



Executive Summary

Domestic Coffee Market Summary

Mixed trend were seen in the coffee physical market during this week ended as on 23rd March 2017 on mixed trading activities. Arrival are very slow in the market due to lower coffee prices. Presently, some Robusta areas yet to be picked, but due to some good rains in February. Robustas have flowered for the coming season and plants slowly generating beans for the coming crop, Arabicas are yet to flower. The quality of harvested beans are good. Arabica plants are yet to flower, Robusta plants have developed small grain like green color beans. Exporters still offering low differentials, all are active though. Robusta prices surely will be bullish, due to the overall production and also, shortage of picked crop in Brazil and Indonesia, Brazil is looking at importing Indonesian Arabica for internal consumption.

As per the Coffee Board of India, provisional Indian green coffee exports to 1st January 2017 to 21st March 2017 is registered lower by 1.60% at 68187 metric tons compared to 67108 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 21st March 2017 this year, recorded higher by 62.56% at 8198 metric tons from preceding year volume of 5043 metric tons. Total provisional exports of Arabica Cherry, Robusta Parchment and Robusta Cherry is placed higher by 38.93% to 4428 metric tonnes and 5.35% at 5434 metric tons and 1.16% to 39604 respectively from 1st January to 21st March 2017 against exports volume of 3187 metric ton, 5158 metric tonnes and 39148 metric tons respectively in the corresponding period of last year. However, Arabica parchment is registered lower at 10442 metric tonnes with a decline of 28.05%.

Recommendation:

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

International Coffee Market Summary

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

As per Cacafo, Brazilian coffee exports declined in February 2017 against previous year record because sales abroad of the robusta variety plummeted. The South American country shipped lower coffee beans by 15.55 to 2.48 million 132-pound bags of coffee in January 2017 from the same month a year earlier, Cacafo said Thursday. A 19.6% increase in the average price of a bag meant the value of exports rose 1% to \$438.9 million. Sales abroad of the Arabica variety of coffee fell 12.9% to 2.2 million bags, while exports of Robusta beans dropped 86.3% to 9,620 bags. Exports of roasted, ground and instant coffee fell 20.7% in February to 250,370 bags, Cacafo said.

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.

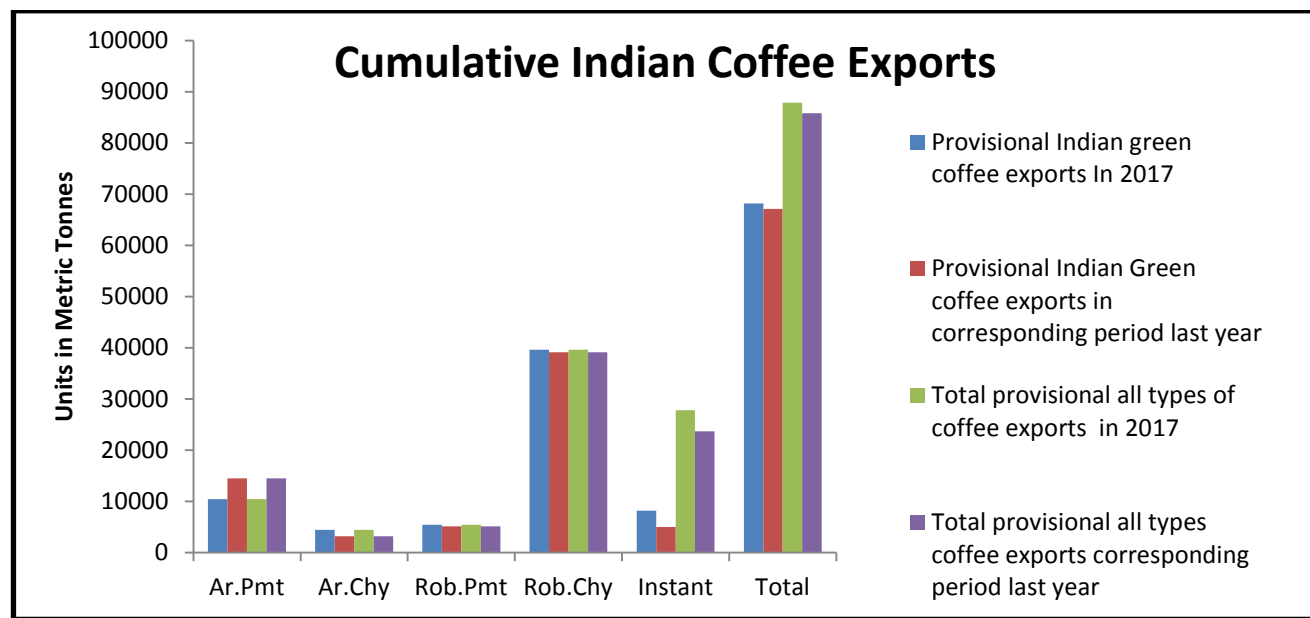


Domestic Coffee Exports of India -:

Below table shows coffee exports details of India:-

Export update: From 01 st January 2017 to 21st 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)	10442	4428	5434	39604	11	69	8198	68187
2	Provisional green coffee exports corresponding period last year	14514	3187	5158	39148	10	47	5043	67108
3	Provisional re-exports	0	14	40	0	0	0	19601	19654
4	Provisional re-exports corresponding period last year	0	0	0	0	0	5	18656	18660
5	Total provisional exports (1+3)	10442	4442	5474	39604	11	69	27799	87841
6	Total provisional exports corresponding period last year (2+4)	14514	3187	5158	39148	10	51	23699	85768

Source: The Coffee Board Of India



Source: The Coffee Board Of India

Domestic Raw Coffee Prices (Karnataka):-



Variety	23.03.2017	17.02.2017	Change
Arabica Parchment	9000	9050	-50
Arabica Cherry	4550	4550	Unchanged
Robusta Parchment	6900	7000	100
Robusta Cherry	3500	3600	-100

* Values in Rs. per 50 Kg

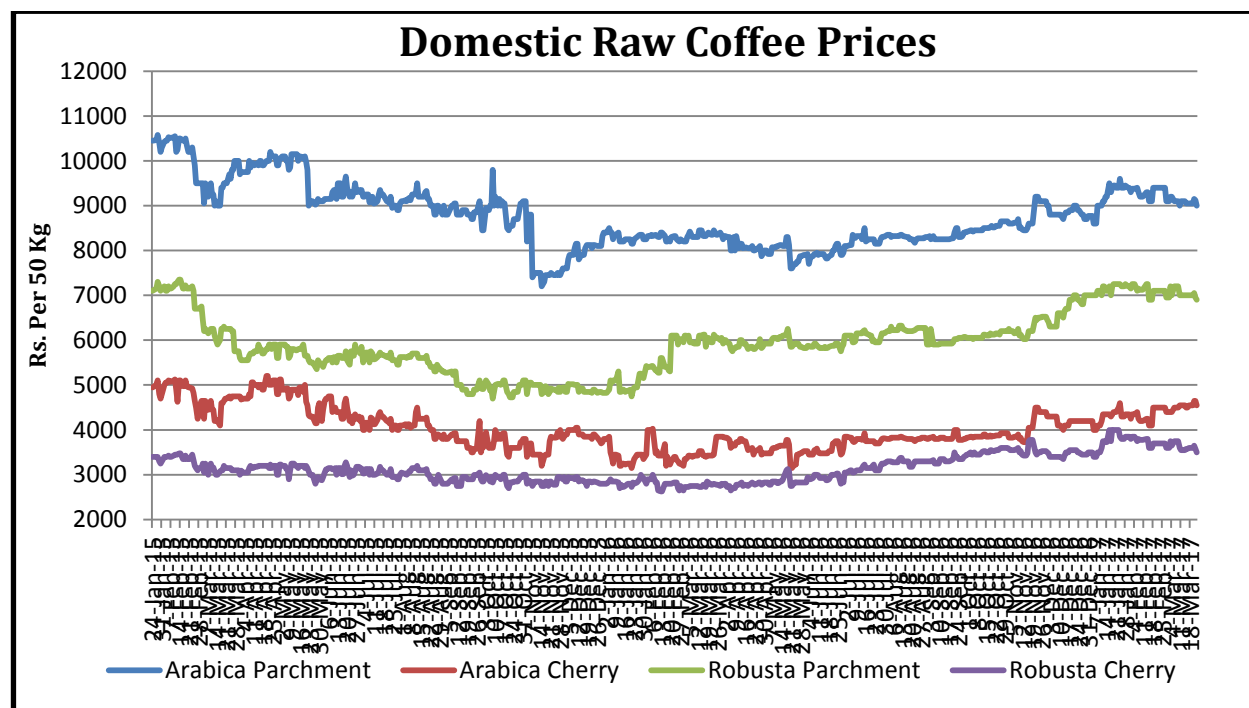
ICTA Auction Prices (Bangalore)(New Season(2016-2017) Crop

Grade	13.03.2017	09.02.2017	Change	13.03.2017	09.03.2017	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	---	---	---	---	---	---
AA	---	254	-1.5	---	---	---
PB	---	216.4	-1.5	---	---	---
A	232	230	-2	---	---	---
AB	---	---	---	---	---	---
B	---	211	-4	---	---	---
C	189	---	---	---	---	---
BBB	120	---	---	---	---	---
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	
RKR	158	---	---	---	---	--
A	---	---	---	---	---	---
PB	---	160	---	---	---	---
AA	---	---	---	---	---	---
AB	---	---	---	---	---	---
B	---	---	---	---	---	---
C	---	155	---	---	---	---
BBB	130	---	---	100	---	---

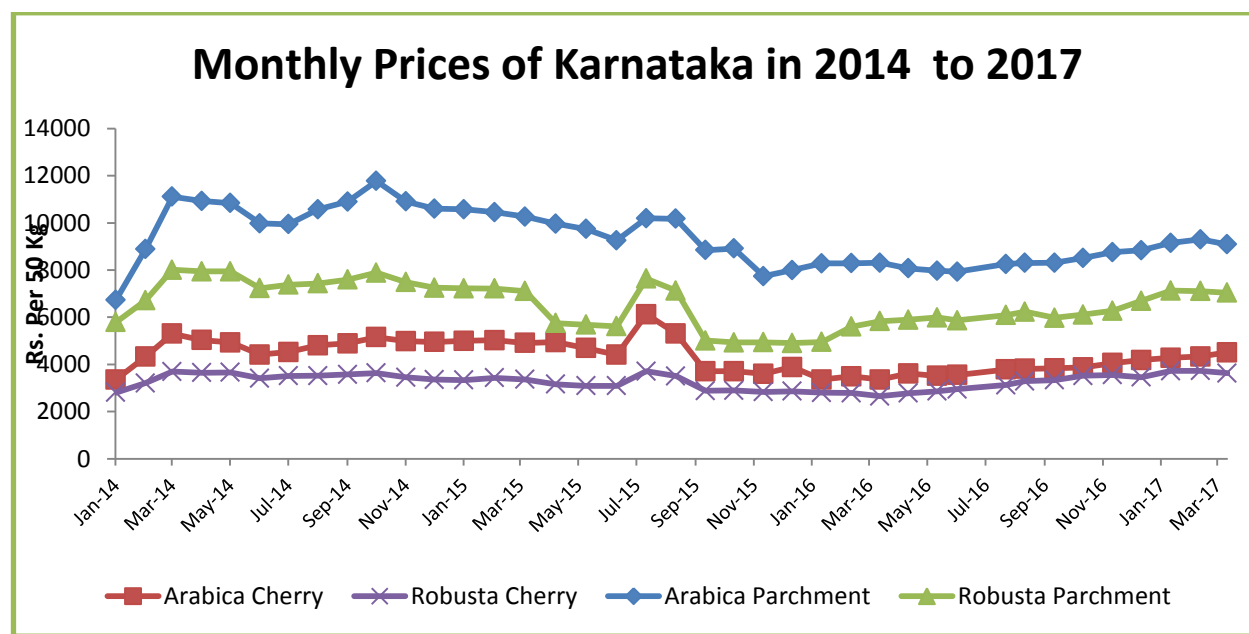
Values in Rs. per kg



Coffee Prices Of Auction Market & State Wise Market



Source: Agriwatch

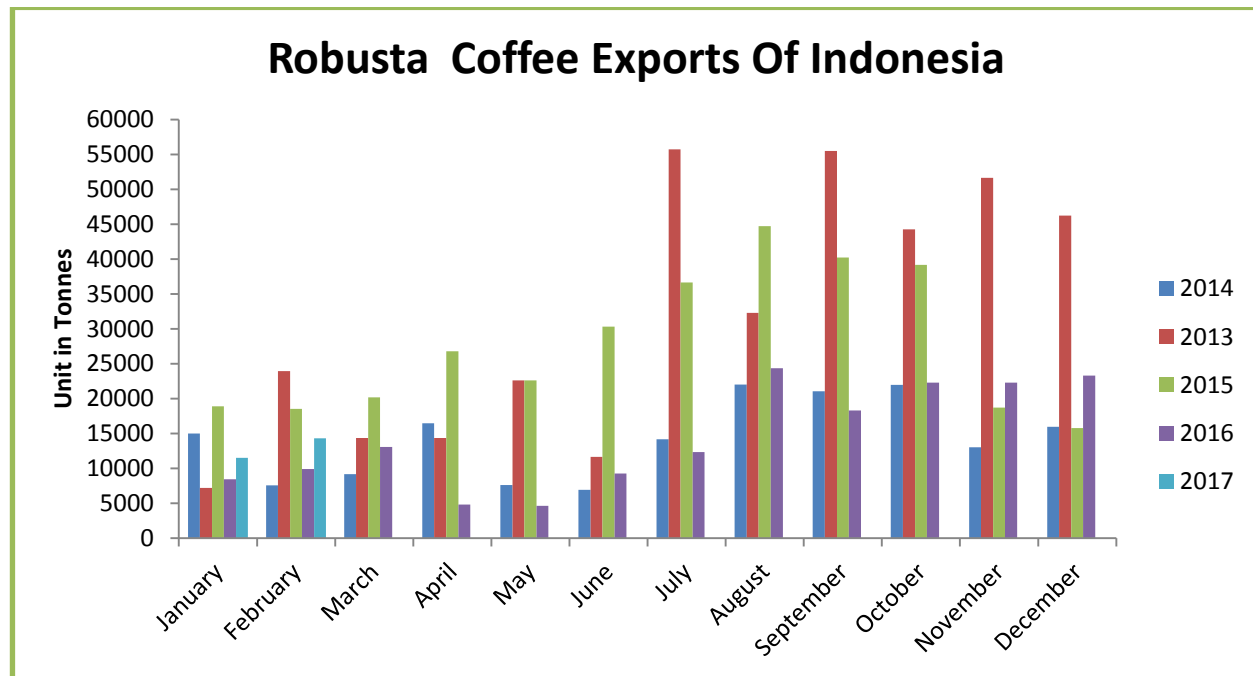


Source: Agriwatch

ICE coffee future prices increased by 0.18% to 141.70 cents/lb in this week, as on 22nd March 2017 against 140.90 cents/lb due to sluggish demand.

Costa Rica:- 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.

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:-



Reuters

Source:

Brazil:- According to Rabobank Brazil is likely to pick lower coffee beans to 49.2 million 60-kg bags in 2017/18 against 54 million bags in 2016/17 followed by Arabica coffee bean output at 36.7 million bags against 42 million bags while Robusta is forecasted at 12.5 million bags higher from 12 million bags in 2016/17 season.

Kenya:- The Nairobi Coffee Exchange The maximum price of Kenya's benchmark grade AA coffee fell 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.

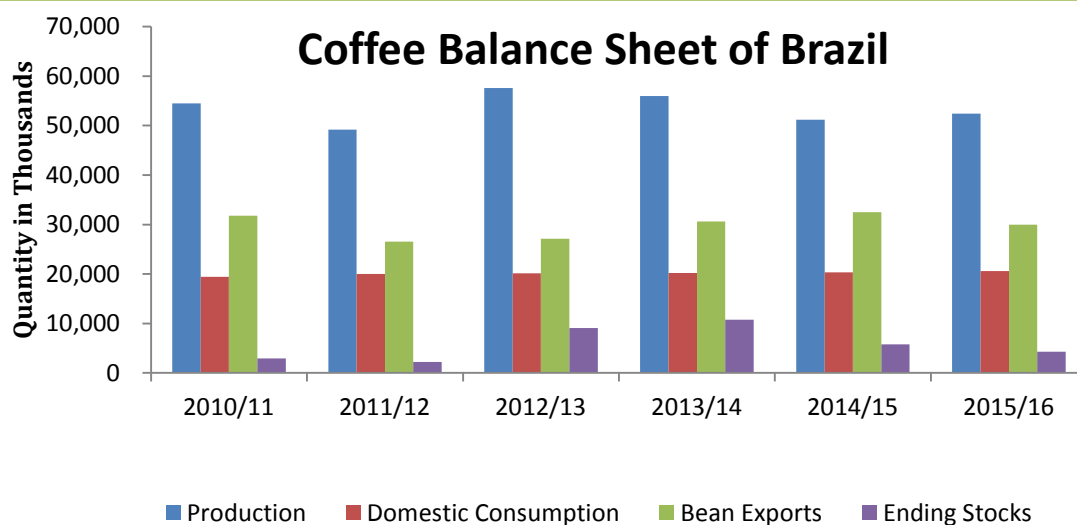
Vietnam:- As per traders, Coffee shipment in Vietnam is expected higher side at 140,000 to 160,000 tonnes (2.3 million to 2.7 million 60-kg bags) in March 2017 supported by good demand at the time of lunar new year and the current situations in Indonesia and Brazil will help raise coffee export volume 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.



Coffee Exports Of The World:

Below table shows exports details of exporting members:-

Coffee Balance Sheet Of The World (Thousand 60-kg bags)						
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 (June)
Production	145,122	156,618	157,778	153,255	153,292	155,697
Domestic Consumption	141,665	141,952	142,796	145,987	149,090	150,806
Ending Stock	28,955	25,946	36,006	36,029	32,116	32,116
Exports	118,050	121,527	126,536	123,745	132,495	129,055
Imports	129,055	116,408	117,243	118,212	121,047	120,265
Ending Stock	25,673	25,673	40,909	40,909	40,909	31,499



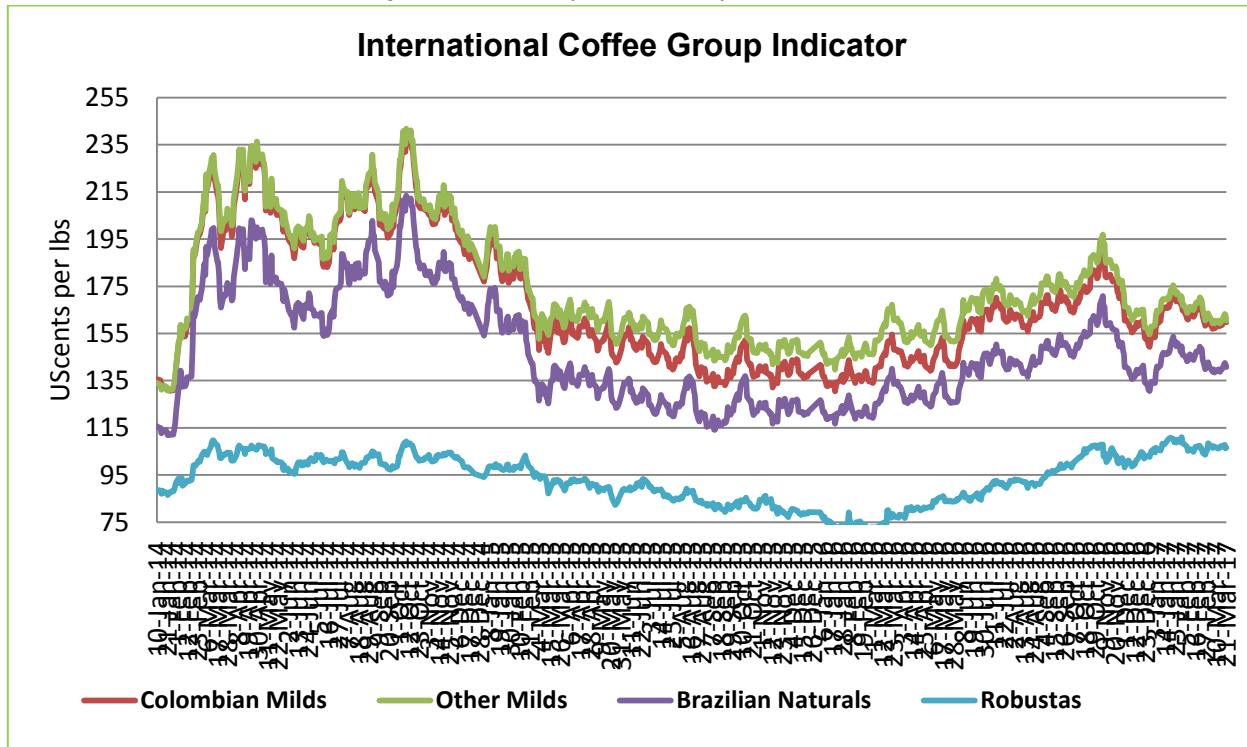
International Coffee Price Trend:-**Germany Market – Hamburg and Bremen, France Market – (Le Havere and Marseilles) * Values**

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	22.03.2017	16.03.2017	22.02.2017	22.03.2016
ICO Composite Indicator	134.57	134.17	139.60	124.65
Colombian Milds				
US	159.75	159.50	168	153.75
Europe	159.61	157.74	165.99	155.46
Group Indicator	159.69	158.69	167.08	154.54
Other Milds				
US	159.94	159.44	168.94	166.19
Europe	160.87	160.20	170.32	167.99
Group Indicator	160.47	159.82	169.75	167.25
Brazilian Naturals				
US	132.75	132.50	142	124.75
Europe	143.64	141.85	150.80	145.48
Group Indicator	140.81	139.51	148.51	140.09
Robusta				
US	109.25	110	110	86.42
Europe	106.06	106.66	105.43	76.75
Group Indicator	106.61	107.23	106.20	78.69

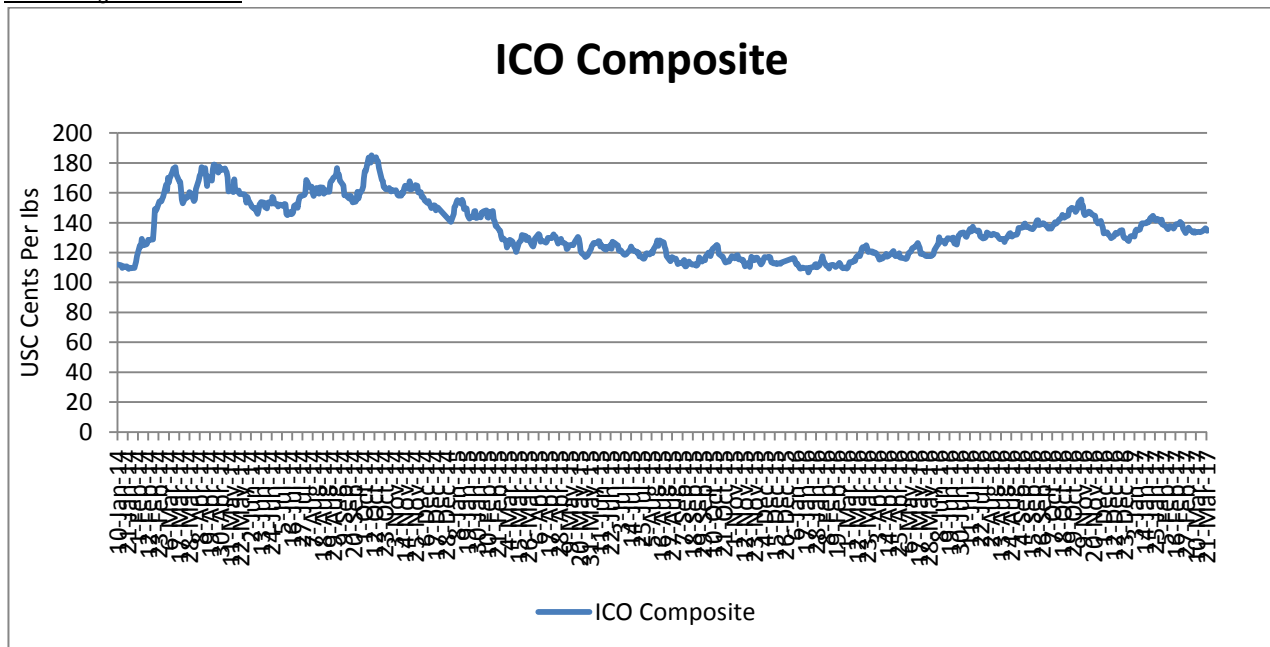
US cents/lb



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



Source: Agriwatch & ICO



Source: ICO

International Future Market Prices :-



ICE Arabica Coffee Futures Prices				
Contract Months	Today(22-March-2017)	Week Ago(15-March-2017)	Month Ago(22-Feb-2017)	Weekly Change (%)
17-May	141.70	140.90	150.90	0.18
17-Jul	147.10	143.20	153.20	0.21
17-Sep	149.45	145.50	155.45	0.24

US cents/lb

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(22-March-2017)	Week Ago(15-March-2017)	Month Ago(22-Feb-2017)	Weekly Change (%)
17-May	2164	2180	2161	-0.73
17-Jul	2185	2198	2176	-0.59
17-Sep	2195	2209	2183	-0.63

USD/T

International Coffee Prices

	16.02.2017	10.02.2017	16.02.2017	16.03.2016
Vietnam (Robusta Beans Spot) (Dong/Kg)	47650	47550	46250	-
Vietnam FOB (2-5 pct)* (Saigon port)	2140	2129	2088	-
Indonesian FOB (4-80 defects)** (Lampung Port)	2095	-	-	1610

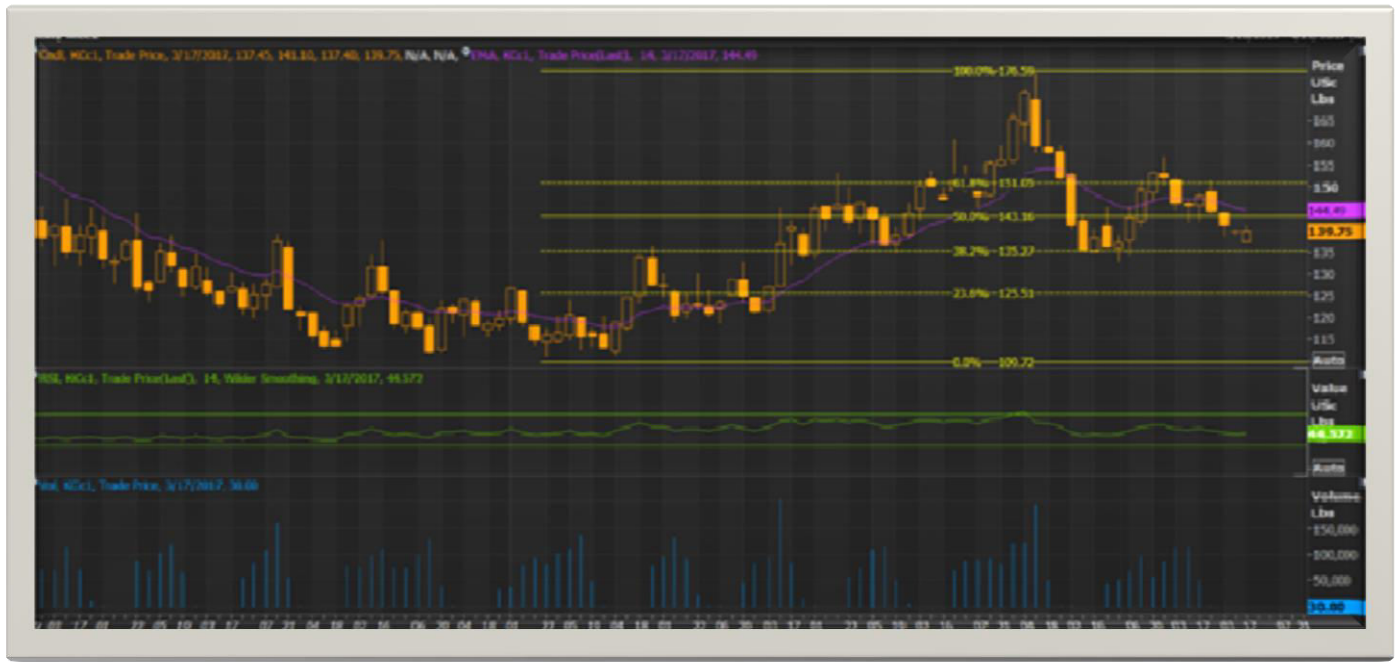
*FOB Values are in USD/T

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	Prices This Auction In (21/03/2017)	Average Prices In	Prices This Auction In (14/03/2017)
Arabica AA	101-478	324.12	95-703
Arabica AB	87-441	268.49	107-495
Arabica C	66-285	221.41	66-308
Arabica PB	91-331	239.33	85-345
Arabica T	41-181	106.31	41-232
Arabica TT	80-272	165.38	77-283

Units-\$/50 kg bags

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



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

- Candlestick chart depicts slight higher trend in the market.
- However, 14 days EMI stood downside at 144.49 against 145.22 in the market hints downward momentum in the market.
- Lower volume and slight higher prices indicates further short build up phase of the market.
- Relatively, RSI is slight higher at 44.57 compared to 44.46 of last week record indicating strong 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
125.51	132.02	139.70	143.16	151.05



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 lower at 2160 against last week records i.e.2153, indicating further strong tone in the market.
- RSI is also slight higher at 56.57 in neutral region against 56.02 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
2059	2100	2160	2200	2232

Disclaimer

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