Executive Summary

Domestic Coffee Market Summary
Coffee prices declined in Karnataka physical market during week ended as on 27th November 2016 on lower demand. Demand and arrivals is very poor in the market. As of now, coffee beans colors are in greenish red. Future contracts are being taken at USD 110 over for RC AB grades by exporters and traders. Allanasons, LD, OLAM, RUCHI,SOYA are the major buyers for Indian coffee beans. Lower grade of Arabica coffee beans is in demand in International markets to make up shortage of Robusta. Indonesia is also importing from Brazil. International coffee prices seem to be on the upward due to poor crop estimation of the world.

As per the Coffee Board of India, provisional Indian green coffee exports to 1st January 2016 to 24th November 2016 is registered higher by 17.24% at 258699 metric tons compared to 220650 metric tons in the corresponding period of previous year. India re-exports maximum Instant of coffee. Instant Coffee exports from 1st January 2016 to 24th November 2016 this year, recorded down by 12.69% at 22479 metric tons from preceding year volume of 25743 metric tons. Total provisional exports of Arabica parchment, Arabica Cherry and Robusta Cherry is placed higher by 24.70 at 37555, 17.92% to 11625 metric tonnes and 30.52% at 159735 metric tons respectively from 1st January to 24th November against exports volume of 30115 metric ton, 9858 metric tonnes and 122379 metric tons respectively in the corresponding period of last year. However, Robusta parchment is registered lower for 27036 metric tonnes with a decline of 16.14%.

Recommendation:
Weekly Call -: Market participants are advised to go short for short the period of time.

International Coffee Market Summary

As per sources, Colombia is likely to produce 14million bags of coffee beans which is similar from 2015/16. Over the last two years, the volume of Colombian coffee production was only marginally impacted by the El Nino weather phenomena, although the quality of beans was affected. Post is revising Colombian coffee production projections up from 13.6 to 14.0 million bags (1 bag = 60 kilograms) green been equivalent (GBE) in marketing year (MY) 2015/2016. Post forecast for MY 2016/17 is revised upward from 13.3 to 14.0 million bags GBE as the IDEAM (Colombian Institute of Meteorology) reduces the probability of La Niña weather phenomena.

According to ICO recent report, coffee exports of the World stood slightly higher at 8.99 million bags in September 2016 against 8.89 million bags in previous year during the same period of time. Cumulative coffee exports volume of the world for 2015/16 (Oct/15 to Sep/16) declined by 0.7% to 111.83 million bags compared to 112.65 million bags in the last coffee year supported by higher volume of Arabica coffee beans which is amounted at 71.02 million bags against 68.83 million. However, Robusta coffee exports stood slightly lower at 40.81 million bags in the twelve months ending September 2016 (Oct/15 to Sep/16) against 43.82 million bags in previous year during the same period of time.

As per the National Export CentreNicaraguan coffee exports rose 8.3 percent during the 2015/16 harvesting season, national exports center Cetrex said on Thursday, helped by better control of the tree-killing fungus roya.Cetrex said the crop totaled 1.91 million 60-kilogram bags during the season compared to 1.77 million bags shipped during the previous 2014/2015 cycle. Exports in September, the last month of the season, reached 70,774 bags, up 55 percent compared to the same month last year, Cetrex said. Meanwhile, coffee shipments in October, the first month of the new 2016/2017 cycle, totaled 52,902 bags, up 41 percent compared to the same month during the previous season. Cetrex did not explain the reasons for the growth in exports, but coffee growers said better control of roya boosted output during the season. The coffee season in Central America and Mexico, which together produce about a fifth of the world's arabica beans, runs from October through September.

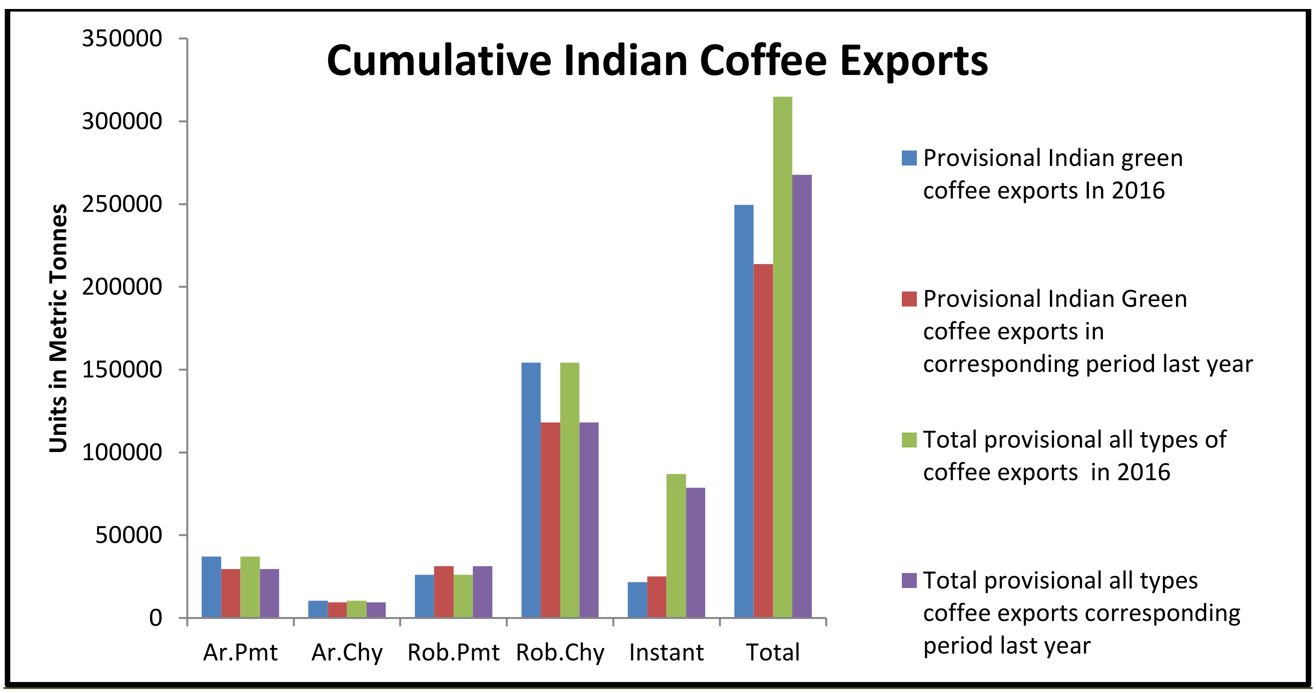
Domestic Coffee Exports of India -:

Below table shows coffee exports details of India:-

Export update: From 01st January 2016 to 24th November 2016(in metric tonnes)

	INDIAN COFFEE	Ar.Pmt	Ar.Chy	Rob.Pmt	Rob.Chy	Roasted seeds	R & G	Instant	Total
1	Provisional exports (Indian green coffee)	37555	11625	27036	159735	53	219	22475	258699
2	Provisional green coffee exports corresponding period last year	30115	9858	32241	122379	39	274	25743	220650
3	Provisional re-exports	0	0	0	0	1	157	70780	70938
4	Provisional re-exports corresponding period last year	0	0	0	0	119	274	57363	57756
5	Total provisional exports (1+3)	**37555**	**11625**	**27036**	**159735**	**53**	**376**	**93255**	**329636**
6	Total provisional exports corresponding period last year (2+4)	**30115**	**9858**	**32241**	**122379**	**157**	**548**	**83106**	**278406**

Source: The Coffee Board Of India



Source: The Coffee Board Of India

Production and Coffee Exports of India Vs World:-

Below table depicts production and exports details of India Vs World:-

Production and Exports: India Vs World *						
	Production		India's	Exports		India's
Year	**World**	**India @**	**Share(%)**	**World#**	**India @**	**Share (%)**
1993-94	90366	3533	3.91	75168	2526	3.36
1994-95	95154	3002	3.15	70716	2488	3.52
1995-96	85250	3717	4.36	67872	3114	4.59
1996-97	101865	3417	3.35	77685	2693	3.47
1997-98	95872	3805	3.97	80414	3495	4.35
1998-99	106163	4417	4.16	80265	3637	4.53
1999-00	115117	4867	4.23	86145	4225	4.90
2000-01	116619	5020	4.30	89559	3730	4.16
2001-02	108451	5010	4.62	90859	3550	3.91
2002-03	123723	4588	3.71	88832	3707	4.17
2003-04	103982	4508	4.34	86371	3804	4.40
2004-05	116062	4592	3.96	91101	3396	3.73
2005-06	111247	4567	4.11	87562	4083	4.66
2006-07	128209	4800	3.74	91745	3569	3.89
2007-08	116455	4367	3.75	96285	3547	3.68
2008/09	128636	4372	3.40	97599	3005	3.08
2009/10	123042	4827	3.92	94631	4647	4.91
2010/11	133651	5033	3.77	103085	5414	5.25
2011/12	140617	5233	3.72	108659	5044	4.64
2012/13	144960	5303	3.66	111315	5018	4.51
2013/14	146506	5075	3.46	114916	4794	4.17
2014/15	142278	5450	3.85	110762	5102	4.61
2015/16**	143306	5800	4.05	NA	4506	NA

Source: The Coffee Board Of India

Domestic Raw Coffee Prices (Karnataka):-

Variety	27.11.2016	20.11.2016	Change
Arabica Parchment	8475	8600	-1.45
Arabica Cherry	3750	3825	-1.96
Robusta Parchment	6075	6200	-2.01
Robusta Cherry	3450	3550	-2.81

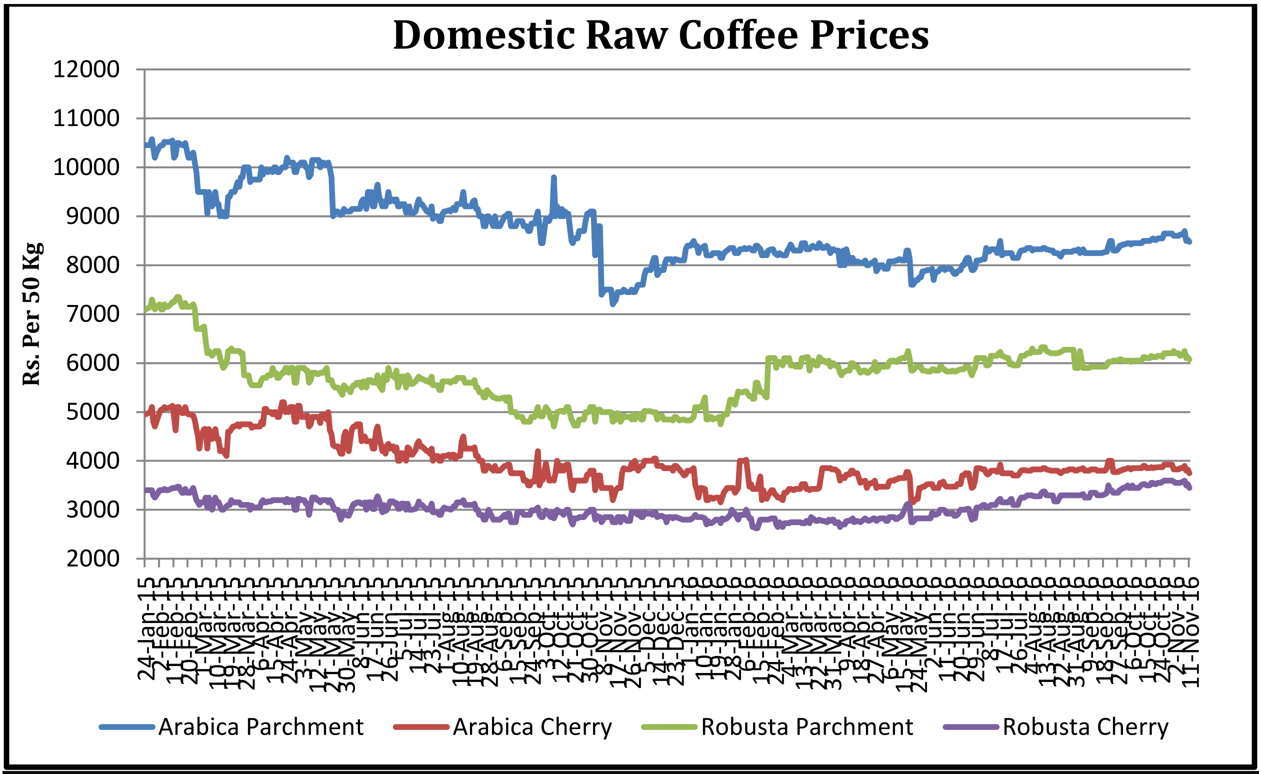
*** Values in Rs. per 50 Kg**

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

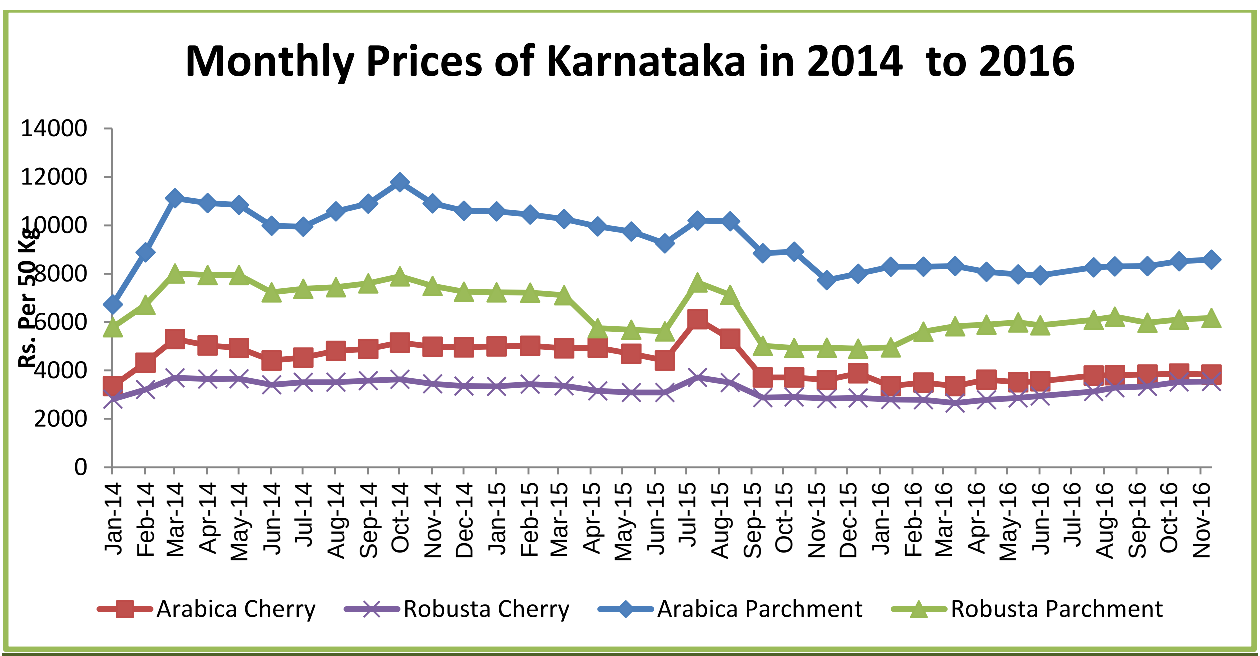
Grade	17.11.2016 Arabica Plantation	27.10.2016 Arabica Plantation	Change	11.10.2016 Arabica Cherry	20.10.2016 Arabica Cherry	Change
MNEB	---	---	---	---	---	---
AA	----	---	---	---	---	---
PB	234	221.26	12.74	190	183.60	6.4
A	---	---	---	---	---	---
AB	---	----	---	---	---	---
B	221	208	13	----	---	---
C	---	---	---	---	145	---
BBB	---	144.56	---	---	---	---
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	165	---	---	---	---	---
A	---	---	---	---	---	---
PB	158	---	---	149	146.50	2.5
AA	166	---	---	153	150.66	2.34
AB	163	---	---	145	148	-3
B	---	---	---	---	---	---
C	147	---	---	138	140.50	-2.5
BBB	132	128.50	3.5	127	126.50	0.5

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

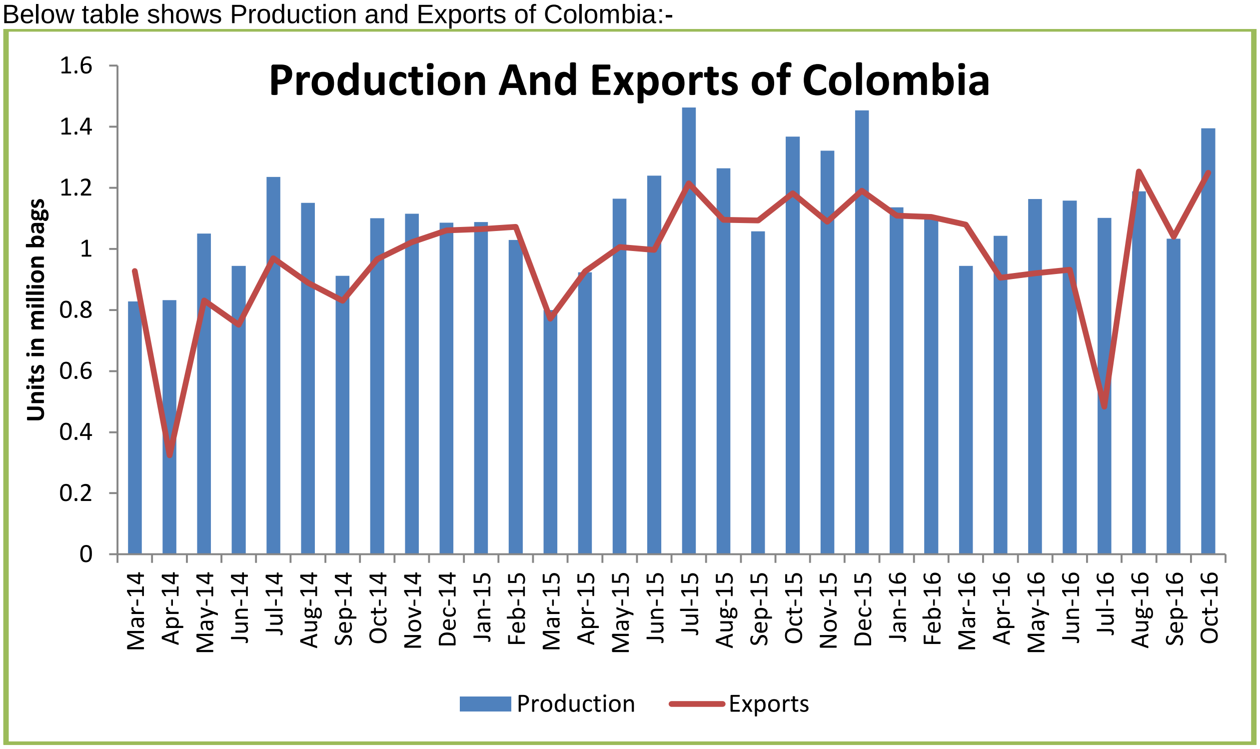
International Market Updates

ICE coffee future prices slipped by 5.54% to 161.85 cents/lb in this week as on 25th November 2016 against 171.35 cents/lb of the last week due to lackluster trading activities. As per sources, certified washed Arabica stocks decreased by 625 bags to 1271115 bags as on 10th November 2016 against previous day record i.e. 1271740 bags.

As per U.S. government weather forecaster, La Nina conditions are present and slightly favored to persist into the Northern Hemisphere winter 2016-17. The Climate Prediction Center (CPC) predicted La Niña conditions during October and sees a 55 percent change and they will persist through the winter. Last month, the agency pegged the chance of La Nina developing this fall at 70 percent.

Colombia:- According to the National Coffee Growers Federation, Washed Arabica Coffee beans output of Colombia stood higher by 2% to 1.39 million 60 kg bags in October 2016 from the same month a year earlier. Total shipment of the country is registered up at 6.4% to 1.25 million bags. Production and exports were battered in recent months by a 45-day truckers' strike and the damage done to many coffee trees by the El Nino drought. Twelve-month production through October stood higher by 3% to 14 million bags against the last year record. The figures came as coffee growers in Colombia, the world's biggest producer of mild-tasting washed Arabicas, braced for the expected La Nina weather phenomenon and potential heavy rains.

Below table shows Production and Exports of Colombia:-



Source: Reuters

El Salvador:- El Salvador exported lower coffee beans by 17.3% to 485046 60 killo bags during the 2015/16 harvest against 586661 bags in the last season harvest on account of a prolonged drought which has affected the production of the country. The coffee season in Mexico and Central America, which together produce a fifth of the world's Arabica coffee beans, begins in October and ends in September.

Production, Supply and Demand of Vietnam :-

Below table depicts coffee production details of Vietnam:-

Vietnam's Coffee Production, Supply and Demand (PSD)						
Coffee, Green Market Year Begins Vietnam	2013/2014		2014/2015		2015/2016	
Market Year Begins	Oct 2013		Oct 2014		Oct 2015	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Tree Population	0	0	0	0	0	0
Beginning Stocks	1.946	1.946	2.130	2.130	2.407	5.831
Arabica Production	1.175	1.175	1.050	1.050	1.100	1.100
Robusta Production	28.658	28.658	27.117	26.350	27.500	28.200
Other Production	0	0	0	0	0	0
Total Production	29.833	29.833	28.167	27.400	28.600	29.300
Bean Imports	476	476	450	450	200	200
Roast & Ground Imports	12	12	10	10	10	10
Soluble Imports	160	160	160	130	160	160
Total Imports	648	648	620	590	370	370
Total Supply	32.427	32.427	30.917	30.120	31.377	35.501
Bean Exports	27.269	27.269	25.000	20.333	25.500	26.667
Rst-Grnd Exp.	120	120	130	457	140	550
Soluble Exports	900	900	1.300	1.282	1.400	1.500
Total Exports	28.289	28.289	26.430	22.072	27.040	28.717
Rst,Ground Dom. Consum.	1.788	1.788	1.830	1.917	1.900	2.250
Soluble Dom. Cons.	220	220	250	300	260	350
Domestic Use	2.008	2.008	2.080	2.217	2.160	2.600
Ending Stocks	2.130	2.130	2.407	5.831	2.177	4.184
Total Distribution	32.427	32.427	30.917	30.120	31.377	35.501

1000 HA, MILLION TREES, 1000 60 KG BAGS

Source: USDA

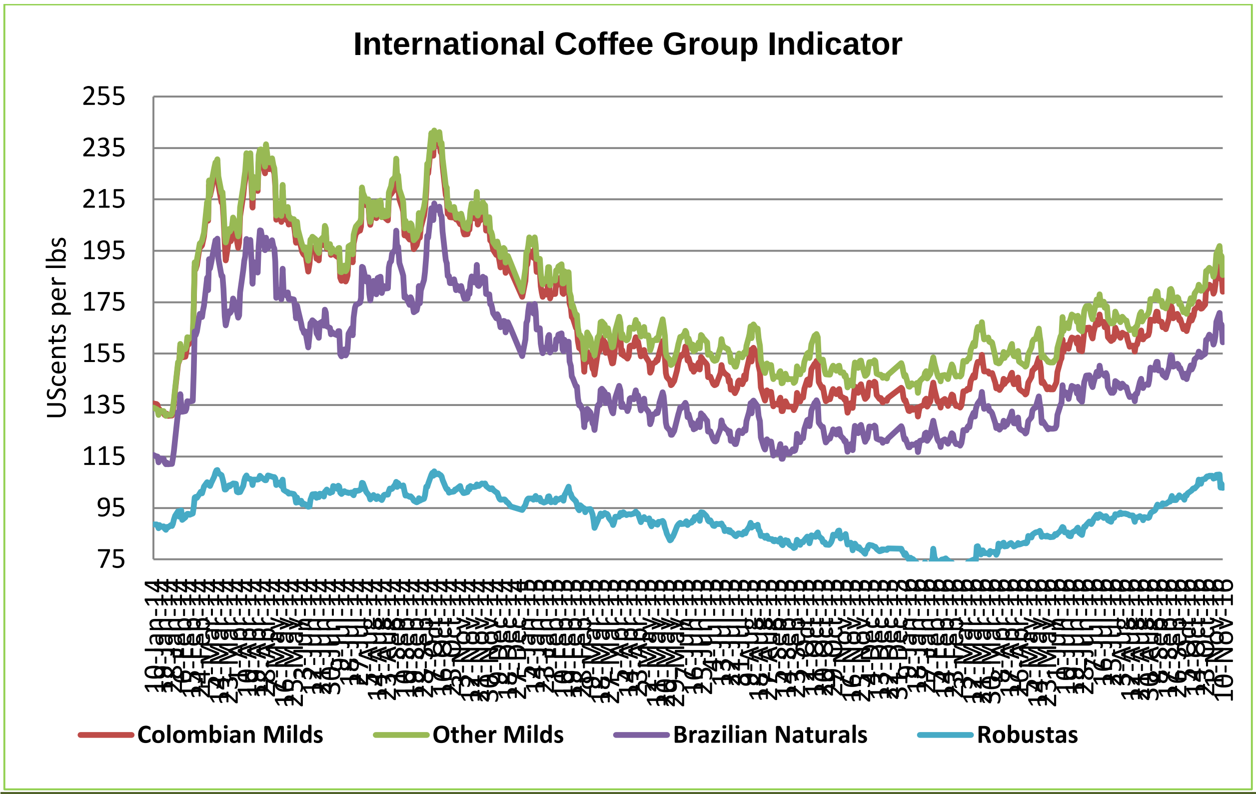
International Coffee Price Trend:-

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

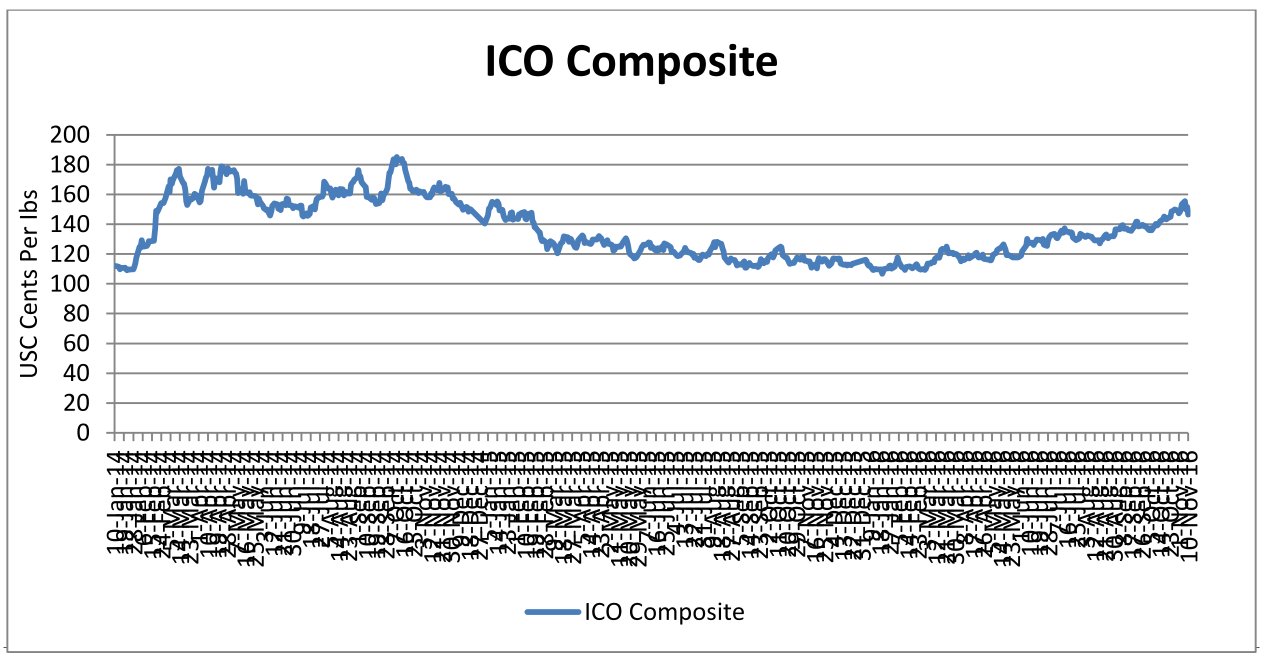
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**25.11.2016**	**10.11.2016**	**25.10.2016**	**25.11.2015**
ICO Composite Indicator	146.46	149.61	137.08	158.28
Colombian Milds				
US	177.75	180.75	167.25	196.25
Europe	180.76	182.93	168.39	204.48
Group Indicator	179.13	181.75	167.77	200.95
Other Milds				
US	184.69	188.69	178.69	204.69
Europe	186.06	188.65	173.67	203.06
Group Indicator	185.50	188.67	175.73	203.68
Brazilian Naturals				
US	144.75	147.75	136.25	161.25
Europe	164.61	166.90	152.77	182.24
Group Indicator	159.45	161.92	148.47	176.79
Robusta				
US	106.25	110.25	100.17	106.50
Europe	102.12	105.92	94.58	100.46
Group Indicator	102.82	106.65	95.53	101.42

US cents/lb

International Coffee Indicators Charts:-



Source: ICO



Source: ICO

International Future Market Prices :-

ICE Arabica Coffee Futures Prices				
Contract Months	**Today(25-Nov-2016)**	**Week Ago(10-Nov-2016)**	**Month Ago(25-Oct-2016)**	**Weekly Change (%)**
16-Dec	161.85	171.35	152.85	**-5.54**
16-Mar	165.65	174.90	156.25	**-5.28**
16-May	167.95	177.00	158.35	**-5.11**

US cents/lb

Liffe Robusta Coffee Futures Prices				
Contract Months	**Today(25-Nov-2016)**	**Week Ago(10-Nov-2016)**	**Month Ago(10-Oct-2016)**	**Weekly Change (%)**
16-Nov	2133	2245	2046	**-4.98**
16-Jan	2077	2188	2054	**-5.07**
16-Mar	2084	2195	2056	**-5.05**

USD/T

International Coffee Prices

	25.11.2016	**10.11.2016**	**25.10.2016**	**25.11.2015**
Vietnam (Robusta Beans Spot) (Dong/Kg)	44200	44600	41300	35600
Vietnam FOB (2-5 pct)* (Saigon port)	2098	2114	2013.50	--
Indonesian FOB (4-80 defects)** (Lampung Port)	2015	---	1930	1690

FOB Values are in USD/T

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	**Prices This Auction In (22/11/2016)**	**Average Prices In**	**Prices This Auction In (15/10/2016)**
Arabica AA	124-341	296.78	114-330
Arabica AB	93-322	266.53	92-286
Arabica C	94-280	231.32	67-256
Arabica PB	148-286	254.29	96-269
Arabica T	60-200	132.21	20-181
Arabica TT	165-266	222.63	84-255

Units-$/50 kg bags

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

Outlook -Prices show downside zone of the market during the week. We expect prices to trade steady to lower side in the market.

- Candlestick chart depicts lower trend in the market.
- Relatively,14 days EMI stood slight down at 160.07 against 160.32 in the market hints downward momentum in the market.
- Higher volume & lower prices indicates further short build up phase of the market.
- On the other hand, RSI is lower at 60.13 compared to 72.72 of last week record indicating week 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**
144.75	155.17	159.45	180.21	184.16

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

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

- Candlestick chart shows downward momentum in the market.
- Relatively, 14-days EMI is moving lower at 2107 against last week records i.e.2117, indicating further weak tone in the market.
- On the other hand, RSI is lower at 66.44 in neutral region against 88.57 of last week hinting a further downward momentum of the market in upcoming week.

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

Coffee Future Market(ICE Market)

Support and Resistance				
S2	**S1**	**PCP**	**R1**	**R2**
2001	2044	2083	2310	2326

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