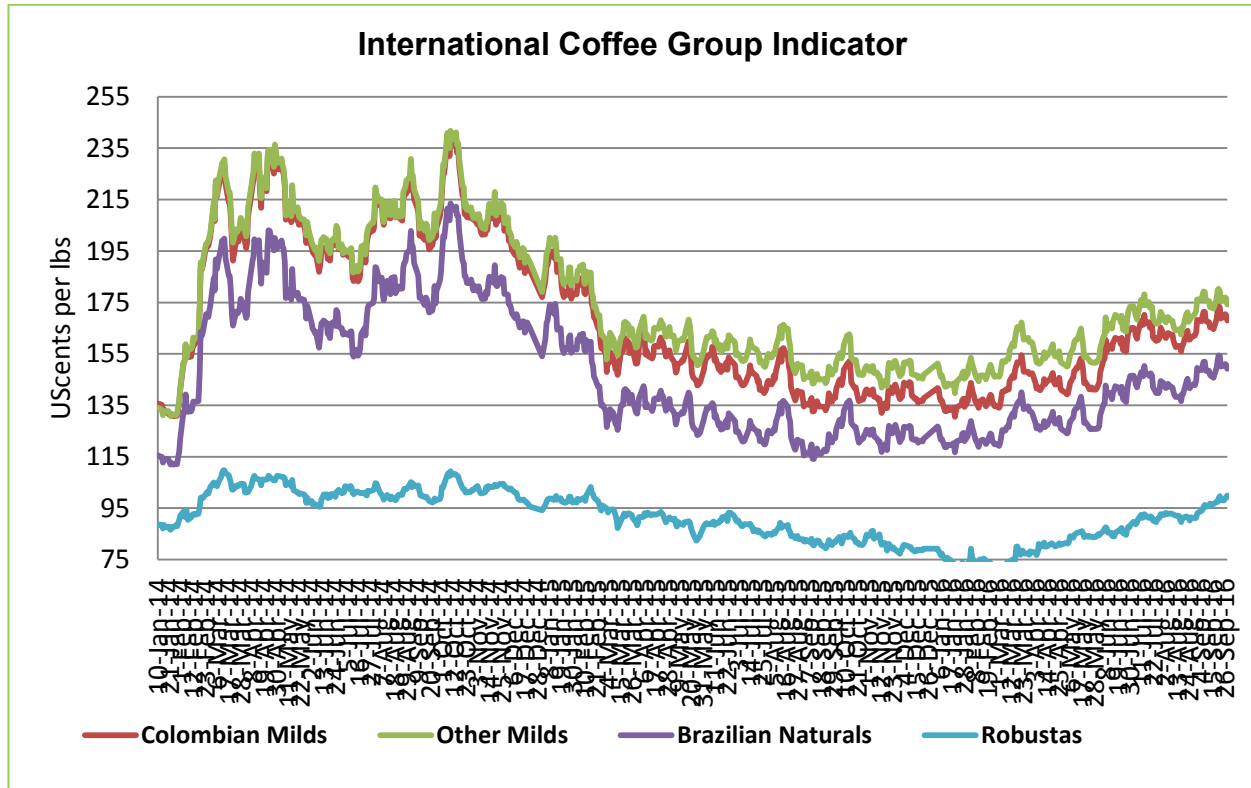
Source: ICO

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

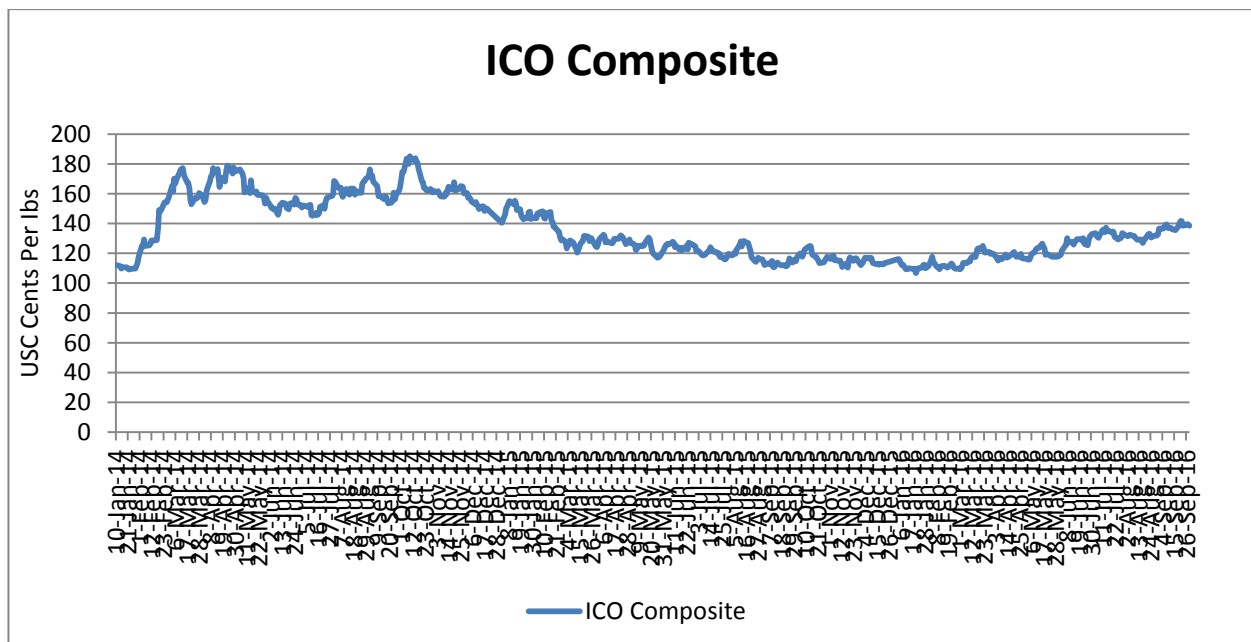
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	29.09.2016	22.09.2016	29.08.2016	29.09.2015
ICO Composite Indicator	138.60	141.67	132.03	115.29
Colombian Milds				
US	166.25	171.25	161	134.75
Europe	169.93	174.84	163.15	141.31
Group Indicator	167.74	172.90	161.99	137.77
Other Milds				
US	174.19	180.44	172.69	149.19
Europe	174.20	178.59	168.27	148.01
Group Indicator	174.19	179.35	170.08	148.46
Brazilian Naturals				
US	133.25	139.25	131	113.75
Europe	154.77	159.45	147.58	124.90
Group Indicator	149.18	154.20	143.27	122
Robusta				
US	104.58	104.80	96.17	88.83
Europe	99.01	98.75	90.15	80.43
Group Indicator	99.69	99.66	91.18	81.77

US cents/lb

International Coffee Indicators Charts:-



Source: ICO



Source: ICO

International Future Market Prices :-

ICE Arabica Coffee Futures Prices				
Contract Months	Today(29-Sep-2016)	Week Ago(22-Sep-2016)	Month Ago(29-Sep-2015)	Weekly Change (%)
16-Dec	153.50	158.50	120.85	-3.28
16-Mar	155.40	160.30	123.95	-1.32
16-May	157.15	161.90	126.10	-3.05

US cents/lb

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(29-Sep-2016)	Week Ago(22-Sep-2016)	Month Ago(29-Sep-2015)	Weekly Change (%)
16-Nov	2010	2002	2010	0.39
16-Jan	2032	2023	2032	0.44
16-Mar	2040	2033	2040	0.34

USD/T

International Coffee Prices

	29.09.2016	22.09.2016	29.08.2016	29.09.2015
Vietnam (Robusta Beans Spot) (Dong/Kg)	41650	41250	38600	---
Vietnam FOB (2-5 pct)* (Saigon port)	1968.5	---	1806	---
Indonesian FOB (4-80 defects)** (Lampung Port)	1960	1950	1840	1640

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

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	Prices This Auction In (26/08/2016)	Average Prices In	Prices This Auction In (19/08/2016)
Arabica AA	70-299	250.33	99-278
Arabica AB	57-261	232.42	55-228
Arabica C	51-242	201.32	146-261
Arabica PB	62-248	220.16	13-160
Arabica T	39-184	100.64	13-160
Arabica TT	148-220	173.55	106-236

Units-\$/50 kg bags

Technical Analysis Of Coffee Future Market (Sep'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 higher side in the market.

- Candlestick chart depicts uptrend in the market.
- However,14 days EMI stood slight up at 140.75 against 148.68 in the market hints upward momentum in the market.
- Higher volume & prices indicates further long build up phase of the market.
- On the other hand, RSI is down at 62.48 compared to 53.42 of last strong 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
137.93	144.20	151.55	168.38	181.90

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


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

- Candlestick chart shows upward momentum in the market.
- However, 14-days EMI is moving higher at 1870 against last week records i.e.1856, indicating further strong tone in the market.
- On the other hand, RSI is higher at 80.10 in neutral region against 76.75 of last week hinting a further upward momentum of the market in upcoming week.

Strategy: Market participants are advised to go long in the short period.

Coffee Future Market(ICE Market)

Support and Resistance				
S2	S1	PCP	R1	R2
1960	1980	2004	2030	2051

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>
 © 2015 Indian Agribusiness Systems Pvt. Ltd.