AGRIWATCH

Executive Summary

Domestic Coffee Market Summary

Mixed trend were seen in the coffee physical market during this week ended as on 3rd March 2017. Some of the traders are very active however some of the buyers are still waiting for better prices in the market. Arrival is less in the market. Some areas in Coorg had good rainfall last week and Robusta flowerings are underway.

As per the Coffee Board of India, provisional Indian green coffee exports to 1st January 2017 to 1st March 2017 is registered lower by 0.56% at 42019 metric tons compared to 41783 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 1st March 2017 this year, recorded higher by 34.65 % at 4531 metric tons from preceding year volume of 3365 metric tons. Total provisional exports of Arabica Cherry, Robusta Parchment and Robusta Cherry is placed higher by 39.73% to 3035 metric tonnes and 26.76% at 3330 metric tons and 5.75% to 24962 respectively from 1st January to 1st March 2017 against exports volume of 2172 metric ton,2627 metric tonnes and 23603 metric tons respectively in the corresponding period of last year. However, Arabica parchment is registered lower at 6101 metric tonnes with a decline of 38.77%.

Recommendation:

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

International Coffee Market Summary

As per ICO recent released data, coffee exports of the world went up by 6.7% to total 9.84 million 60 kg bags. Coffee Shipment for the first four months of the 2016/17 season increased by 8.9% to 39.98 million bags. Robusta coffee shipment is registered slight lower by 0.4 percent in January from a year earlier at 3.49 million bags. Cumulative Robusta exports for the season to date rose 7.4 percent to 14.26 million bags. Arabica coffee exports in January were 11.1 percent higher than in the same month last year, at 6.34 million bags. Cumulative Arabica exports for the season to date rose 9.7 percent to 25.72 million bags. Ivory Coast shipped 3,266 tonnes of coffee beans in January with a decline of 23 percent from the first month of the previous year as mentioned below:-

Ivory Exports Details			
States	**Jan-17**	**Dec-16**	**Dec-15**
Abidjan	2888	4544	4896
San Pedro	468	734	1494
Total	3356	5278	6390
Cumulative	70233	66877	57218

Source: Reuters

According to the National Coffee Institute ICAFE, Costa Rican coffee exports slipped by 25% in February 2017. Shipments in February, the fifth month of the current 2016/2017 harvesting season, totaled 108,276 60-kg bags, compared with 144,469 bags during the same month last year. Costa Rica, which is one of the region's smaller producers but is known for its high-quality bean, has shipped 280,435 bags so far during the 2016/2017 season, down about 10 percent compared to the same five-month period during the 2015/2016 cycle. 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.

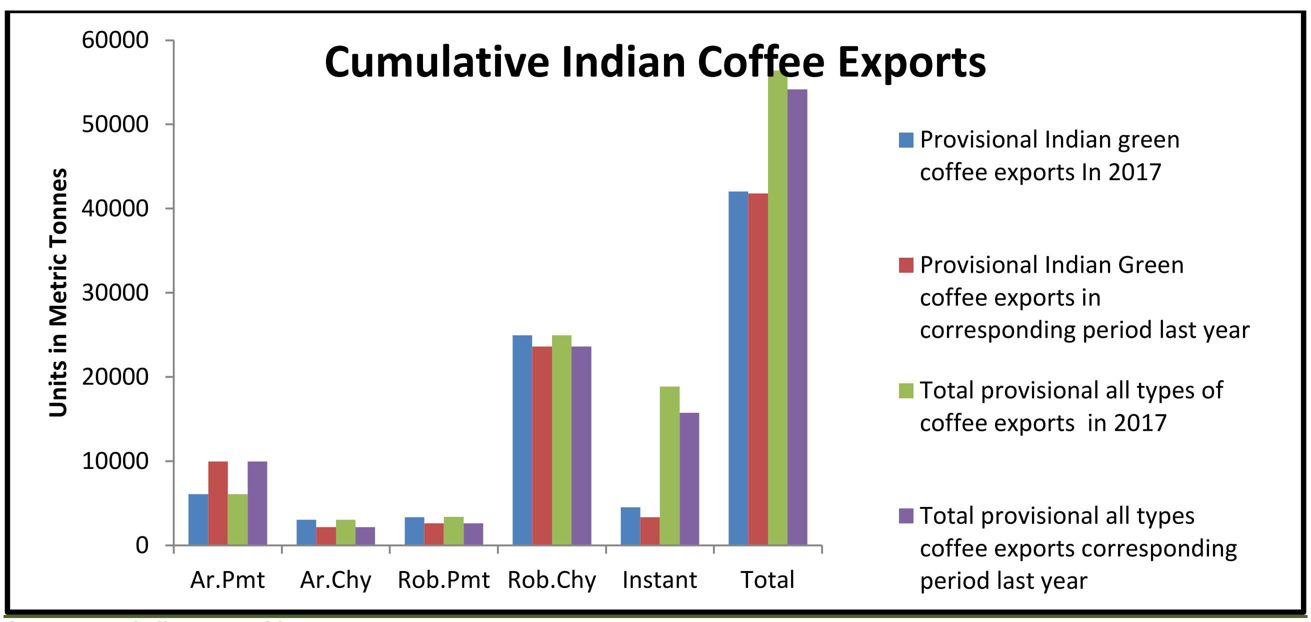
As per traders, Coffee shipment in Vietnam is expected higher side at 140,000 to 160,000 tonnes (2.3 million to 2.7 million 60-kg bags) in March 2017 supported by good demand at the time of lunar new year and the current situations in Indonesia and Brazil will help raise coffee export volume from Vietnam. On the other, the government posted its estimate for the exports at 130,000 tonnes of coffee in February, up 9.2 percent from a year ago.

Domestic Coffee Exports of India -:

Below table shows coffee exports details of India:-

	Export update: From 01st January 2017 to 1st March 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)	6101	3035	3330	24962	6	55	4531	42019
2	Provisional green coffee exports corresponding period last year	9965	2172	2627	23603	8	42	3365	41783
3	Provisional re-exports	0	14	40	0	0	0	14350	14403
4	Provisional re-exports corresponding period last year	0	0	0	0	0	5	12389	12394
5	Total provisional exports (1+3)	**6101**	**3048**	**3370**	**24962**	**6**	**55**	**18881**	**56422**
6	Total provisional exports corresponding period last year (2+4)	**9965**	**2172**	**2627**	**23603**	**8**	**47**	**15754**	**54177**

Source: The Coffee Board Of India



Source: The Coffee Board Of India

Indian Coffee Crop Details:-

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Below table depicts Post Monsoon production details of Coffee in India :-

State/District	Post Monsoon Estimate 2016-17			Final Estimate 2015-16		
	Arabica	Robusta	Total	Arabica	Robusta	Total
Karnataka						
Chikmagalur	36,400	35,000	**71,400**	40,600	41,400	**82,000**
Kodagu	17,400	106,750	**124,150**	19,150	118,150	**137,300**
Hassan	17,800	12,950	**30,750**	18,900	13,320	**32,220**
Sub total	**71,600**	**154,700**	**226,300**	**78,650**	**172,870**	**251,520**
Kerala						
Wayanad0	0	52,500	**52,500,**	0	57,850	**57,850**
Travancore	990	7,050	**8,040**	1,000	7,480	**8,480**
Nelliampathies	1,150	1,600	**2,750**	1,200	1,700	**2,900**
Sub total	**2,140**	**61,150**	**63,290**	**2,200**	**67,030**	**69,230**
Tamil Nadu						
Pulneys	6,135	365	**6,500**	6,785	340	**7,125**
Nilgiris	1,200	3,565	**4,765**	1,325	3,575	**4,900**
Shevroys (Salem)	3,425	70	**3,495**	3,400	70	**3,470**
Anamalais (Coimbatore)	1,300	500	**1,800**	1,300	500	**1,800**
Sub total	**12,060**	**4,500**	**16,560**	**12,810**	**4,485**	**17,295**
Non Traditional Areas						
Andhra Pradesh	9,650	50	**9,700**	9,150	50	**9,200**
Orissa	650	0	**650**	600	0	**600**
Sub Total	10,300	**50**	**10,350**	**9,750**	**50**	**9,800**
North Eastern Region	100	100	**200**	90	65	**155**
Grand Total (India)	**96,200**	**220,500**	**316,700**	**103,500**	**244,500**	**348,000**

Source: DGCI&S, Kolkata, MoC&I, GOI

Domestic Raw Coffee Prices (Karnataka):-

Variety	03.03.2017	24.02.2017	Change
Arabica Parchment	9200	9400	-200
Arabica Cherry	4400	4500	-100
Robusta Parchment	7200	7100	100
Robusta Cherry	3750	3700	50

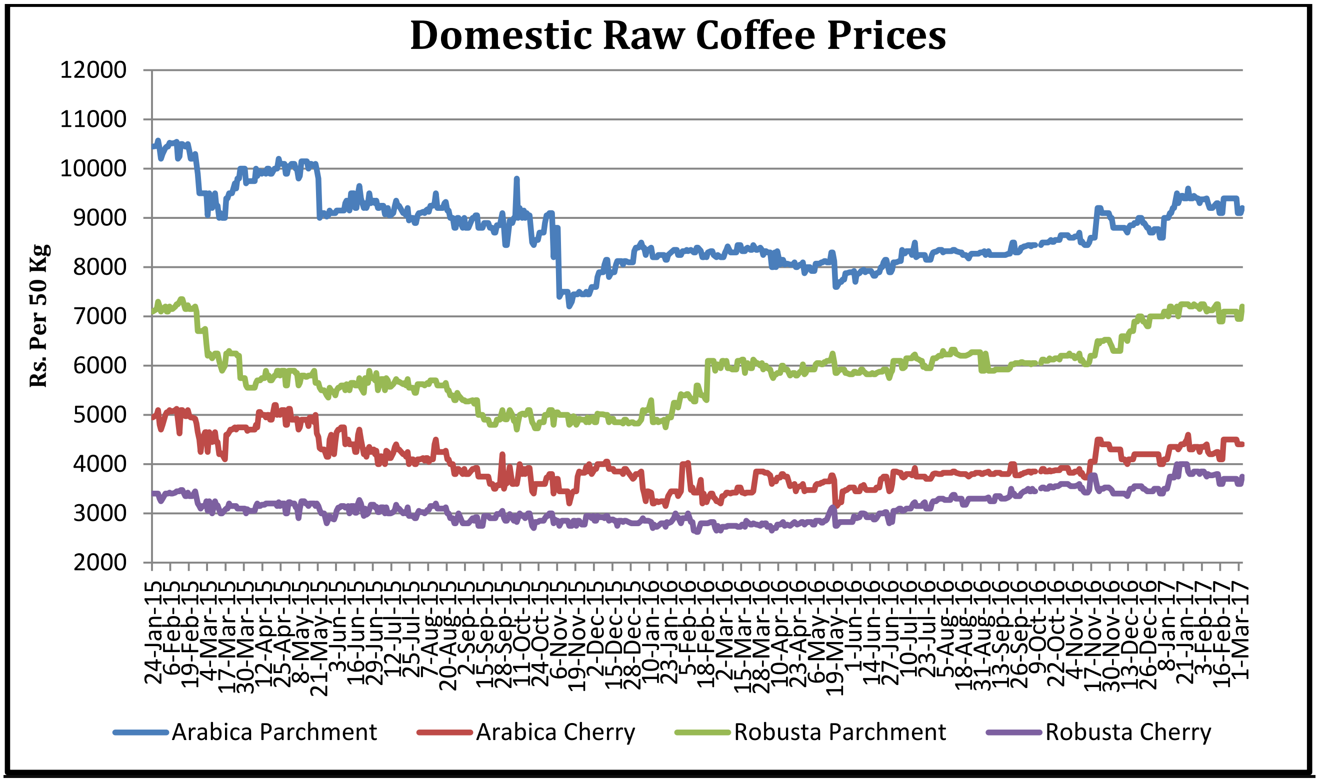
*** Values in Rs. per 50 Kg**

ICTA Auction Prices (Bangalore)(New Season(2016-2017) Crop

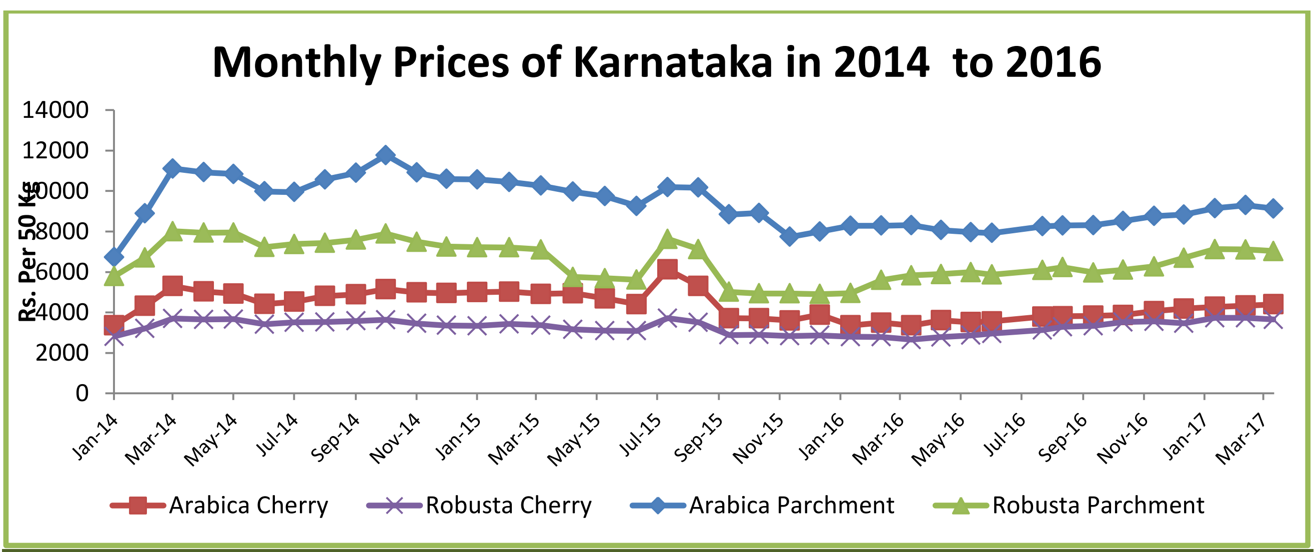
Grade	22.02.2017	16.02.2017	Change	22.02.2017	16.02.2017	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	---	---	---	---	---	---
AA	255.5	250	5.5	---	---	---
PB	226	225	1	---	---	---
A	238.5	232.5	6	---	---	---
AB	---	---	---	---	---	---
B	215	209	6	---	---	---
C	197	180	17	---	---	---
BBB	160.8	138.8	22	---	---	---
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	---	---	---	---	---	--
A	---	---	---	---	---	---
PB	---	---	---	---	146	---
AA	---	---	---	---	---	---
AB	---	---	---	---	---	---
B	---	---	---	---	145.5	---
C				---	137.5	---
BBB	---	---	---	---	125	---

Values in Rs. per kg

Coffee Prices Of Auction Market & State Wise Market



Source: Agriwatch



Source: Agriwatch

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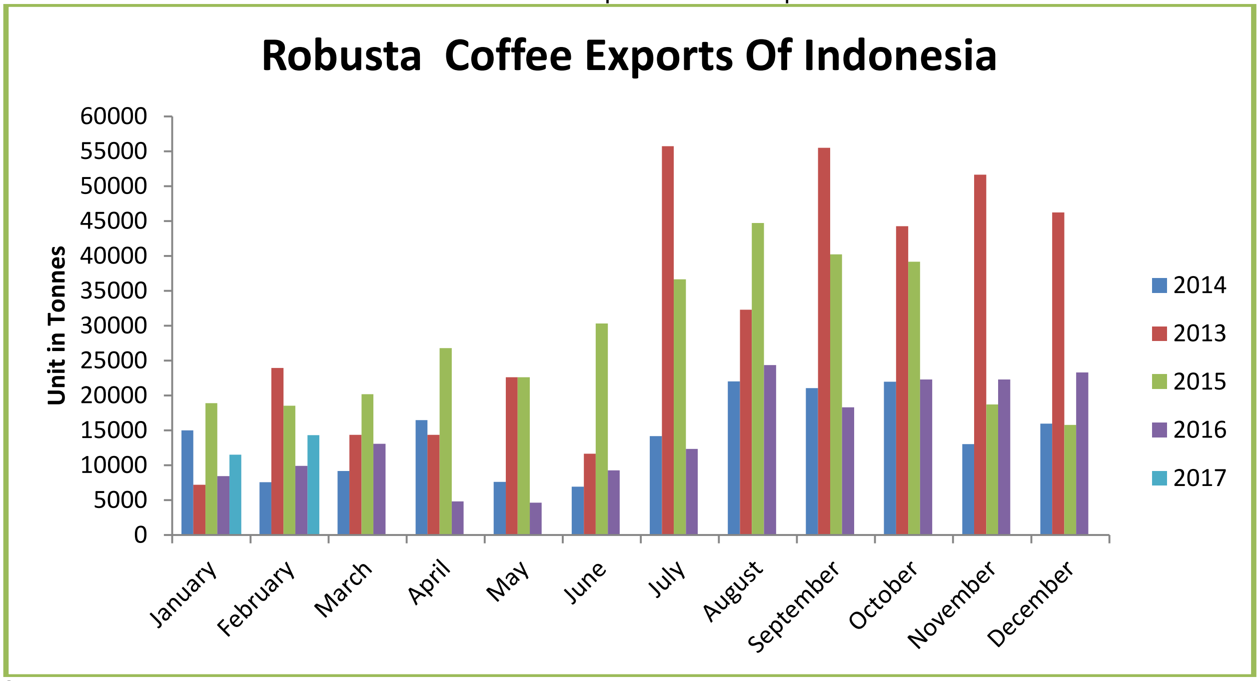
International Market Updates

ICE coffee future prices decreased by 3.82% to 142.20 cents/lb in this week, as on 2nd March 2017 against 147.85 cents/lb due to sluggish demand. On the other hand, ICE certified Arabica stocks increased by 5835 bags to 1338469 bags as on 6th March 2017 against previous day record i.e.1330969 bags.

Indonesia:- As per the report, coffee exports of Indonesia is registered 45% higher at 14321.70 Tonnes in February 2017 from previous year record i.e. 9896.10 Tonnes during the same period of time. Coffee shipment for January 2017 is recorded 11509.90 Tonnes. Below table depicts Coffee Exports details of Sumatra:-



Source: Reuters

Honduras:- As per the recent report, Honduras shipped 36% higher coffee beans to 953,831 60- kg bags in February 2017 from the same month last year record i.e. 703,525 followed by good production. Shipments in the October-February period of the 2016-17 cycle were 2.314 million bags, up 30 percent from the same period a year earlier. 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. The country is likely to ship 41% higher coffee beans in 2016/17 season.

Kenya:- As per the Nairobi Coffee exchange, the maximum price of Kenya's benchmark grade AA coffee declined at this week's auction compared with the previous sale. Kenya produces high-quality coffee that is in high demand from roasters in other countries to blend with their beans. Kenya is likely to get poor rainfall in the main March to May rainy season on account of drought.

Brazil:- As per Brazil's Trade Ministry, Brazil has shipped 13.85% lower coffee beans in February 2017 compared to February 2016.

Brazil's Coffee Exports Details (60 kg bags)			
Commodity	Feb-17	Feb-16	% change Last year
Coffee	2.30	2.67	-13.8576779

Source: Reuters

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Coffee Exports Of The World:

Below table shows exports details of exporting members:-

Monthly export statistics - January 2017 In Thousands 60 kg bags						
	January 2016	January 2017	% change	October - January		% change
				2014/15	2015/16	
TOTAL	**9 219**	**9 837**	**67.0%**	**36 709**	**39 977**	**89.0%**
Arabicas	5 712	6 343	11.1%	23 435	25 716	97.0%
Colombian Milds	*1 182*	*1 567*	*32.5%*	*4 988*	*5 876*	*17.8%*
Other Milds	*1 689*	*2 018*	*19.5%*	*5 710*	*7 029*	*23.1%*
Brazilian Naturals	*2 841*	*2 758*	*-29.0%*	*12 737*	*12 811*	*0.6%*
Robustas	3 507	3 494	-0.4%	13 274	14 261	74.0%
Brazil	2 809	2 564	-87.0%	13 088	12 316	-59.0%
Colombia	1 098	1 470	33.8%	4 579	5 480	19.7%
Costa Rica	66	58	-12.1%	156	160	27.0%
Côte d'Ivoire	112	110	-18.0%	441	380	-13.8%
Ecuador	54	60	12.2%	304	343	12.7%
El Salvador	30	15	-49.9%	58	43	-24.6%
Ethiopia	142	184	29.8%	828	779	-59.0%
Guatemala	190	150	-21.0%	427	428	0.4%
Honduras	580	772	33.1%	1 003	1 361	35.7%
India	369	385	42.0%	1 462	1 702	16.4%
Indonesia	409	572	40.0%	2 417	3 006	24.4%
Kenya	32	47	47.7%	208	211	15.0%
Mexico	164	200	22.2%	632	726	14.9%
Nicaragua	113	75	-33.7%	247	245	-10.0%
Papua New Guinea	29	49	67.4%	197	431	11.9%
Peru	161	350	11.8%	1 413	2 006	42.0%
Rwanda	23	20	-13.0%	124	124	0.3%
Tanzania	87	84	-30.0%	304	315	39.0%
Thailand	2	2	0.0%	8	8	0.0%
Timor-Leste	10	3	-70.0%	36	11	-71.1%
Uganda	335	400	19.5%	1 149	1 442	25.4%
Vietnam	2 286	2 150	-59.0%	7 151	8 000	11.9%
Others	38	31	-18.4%	121	117	-37.0%

Source: ICO

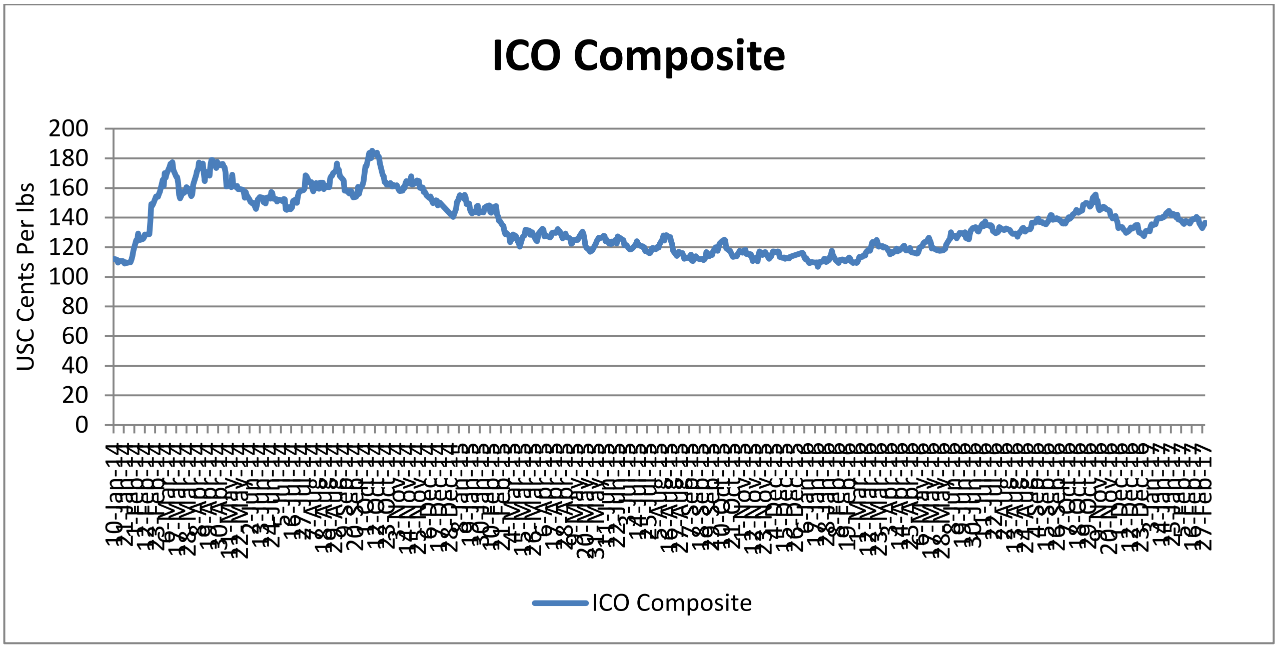
International Coffee Price Trend:-

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

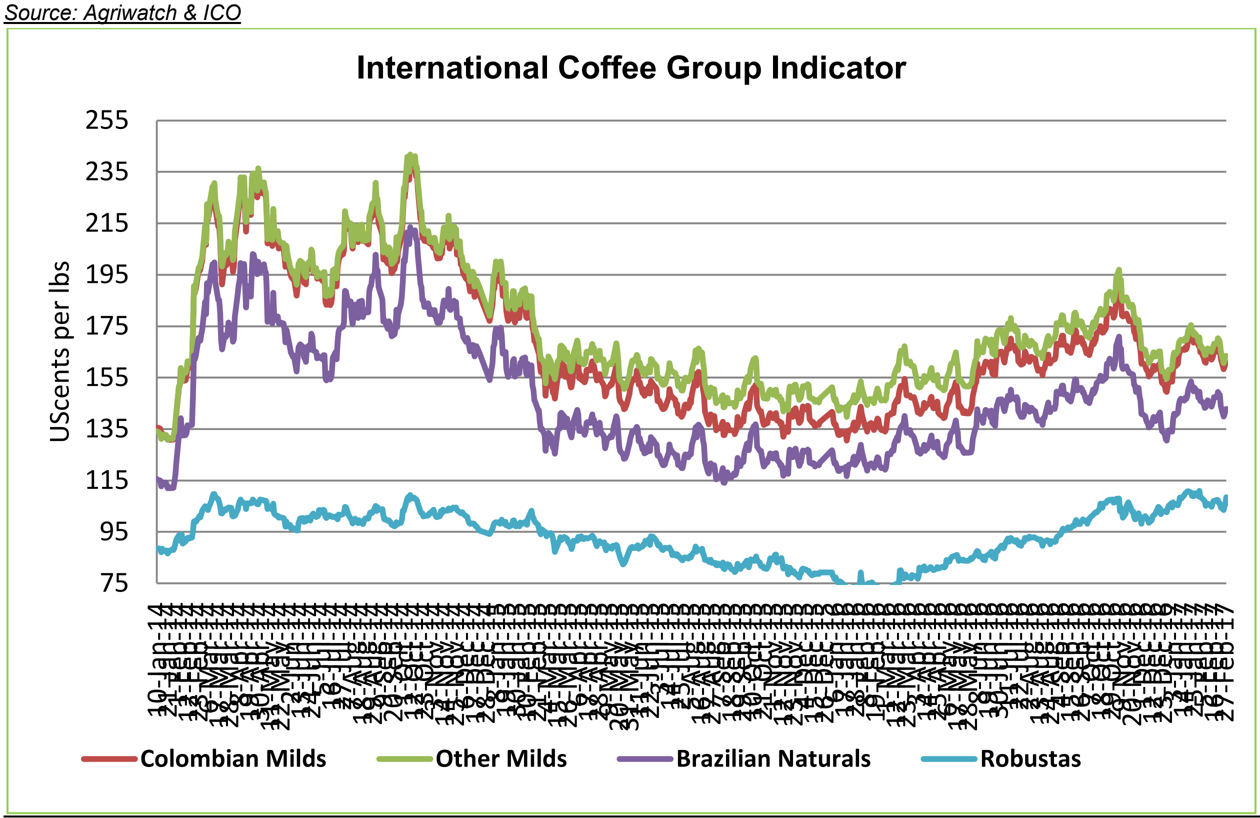
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**02.03.2017**	**23.02.2017**	**02.02.2017**	**02.03.2016**
ICO Composite Indicator	136.68	139.29	138.82	111.64
Colombian Milds				
US	161.25	167	165.60	137.75
Europe	160.52	165.82	164.03	136.63
Group Indicator	160.92	166.46	164.82	137.24
Other Milds				
US	161.94	167.94	167.19	148.69
Europe	164.65	169.66	166.90	149.27
Group Indicator	163.54	168.95	167.02	149.03
Brazilian Naturals				
US	135.25	142	139.50	107.75
Europe	145.44	150.58	148.14	127.46
Group Indicator	142.79	148.35	145.90	122.34
Robusta				
US	112	109.75	111.75	80.58
Europe	107.78	105.44	107.85	71.22
Group Indicator	108.49	106.17	108.52	72.81

US cents/lb

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



Source: Agriwatch & ICO



International Future Market Prices :-

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ICE Arabica Coffee Futures Prices				
Contract Months	**Today(02-Feb-2017)**	**Week Ago(23-Feb-2017)**	**Month Ago(2-Feb-2017)**	**Weekly Change (%)**
17-Mar	142.20	147.85	145.95	**-3.82**
17-May	144.35	149.95	148.50	**-3.73**
17-Jul	146.70	152.20	150.80	**-3.61**

US cents/lb

Liffe Robusta Coffee Futures Prices				
Contract Months	**Today(02-Feb-2017)**	**Week Ago(23-Feb-2017)**	**Month Ago(02-Feb-2017)**	**Weekly Change (%)**
17-Mar	2192	2124	2201	**3.20**
17-May	2215	2155	2211	**2.78**
17-Jul	2230	2177	2216	**2.76**

USD/T

International Coffee Prices

	23.02.2017	16.02.2017	23.01.2017	23.02.2016
Vietnam (Robusta Beans Spot) (Dong/Kg)	45900	46250	-	30900
Vietnam FOB (2-5 pct)* (Saigon port)	2091	2088	-	1465
Indonesian FOB (4-80 defects)** (Lampung Port)	2095	-	-	1610

FOB Values are in USD/T

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	**Prices This Auction In (28/02/2017)**	**Average Prices In**	**Prices This Auction In (21/01/2017)**
Arabica AA	107-523	336.55	201-681
Arabica AB	87-422	281.32	156-515
Arabica C	71-297	219.49	124-310
Arabica PB	91-700	264.54	150-555
Arabica T	44-167	110.07	93-200
Arabica TT	130-281	230.36	155-298

Units-$/50 kg bags

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

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

- Candlestick chart depicts lower trend in the market.
- However,14 days EMI stood downside at 142.20 against 147.85 in the market hints downward momentum in the market.
- Lower volume and prices indicates further short build up phase of the market.
- Relatively, RSI is lower at 47.60 compared to 51.48 of last week record indicating 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**
120.25	131.20	142.20	150.80	159.70

Technical Analysis Of Coffee Future Market (Mar'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.
- However, 14-days EMI is moving lower at 2170 against last week records i.e.2023, indicating further strong tone in the market.
- Relatively, RSI is also lower at 58.80 in neutral region against 56.75 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**
1972	2010	2192	2250	2300

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