

Executive Summary

Domestic Coffee Market Summary

Coffee prices surged in Karnataka physical market during week ended 20th January 2017 after improved demand and lower crop estimates. Traders are active now. Fresh arrival for all types of coffee beans like Arabica parchment, Arabica cherry, Robusta cherry and Robusta parchment have started with full pace in the market. Picking of Robusta is started now supported by good weather condition. Arabica trees will be pruned and lapped to prepare them for the next crop. Robusta trees are borne with ripe fruits. Prices in the domestic markets are likely to move in steady to slight up zone in upcoming week. Brazil has Robusta shortage, Indonesia is also short while Indian crops are good. International buyers asking at very low differentials hence little slow but Indian sellers have also sold Robusta grades at quite low differentials.

As per the Coffee Board of India, provisional Indian green coffee exports to 1st January 2017 to 18th January 2017 is registered higher by 19.36% at 9296 metric tons compared to 7788 metric tons in the corresponding period of previous year. India re-exports maximum Instant type of coffee. Instant Coffee exports from 1st January 2017 to 18th January 2017 this year, recorded higher by 114% at 1482 metric tons from preceding year volume of 690 metric tons. Total provisional exports of Arabica Cherry, Robusta Parchment and Robusta Cherry is placed higher by 120% to 802 metric tonnes and 59.76% at 1080 metric tons and 24.19% to 24.19 respectively from 1st January to 18th January 2017 against exports volume of 2088 metric ton, 676 metric tonnes and 3959 metric tons respectively in the corresponding period of last year. However, Arabica parchment is registered lower at 1005 metric tonnes with a decline of 51.86%.

Recommendation:

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

International Coffee Market Summary

As per sources, Vietnam shipped total 1.78 million tonnes (29.7 million 60 kg bags) of coffee in 2017 higher from 32.8% against previous year record. The country exported 148000 tonnes of coffee beans in December 2016.

As per the Conab estimates, Brazil is likely to produce coffee crops between 43.65 million to 47.51 million 60 kg bags in 2017 season against 51.37 million bags in last year due to lower productivity. Arabica coffee beans is likely to touch the level of 35.01 million bags to 37.88 million bags from previous years record i.e. 43.38 million in 2016. Robusta coffee beans production is expected to reach in between 8.64 million bags to 9.63 million bags in 2017 as compared to 7.98 million bags in the last year. Further, it expects 0.2% higher covering coffee planted area to 2.23 million hectares (5.5 million acres) for 2017 season from last year record.

As per sources, Ivory Coast shipped higher coffee beans by 23% to 70,233 tonnes of coffee beans from January through November 2016 from the same period of the previous year.

Ivory Exports Details			
States	Nov-16	Oct-16	Nov-15
Abidjan	2888	4544	4896
San Pedro	468	734	1494
Total	3356	5278	6390
Cumulative	70233	66877	57218

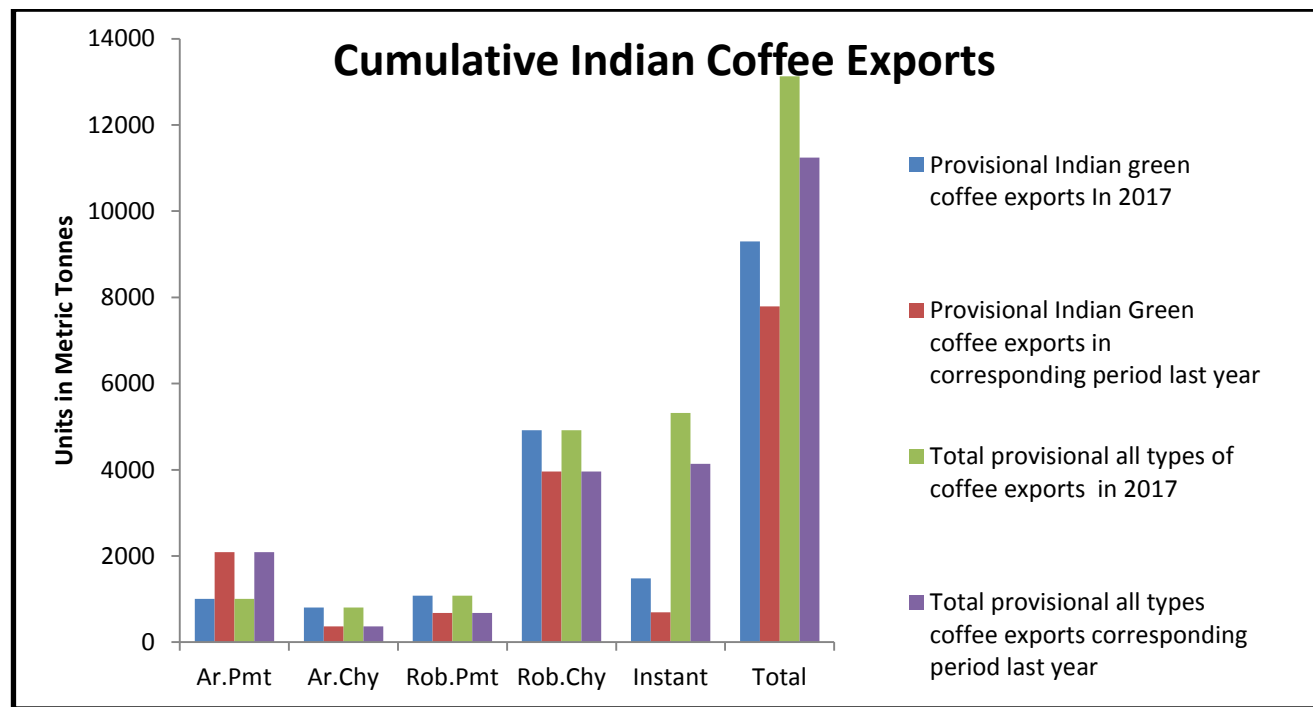
Source: Reuter

Domestic Coffee Exports of India -:

Below table shows coffee exports details of India:-

Export update: From 01 st January 2016 to 18th January 2017(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)	1005	802	1080	4917	0	9	1482	9296
2	Provisional green coffee exports corresponding period last year	2088	364	676	3959	0	11	690	7788
3	Provisional re-exports	0	0	0	0	0	0	3833	3833
4	Provisional re-exports corresponding period last year	0	0	0	0	0	5	3447	3452
5	Total provisional exports (1+3)	1005	802	1080	4917	0	9	5315	13129
6	Total provisional exports corresponding period last year (2+4)	2088	364	676	3959	0	16	4138	11240

Source: The Coffee Board Of India



Source: The Coffee Board Of India

Exports:-

Below table depicts Coffee Exports from India by Countries :-

Coffee Area, Production and Productivity - India									
Season	Bearing Area (ha.)			Production (MT)			Productivity (kg/Hac)		
	Arabica	Robusta	Total	Arabica	Robusta	Total	Arabica	Robusta	Overall
1950-51	67613	24910	92523	15511	3382	18893	229	136	204
1960-61	70649	49672	120321	39526	28643	68169	559	577	567
1970-71	80433	55030	135463	58348	51883	110231	725	943	814
1980-81	98005	92071	190076	61262	57384	118646	625	623	624
1985-86	108476	106000	214476	72311	50139	122450	667	473	571
1986-87	108500	107000	215500	88975	103119	192094	820	964	891
1987-88	108500	109500	218000	64556	58157	122713	595	531	563
1988-89	108500	112500	221000	94781	119934	214715	874	1066	972
1989-90	108500	112500	221000	62572	55481	118053	577	493	534
1990-91	108500	115000	223500	78311	91415	169726	722	795	759
1991-92	108500	115000	223500	88320	91680	180000	814	797	805
1992-93	108500	115000	223500	73120	96275	169395	674	837	758
1993-94	108500	118000	226500	98300	113700	212000	906	964	936
1994-95	108500	120000	228500	79000	101100	180100	728	843	788
1995-96	120100	121900	242000	103250	119750	223000	860	982	921
1996-97	125017	126267	251284	90450	114550	205000	724	907	816
1997-98	130664	154988	285652	99300	129000	228300	760	832	799
1998-99	143007	159227	302234	97000	168000	265000	678	1055	877
1999-00	146052	162381	308433	119000	173000	292000	815	1065	947
2000-01	146502	167432	313934	104400	196800	301200	713	1175	959
2001-02	149056	171681	320737	121050	179550	300600	812	1046	937
2002-03	146780	173835	320615	102125	173150	275275	696	996	859
2003-04	148389	176735	325124	101950	168550	270500	687	954	832
2004-05	153280	180058	333338	103400	172100	275500	675	956	826
2005-06	151547	189804	341351	94000	180000	274000	620	948	803
2006-07	151861	191179	343040	99700	188300	288000	657	985	840
2007-08	151013	193495	344508	92500	169500	262000	613	876	761
2008-09	156421	194079	350500	79500	182800	262300	508	942	748
2009-10	159828	195674	355502	94600	195000	289600	592	997	815
2010-11	163737	196748	360485	94140	207860	302000	575	1,056	838
2011-12	169906	198781	368687	101500	212500	314000	597	1,069	852
2012-13	176131	200174	376305	98600	219600	318200	560	1,097	846
2013-14	181129	200175	381304	102200	202300	304500	564	1011	799
2014-15	185978	200217	386195	98000	229000	327000	527	1144	847
2015-16	192734	204413	397147	103500	244500	348000	537	1196	876

Source: The Coffee Board Of India (Based on exports Permits)

Domestic Raw Coffee Prices (Karnataka):-

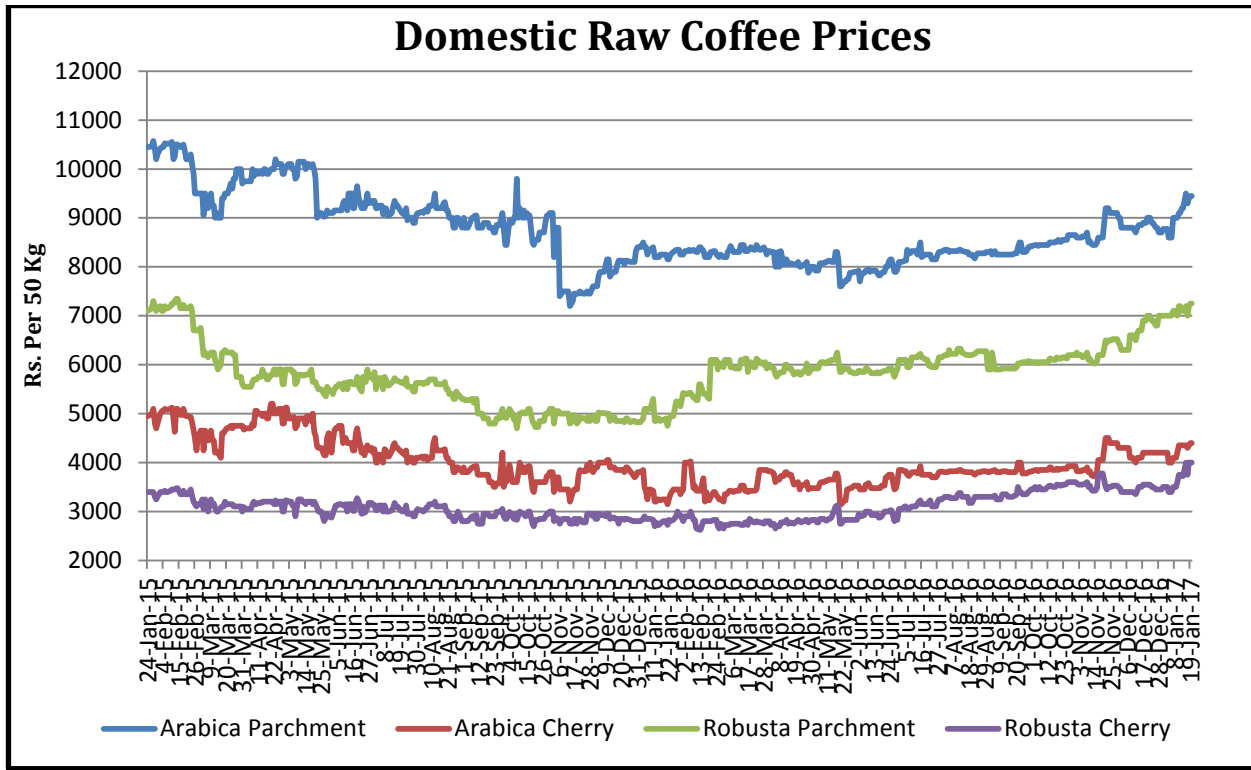
Variety	20.01.2017	13.01.2017	Change
Arabica Parchment	9450	9200	250
Arabica Cherry	4400	4350	50
Robusta Parchment	7250	7100	150
Robusta Cherry	4000	3725	275

* Values in Rs. per 50 Kg

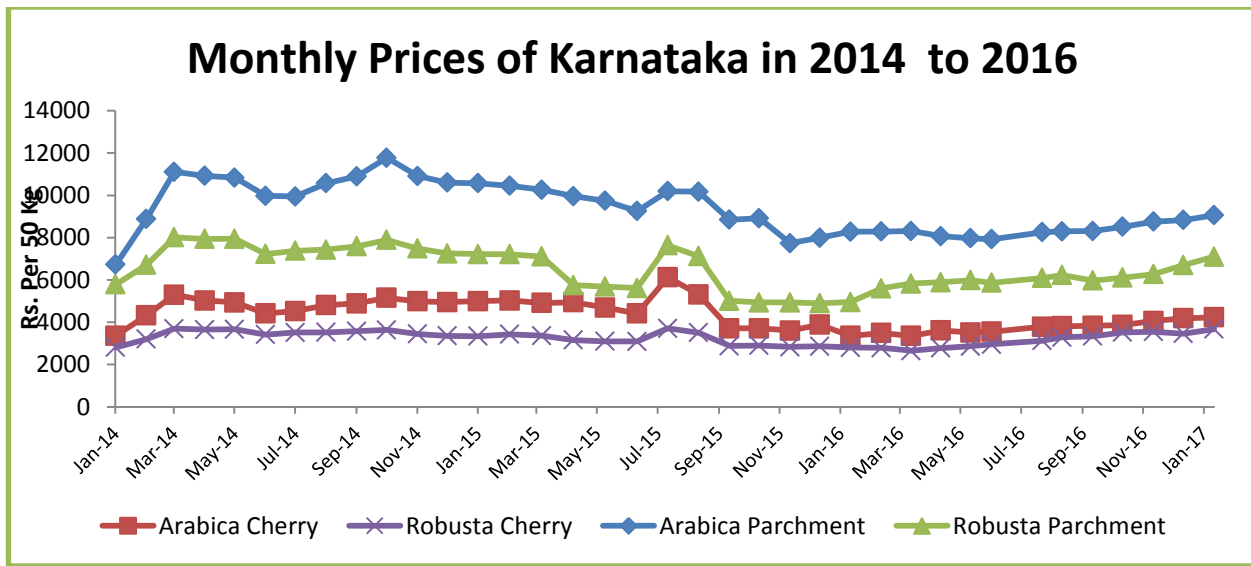
ICTA Auction Prices (Bangalore)(New Season(2015-2016) Crop

Grade	12.01.2017	05.01.2016	Change	12.01.2017	05.01.2016	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	---	---	---	---	---	---
AA	---	212.50	---	215.10	---	---
PB	230.26	215	15.26	200	---	---
A	226.06	---	---	216.10	202	14.10
AB	---	---	---	193	186.86	6.14
B	217.16	---	---	---	---	---
C	---	180	---	160	---	---
BBB	152.16	---	---	131	---	---
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	
RKR	164	---	---	---	---	---
A	---	---	---	159	---	---
PB	158	---	---	151.56	148.30	3.26
AA	---	---	---	160	---	---
AB	163	---	---	154.50	148	6.5
B	---	---	---	---	---	---
C	146	---	---	146	---	---
BBB	---	132	---	---	---	---

Values in Rs. per kg

Coffee Prices Of Auction Market & State Wise Market


Source: Agriwatch



Source: Agriwatch

International Market Updates

ICE coffee future prices increased by 0.76% to 153.20 cents/lb in this week, as on 19th of January 2017 against 149.60 cents/lb of the last week after tight supplies in the market. ICE certified Arabica stocks declined by 2104 bags to 1288959 bags as on 19th Jan 2017 against previous day record i.e. 1291063 bags. According to the Green Coffee Association, U.S. green coffee increased by 57657 bags to 6.3 million bags by the end of December 2016. Below table shows U.S green coffee details:-

Ports	Total Exchange& Non-Exchange	Change From Last Date
New York	1,789,520	34,895
New Orleans	716,103	-43,989
Jacksonville	387,000	6,000
Miami	103,461	969
Houston	627,926	29,374
Laredo	36,845	-10,964
San Francisco	736,162	-8,794
Norfolk	464,964	18,573
Philadelphia	21,398	4,260
Seattle/Tacoma	345,744	2,218
Los Angeles/ Long Beach	189,241	8,674
Baltimore	601,793	13,768
South Carolina	235,983	2,673
Total USA	6,256,140	57,657

Source: Reuters

Coasta Rice:- As per sources, Costa Rica coffee exports declined by 26.1% to 31246 60 kg bags in December 2016 from last year record during the corresponding period of time. The country is known for high quality coffee beans. It shipped total 88143 bags so far of the current season 2016/17 with a decrease of 6.3% against previous cycle of three months in 2015/16. The coffee season in Central America and Mexico, which together produce about one-fifth of the world's Arabica beans, runs from October through September.

Brazil:- Conab, Brazil's crop supply agency expects coffee production of Brazil at 51.39 million 60 kg bags for 2016 which is higher from its earlier forecast i.e. 49.6 million bags. As per Reuter survey group, Brazil is likely to produce higher coffee beans at 54.9 million bags in 2017. Flowering stage of coffee trees was already started in September 2016. However other analysts forecasted coffee crop size for 2017 season on lower side.

USDA:- According to USDA report, Global coffee exports of production is expected to go up by 2.4% for the season 2016/17 against previous year record after a record Arabica crop in top grower Brazil more than offsetting smaller Robusta harvests. For the season 2015/16, the production was placed at 156.60 million 60 kg bags higher from the USDA's June estimate of 155.7 and up from 2015/16 at 152.90 million bags. As per UCDA, Uganda shipped 64% higher coffee beans at 408027 60 kg bags in November 2016 against 248921 bags in November 2016 during the corresponding period of time in 2015. Positive weather condition supported to higher crop size.

Coffee Exports Of The world:-
Below table shows monthly coffee exports details of the World:-

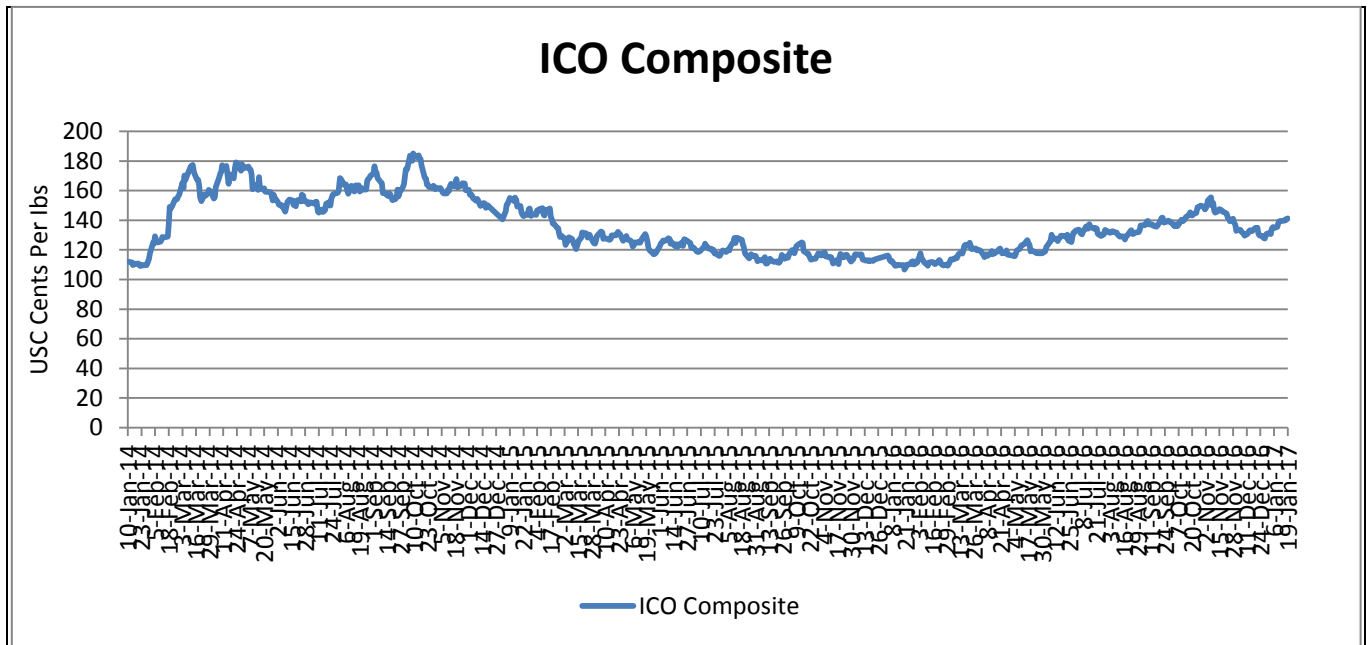
Total Production of Exporting Members (Units in '000 bags)					
Countries	2011/12	2012/13	2013/14	2014/15	2015/16
TOTAL	140,623	150,858	152,105	146,643	147,994
Arabicas	82007	91511	90540	85239	85814
Robustas	54564	59346	61564	61410	62179
April group					
Angola	29	33	35	39	41
Bolivia	143	115	128	106	89
Brazil	48,702	56,925	55,050	51,116	48,423
Burundi	204	406	163	248	274
Ecuador	825	828	666	644	644
Indonesia	7,750	10,726	10,300	9,935	11,525
Madagascar	585	500	584	500	449
Papua New Guinea	1,414	716	835	798	712
Peru	5,373	4,453	4,338	2,883	3,301
Rwanda	251	259	258	238	278
Timor-Leste	47	61	80	117	66
July group					
Cuba	100	88	107	101	100
Dominican Republic	491	488	425	397	400
Haiti	349	350	345	343	342
Philippines	596	599	593	603	605
Tanzania	544	1,109	809	728	875
October group					
Cameroon	669	371	404	483	570
Central African Republic	91	23	90	63	100
Colombia	7,652	9,927	12,124	13,333	14,009
Congo, Dem. Rep. of	357	334	347	335	335
Costa Rica	1776	1658	1444	1408	1492
Côte d'Ivoire	1966	2072	2107	1750	1900
El Salvador	1158	1255	525	695	565
Ethiopia	6798	6233	6527	6625	6700
Ghana	94	82	45	13	37
Guatemala	4050	3963	3439	3310	3400
Guinea	386	234	101	147	177
Honduras	5903	4537	4568	5400	5400
India	5233	5303	5075	5450	5833
Kenya	757	875	838	765	760
Lao, People's Dem. Rep. of	514	541	550	506	520
Mexico	4563	4327	3916	3591	2800
Nicaragua	2193	1991	1941	1898	2100
Nigeria	47	41	41	43	42
Panama	106	80	113	106	107
Thailand	831	608	638	497	500
Uganda	3115	3914	3633	3744	4000
Venezuela	902	952	805	651	500
Vietnam	26500	23402	27610	26500	27500
Yemen	185	188	185	150	130

Source: ICO

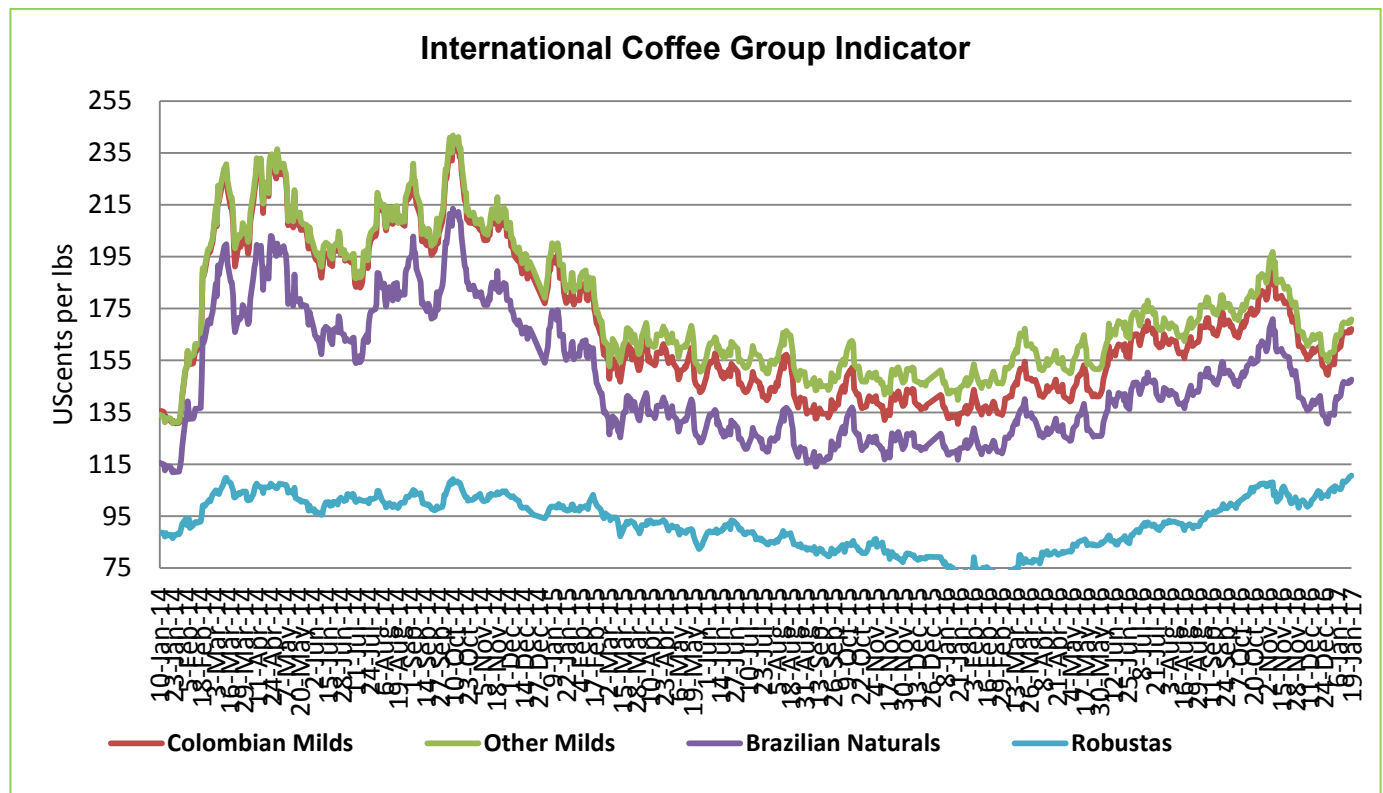
International Coffee Price Trend:-
Germany Market – Hamburg and Bremen, France Market – (Le Havere and Marseilles) * Values

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	19.01.2017	12.01.2017	19.12.2016	19.01.2016
ICO Composite Indicator	141.28	139.62	134.80	109.75
Colombian Milds				
US	167.75	165.50	160.25	133.75
qEurope	166.50	165.71	159.42	134.24
Group Indicator	167.17	165.60	159.87	133.97
Other Milds				
US	169.44	167.94	164.44	144.94
Europe	171.90	170.94	165.47	143.67
Group Indicator	170.89	169.71	165.05	143.60
Brazilian Naturals				
US	138.75	137.50	130.25	104.75
Europe	150.85	150.10	143.86	125.79
Group Indicator	147.70	146.83	140.32	120.32
Robusta				
US	113.83	110.08	106.83	81
Europe	110.03	107.63	104.33	72.08
Group Indicator	110.68	108.05	104.76	73.60

US cents/lb

International ICO Indicator & Market Specific Prices (US cents/lb)


Source: Agriwatch & ICO



International Future Market Prices :-

ICE Arabica Coffee Futures Prices				
Contract Months	Today(19-Jan-2017)	Week Ago(12-Jan-2017)	Month Ago(19-Dec-2016)	Weekly Change (%)
17-Mar	150.75	149.60	144.25	0.76
17-May	155.60	152	146.55	0.75
17-Jul	157.90	154.30	148.80	0.74

US cents/lb

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(19-Jan-2017)	Week Ago(12-Jan-2017)	Month Ago(19-Dec-2016)	Weekly Change (%)
17-Jan	2271	2210	2158	2.76
17-Mar	2261	2198	2129	2.86
17-May	2261	2205	2136	2.53

USD/T

International Coffee Prices

	19.01.2017	12.01.2017	19.12.2016	19.01.2016
Vietnam (Robusta Beans Spot) (Dong/Kg)	47250	--	-	31700
Vietnam FOB (2-5 pct)* (Saigon port)	2180	--	--	1490
Indonesian FOB (4-80 defects)** (Lampung Port)	2165	--	2035	1610

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

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	Prices This Auction In (17/01/2017)	Average Prices In	Prices This Auction In (10/12/2016)
Arabica AA	150-540	306.4	160-405
Arabica AB	159-423	276.62	130-386
Arabica C	101-278	241.86	90-276
Arabica PB	142-312	267.25	186-347
Arabica T	48-195	109.02	51-209
Arabica TT	164-267	213.48	124-292

Units-\$/50 kg bags

Technical Analysis Of Coffee Future Market (March'2017 Contract At ICE Future Market)(Units in USC/lb)

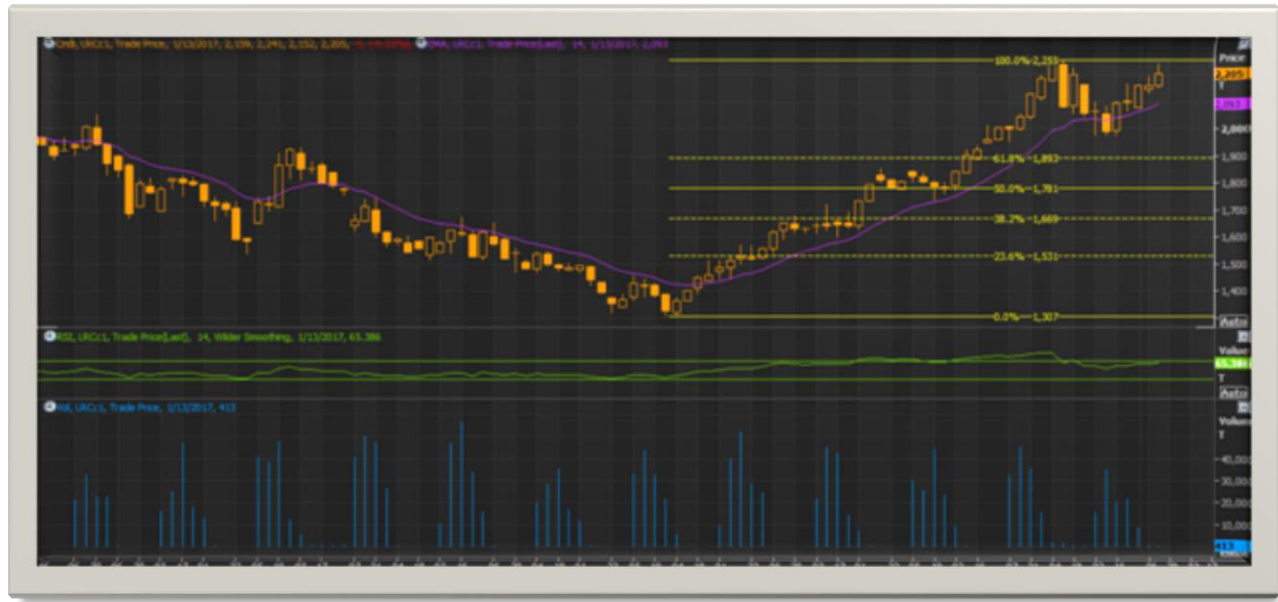

Outlook - Prices show uptrend in the market during the week. We expect prices to trade steady to upside in the market.

- Candlestick chart depicts upper trend in the market.
- However, 14 days EMI stood slight upside at 150.10 against 148.10 in the market hints upward momentum in the market.
- Higher volume and prices indicates further long build up phase of the market.
- On the other hand, RSI is lower at 57.10 compared to 52.10 of last week record 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
130.10	143.20	150.75	162.78	170.18

Technical Analysis Of Coffee Future Market (Jan'2017 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.
- Relatively, 14-days EMI is moving upper at 2270 against last week records i.e.2265, indicating further strong tone in the market.
- On the other hand, RSI is also higher at 67.38 in neutral region against 65.50 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
2100	2170	2271	2320	2350

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