

**News Highlights.**

- Indian tea exports are likely to increase by 10% in the current year amid drought in Kenya. Kenyan supply of tea will decline in the market. Tea prices are firming up in Kenya amid decline in output and will support tea prices in the domestic market. According to trade sources, Indian export of tea is likely to increase by 15-20 million kg. in 2015.
- Tea buyers in the global market are looking for good quality Indian tea at a much lower price amid depreciating currencies in Russia and Europe. This will lower the profitability of tea companies amid higher cost of production. Indian tea has become less competitive in the global market as the export incentive has been reduced from 5 per cent to 3 per cent in the new foreign trade policy.
- According to Tea Board, Indian tea exports declined by 25.07 million kg to 180.05 million kg during the April –February period of fiscal year 2014 -15 compared with the same period previous year.
- Indian tea output declined by 2.27% in the months of January and February 2015 to 36.94 million kg. compared with the same period in 2014. Production is lower amid lower output in North India. A spell of cold weather has lowered tea output in North India.
- Labour demographics in the tea estates producing the globally famous Darjeeling tea have begun to rapidly change with local workers migrating to other areas and states and those from Nepal and Bhutan rushing in to fill the vacuum.
- Indian tea exports are likely to increase by 10% in the current year amid drought in Kenya. Kenyan supply of tea will decline in the market. Tea prices are firming up in Kenya amid decline in output and will support tea prices in the domestic market. According to trade sources, Indian export of tea is likely to increase by 15-20 million kg. in 2015.
- Typhoo, the Indian arm of the over 100 year old iconic British brand announced the launch of the first globally certified environmentally sustainable teas to be marketed across India. It is the second largest manufacturer by volume in UK.

**Domestic Trade Scenario:**
**Indian Tea Auctions**
**Kolkata Tea Auction: Sale No: 16 (Price in Rs./kg)**

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
<b>CTC</b>	163.46	6,73,312	3,25,899
<b>ORTHODOX</b>	224.02	1,22,604	94,700
<b>DARJEELING</b>	-	-	-
<b>DUST</b>	171.78	1,20,802	87,593

(Source: Contemporary Brokers)

Prices noticed range –bound to weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Dooars variety. Buying interest was seen for medium varieties and plainer varieties noticed less demand. In the Orthodox variety, there was good demand for whole leaf grades. There was good demand from local buyers in the market. There was not much demand from exporters. Prices are likely to notice weak tone in the coming days.

**Guwahati Tea Auction: Sale No: 16 (Price in Rs./kg)**

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
<b>CTC</b>	151.82	8,90,000	5,41,000
<b>Dust</b>	162.87	3,24,000	2,29,000

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for the Best Assams. Better medium Assams noticed good demand around lower levels. Withdrawal was noticed in other variety. Buying interest from Hindustan Unilever and western India buyers lent some support to the market. Prices are likely to notice range –bound to weak tone in the near –term.

**Siliguri Tea Auction: Sale No: 17 (Price in Rs./kg)**

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
<b>CTC Dust</b>	127.99	1,26,832	47,498
<b>CTC Leaf</b>	140.78	9,10,755	3,23,045

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was demand for Best teas and other varieties noticed less demand. There was good demand from internal buyers in the market. Some buying interest was noticed from exporters and Hindustan Unilever Ltd. Prices are likely to notice weak tone in the coming days.

**Jalpaiguri Tea Auction: Sale No: 16 (Price in Rs./kg)**

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	-	-	-
CTC Leaf	-	-	-

(Source: Jalpaiguri Tea Auction Committee)

There was no auction at Jalpaiguri during the week.

**Cochin Tea Auction: Sale No: 17 (Price in Rs./kg)**

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	99.19	1372761.40	1205105.30
CTC Leaf	73.14	104120.00	68996.00
Orthodox Dust	69.87	7422.00	3175.00
Orthodox Leaf	130.71	190384.00	146843.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Orthodox dust variety and CTC Leaf variety tea in the market. Buying interest was seen from loose tea buyers in the market. Prices are likely to notice range –bound to weak tone in the coming days.

**Coimbatore Tea Auction: Sale No: 17 (Price in Rs./kg)**

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	80.68	309179.00	183414.00
CTC Leaf	75.93	139259.00	92803.00
Orthodox Dust	69.06	24143.00	17484.00
Orthodox Leaf	90.35	8114.00	5612.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for CTC Dust and Leaf variety tea from

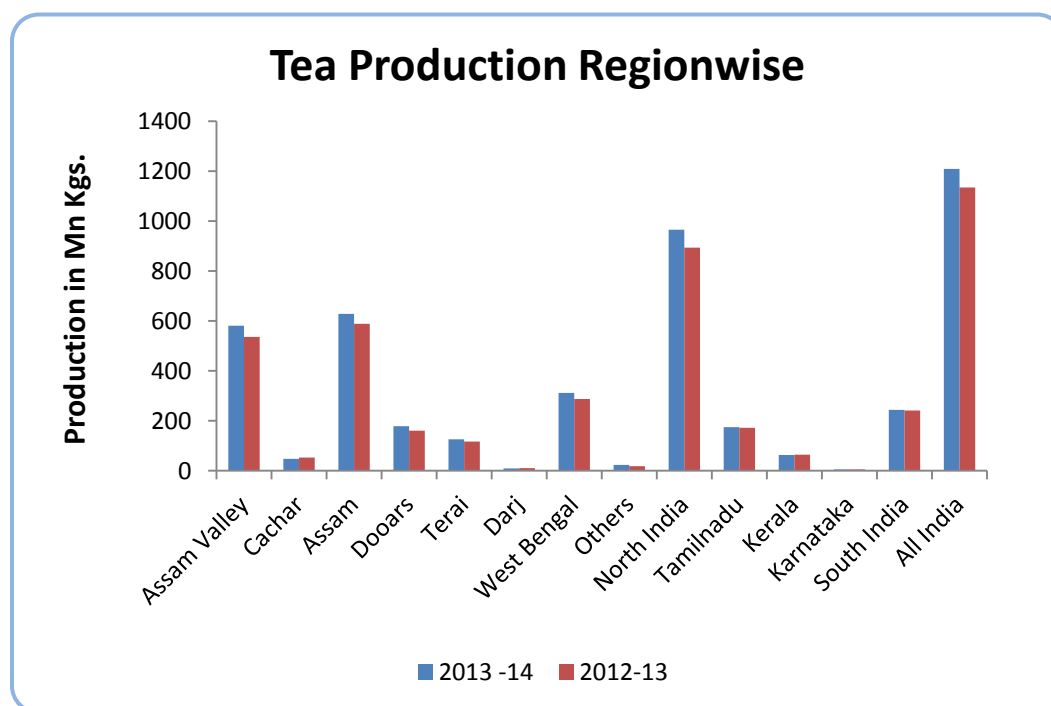
loose tea buyers. There was not much demand from exporters. Prices are likely to notice range – bound to weak tone in the near –term.

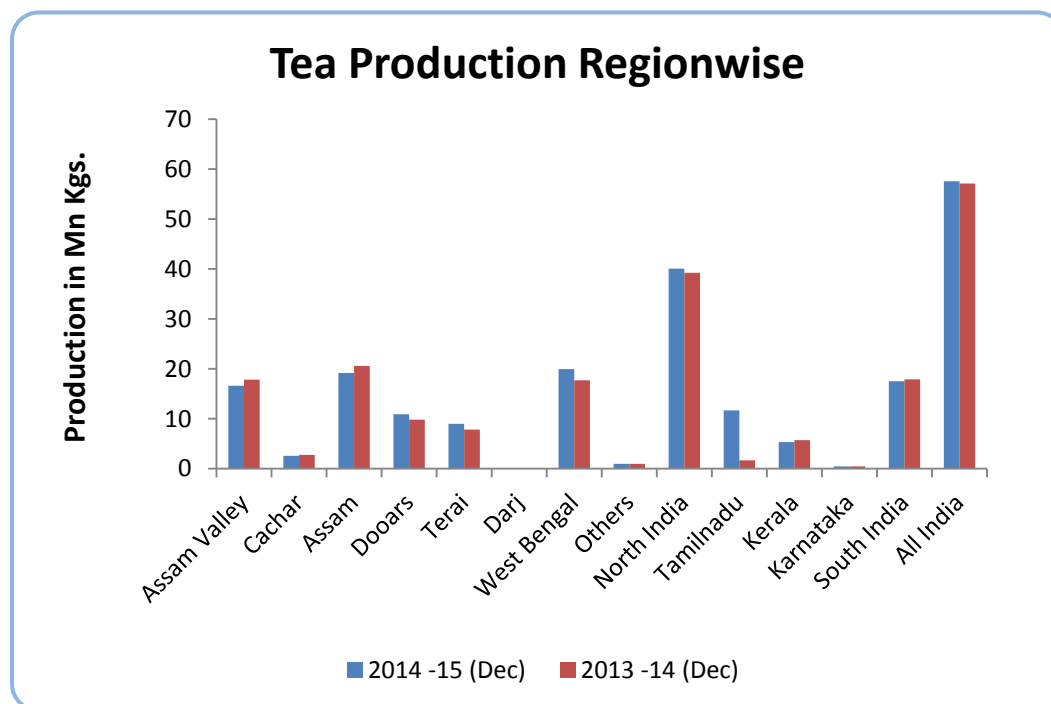
**Coonoor Tea Auction: Sale No: 17 (Price in Rs./kg)**

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	77.20	429513.00	326746.00
CTC Leaf	73.89	1020383.00	712267.00
Orthodox Dust	88.89	52528.00	39261.00
Orthodox Leaf	99.72	55369.40	53537.60

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was demand from exporters for Orthodox Leaf variety. There is not much demand in the local market. Prices are likely to notice weak tone in the coming days.





(Source: Tea Board)

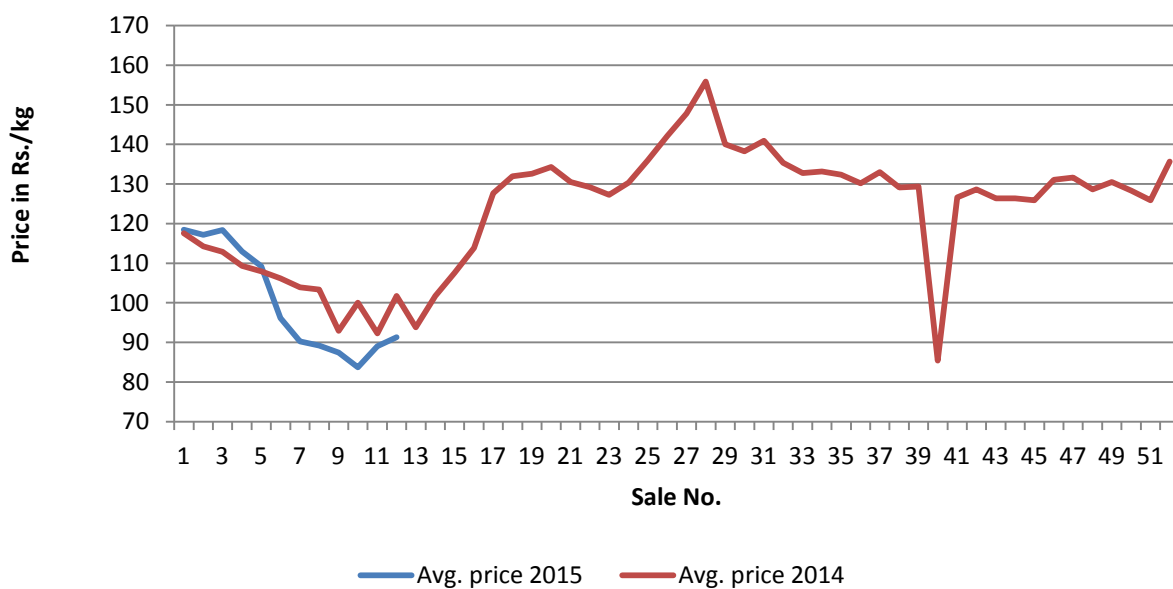
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the month of May, production of tea in India declined by 11.8% to 91.41 million kgs. in comparison with the same period last year following lack of suitable temperature and rainfall in north India.

#### REGIONWISE QUARTERLY EXPORTS (IN MILLION KGS.)

	North India			South India			All India		
	Qty	Value	Unit Price	Qty	Value	Unit Price	Qty	Value	Unit Price
<b>Apr-Dec 2014 (P)</b>	80.42	1996.9	248.3	61.41	835.17	136	141.83	2832.02	199.68
<b>Apr-Dec 2013</b>	97.41	2424.9	248.93	68.95	987.32	143.19	166.36	3412.17	205.11
<b>Inc/Dec in %</b>	-17.44	-17.65	-0.25	-10.94	-15.41	-5.02	-14.75	-17	-2.65
<b>Jan-Dec 2014 (P)</b>	116.29	2777.31	238.83	84.94	1151.63	135.58	201.23	3928.94	195.25
<b>Jan-Dec 2013</b>	128.08	3075.87	240.15	90.98	1279.36	140.62	219.06	4355.23	198.81
<b>Inc/Dec in %</b>	-9.21	-9.71	-0.55	-6.64	-9.98	-3.58	-8.14	-9.79	-1.79

Source: Tea Board Of India

### Salewise Price of All Tea at All India



The above graph shows the price comparison of All Tea at All India in 2014 and 2015. Currently the average prices of all tea are slightly lower compared to previous year amid lack of availability of good quality tea in the market. Prices have increased during the week compared to previous week.

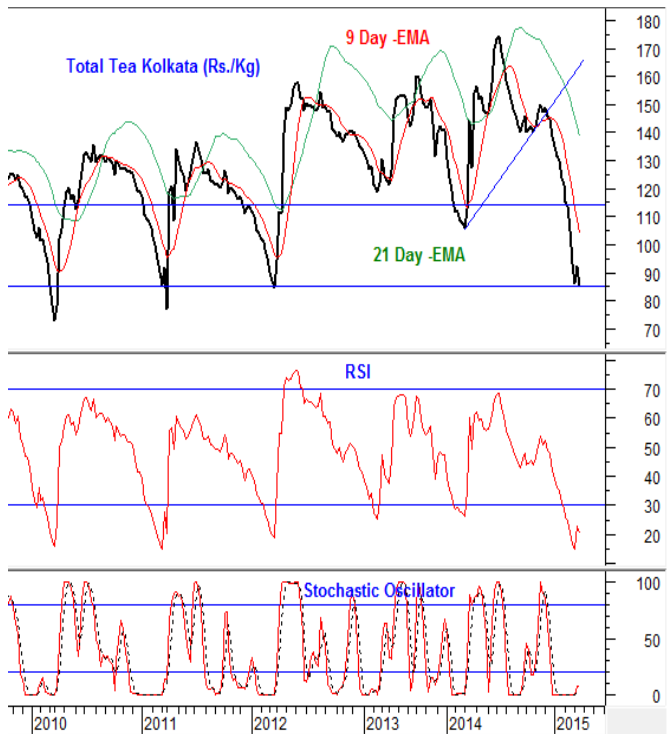
**Weekly Average Prices at Indian Auction Centers for week ending 2014-04-04**

<b>Variety</b>	<b>Kolkata</b>	<b>Guwahati</b>	<b>Siliguri</b>	<b>Jalpaiguri</b>	<b>Cochin</b>	<b>Coonoor</b>	<b>Coimbatore</b>	<b>Tea Serve</b>
<b>CTC All Dust</b>	NS(113.96 )	91.70(131.47)	122.70(148.92)	NS(NS)	NS(109.34)	77.58(72.24)	80.03(82.89)	61.85(64.64)
<b>Total Tea</b>	NS(121.38 )	91.65(132.04)	122.70(148.92)	NS(NS)	NS(110.58)	78.46(73.07)	80.07(82.89)	61.85(64.64)

(Figure in brackets denote prices during the same corresponding period in the previous year)

<b>Variety</b>	<b>North India</b>	<b>South India</b>	<b>All India</b>
<b>CTC All Dust</b>	102.20 (135.85)	74.65 (85.52)	91.27 (100.43)
<b>Total Tea</b>	102.15 (137.07)	75.24 (86.59)	91.31 (101.73)

(Source: Tea Board)

Tea – Technical Outlook		Total Tea -Kolkata				
<p><b>Technical Commentary:</b> Tea prices declined during the week. Prices are likely to move towards 70 levels in the coming days. MACD is declining in the negative territory supporting weakness in the medium – term. Stochastic oscillator is steady in the oversold region supporting some recovery in the near –term.</p> <p><i>The tea prices are likely to notice recovery towards 100 levels in the coming days. Buyers can purchase on any weakness for their near –term requirement.</i></p>						
<b>Strategy: Buy On Near –Term Weakness</b>						
Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	75.10	60.00	85.53	100.00	150.10



**International Trade Scenario:**
**Srilanka Tea Auction (Colombo): Sale No: 15 (Price in Srilankan Rs./kg)**

	BOP	BOPF
Good Westerns	420 - 450	410 - 550
Average Westerns	380 - 410	380 - 400
Plainer Westerns	340 - 370	320 - 370
Western Mediums	380 - 640	300 - 490
Uva Teas	290 - 480	295 - 420
Nuwara Eliya Teas	510 - 570	380 - 430
Udapussellawa Teas	290 - 440	310 - 370
CTC (BP1 and PF1)	310 - 410	260 - 500

In this week's auction, 7.36 million kgs of tea was offered for sale compared to 7.32 million kgs of tea during the previous week. There was fair demand for Select Best teas during the week. Better western BOP's noticed weak tone and BOPF's noticed easy tone during the week. High Grown and Mid Grown CTC's noticed easy tone and Low Grown CTC's noticed easy tone during the week. There was fair demand for liquoring leafy teas.

In the leaf category, Better PEK/PEK1's and a few bolder types noticed easy tone. In the Tippy catalogues, better made FBOP and FF1's noticed firm tone during the week. The below best and plainer variety noticed easy tone during the week. There was good demand from Middle –East countries. There was fair demand from Russia and Iran.

**DETAILS OF TEAS AWAITING SALE**

	17		16		15	
AUCTION NO.						
Dates	05 <sup>th</sup> /06 <sup>th</sup> May 2015		27 <sup>th</sup> / 28 <sup>th</sup> April 2015		21 <sup>st</sup> /22 <sup>nd</sup> April 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,059	1,221,497 kg	1,141	1,344,765 kg	1,121	1,319,720 kg
Main Sale Total	11,374	6,394,345 kg	10,554	6,044,752 kg	10,764	6,039,705 kg
High & Medium	1,602	915,559 kg	1,364	791,917 kg	1,306	731,173 kg
Low Growns      Leafy	3,900	1,876,954 kg	3,670	1,784,510 kg	3,845	1,854,360 kg
	2,479	1,553,095 kg	2,456	1,537,754 kg	2,474	1,557,906 kg
Tippy						
Premium/Flowery	391	97,764 kg	383	89,202 kg	369	90,561 kg
Off Grades	2,366	1,352,859 kg	2,054	1,210,273 kg	2,193	1,249,346 kg
Dust	636	598,114 kg	627	631,096 kg	577	556,359 kg
Grand Total	12,433	7,615,842 kg	11,695	7,389,517 kg	11,885	7,359,425 kg
Reprints	575	394,408 kg	886	615,971 kg	616	377,927 kg
Scheduled to Close (Ex)		09.04.15		02.04.15		26.03.15
Dates (Ms)		10.04.15		02.04.15		27.03.15

**Scheduled Closing Dates**

Auction No. 16 : 27<sup>th</sup>/28<sup>th</sup> April 2015

Ex Estate : 02.04.2015

Main Sale : 02.04.2015

Auction No. 18 : 12<sup>th</sup>/13<sup>th</sup> May 2015

Ex Estate : 23.04.2015

Main Sale : 24.04.2015

Auction No. 17 : 05<sup>th</sup>/06<sup>th</sup> May 2015

Ex Estate : 09.04.2015

Main Sale : 10.04.2015

Auction No. 19 : 19<sup>th</sup>/20<sup>th</sup> May 2015

Ex Estate : 30.04.2015

Main Sale : 30.04.2015

(Source: John Keells Tea Brokers)

**Kenya Tea Auction (Mombasa): Sale No: 16**

QUOTATIONS	BROKENS	FANNINGS
Best	355 - 410	423 - 447
Good	359 - 390	420 - 431
Good Medium	361 - 398	409 - 436
Medium	406 - 471	363 - 412
Lower Medium	167 - 339	191 - 412
Plain	94 - 301	110 - 274 ( SL RUPEES)

During the week good demand noticed for 6,793,729 kilos of tea on offer. Brighter DUST1s were USC4 to UCS14 higher, with mediums USC4 to USC16 lower and prices of lower mediums were weak to USC12 lower during the week. Prices of Brighter BP1's noticed weak tone and were lower up to USC6, prices of mediums were up to USC20 lower and prices of lower mediums were USC2 to USC20 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's and PF's noticed firm tone during the week. Well sorted clean coloury Fannings and Dusts noticed steady tone during the week. Other Fannings and BMF's noticed firm tone. There was good buying interest from Sudan, Yemen, Middle –Eastern countries, Kazakhstan and other CIS countries. There was some buying from Afghanistan, UK, Egyptian packers, Pakistan packers and Bazaar. There was less demand from Iran and Russia. There was some buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

**Indonesia Tea Auction (Jakarta): Sale No: 16**

<b>Orthodox</b>	<b>OFFERED</b>		<b>SOLD</b>		<b>%</b>
<b>PTPN ESTATE</b>	7.180	380.200 Kg	5.120	273.140 Kg	71.84
<b>PRIVATE ESTATE</b>	---	--- Kg	---	--- Kg	--,--
<b>TOTAL</b>	7.180	380.200 Kg	5.120	273.140 Kg	71.84
<b>C.T.C</b>	<b>OFFERED</b>		<b>SOLD</b>		<b>%</b>
<b>PTPN ESTATE</b>	2.080	118.160 Kg	1.580	91.780 Kg	77.67
<b>PRIVATE ESTATE</b>	---	---- Kg	---	--- Kg	--,--
<b>TOTAL</b>	2.080	118.160 Kg	1.580	91.780 Kg	77.67
<b>TOTAL</b>	9.260	498.360 Kg	6.700	364.920 Kg	73.22

(Prices in US cents/kg)

<b>Orthodox First Grades</b>						
<b>BOP.I</b>	<b>BOP</b>	<b>BOPF</b>	<b>PF</b>	<b>DUST</b>	<b>BT</b>	<b>BP</b>
<b>151</b>	<b>135-204</b>	<b>106-188</b>	<b>103-200</b>	<b>105-188</b>	<b>94-138</b>	<b>-</b>

<b>Orthodox Secondary Grades</b>				
<b>PF.II</b>	<b>DUST.II</b>	<b>BT.II</b>	<b>BP.II</b>	<b>DUST.III</b>
<b>95-184</b>	<b>103-118</b>	<b>95-114</b>	<b>-</b>	<b>108-110</b>

<b>CTC First and Secondary Grades</b>						
<b>BP.1</b>	<b>PF.1</b>	<b>PD</b>	<b>D.1</b>	<b>FANN</b>	<b>D.2</b>	<b>D.3</b>
<b>134-140</b>	<b>162-206</b>	<b>161-212</b>	<b>156-240</b>	<b>108-200</b>	<b>136-187</b>	<b>---</b>

Market offerings declined to 9,260 paper sacks from 10,460 paper sacks. There was fair demand in the market. Average price increased to USDcts 145.52 instead of USDcts 135.39 during last week's auction. Average price of Orthodox variety increased to USDcts 137.09 and average price of CTC increased to USDcts 167.92. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 73.22.02% during the period compared to 65.02% during last auction.

**OFFERING FOR THE NEXT AUCTION**

<b>PRODUCER</b>	<b>Orthodox</b>		<b>C.T.C</b>	
	29/04/15	06/05/15	29/04/15	06/05/15
PTPN. IV	1.360 S	1.580 S	-	-
PTPN. VI	200 S	440 S	380 S	1.100 S
PTPN. VII	1.060 S	660 S	60 S	260 S
PTPN. VIII	5.400 S	6.860 S	1.020 S	820 S
PTPN. IX	260 S	400 S	-	-
PTPN. XII	- S	- S	560 S	620 S
Total Estate	8.280 S	9.940 S	2.020 S	2.800 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	8.280 S	9.940 S	2.020 S	2.800 S

(Source: TEH)

**Bangladesh Tea Auction (Chittagong): Sale No: 45**

(In Taka/kg)

<b>BROKENS</b>	<b>QUOTATIONS</b>	<b>FANNINGS</b>	<b>QUOTATIONS</b>
Large/Bold	NQTA	Best	150-170 nom
Medium	110-135 nom	Good	140-150 nom
Small	125-140 nom	Medium	120-130
Plain	65-110	Plain	70-110

Tea prices at Bangladesh tea auction declined during the week following lower demand from local buyers amid lower supply of tea in the market and political unrest in the country. The average price of tea during this week's auction was around USD 1.60/kg. Around 565,522 kgs of tea was offered for sale and nearly 25 percent remained unsold.

There was good demand from loose tea buyers and blenders. 6,631 packages and 1,968 packages of CTC Leaf of new season noticed good demand. 1,405 packages, 10 packages of old season and 335 packages of new season on offer of CTC Dust noticed good buying interest. In CTC Dust, good liquoring varieties were firm and medium levels noticed steady tone. Good liquoring Broken varieties noticed demand around lower levels. Good liquoring varieties in fannings noticed firm tone during the week. Good liquoring Dusts noticed easy tone during the week.

(Source: National Brokers Limited)

**WORLD CROP STATISTICS IN (Mn/kgs)**

<u>Country</u>	<u>MONTH</u>	<u>2015</u>	<u>2014</u>	<u>CUMULATIVE</u>	<u>2015</u>	<u>2014</u>	<u>CUMULATIVE</u> <u>+ INC./-DEC.</u>
Sri Lanka	Feb.	25.4	22.5	Up to Feb.	48.7	48.1	+ 0.6
North India	Jan.	3.95 (E)	4.96 (E)	Up to Jan.	3.95(E)	4.96 (E)	- 1.01
South India	Jan.	17.17 (E)	17.10 (E)	Up to Jan.	17.17 (E)	17.10 (E)	+ 0.07
Kenya	Feb.	24.28	33.77	Up to Feb.	65.93	78.74	- 12.81
Bangladesh	Jan.	0.16	0.23	Up to Jan.	0.16	0.23	- 0.07
Malawi	Feb.	5.1	6.1	Up to Feb.	11.6	14.3	- 2.7

(Source: John Keells Tea Brokers)

World tea production has been increasing over the years. With more medicinal value of tea being highlighted, the consumption is set to increase in the coming years. However in the previous year, global black tea output declined to 2019.13 mkg compared to 2027.5 mkg in 2013. India's production declined by 16.06 mkg to 1127.21 mkg. According to Indian Tea Association, consumption of tea is increasing at an annual rate of 3 per cent. In the current financial year in India, production of tea is likely to be affected in the coming months following cold and frost weather conditions in the tea growing regions in the months of December and January.

<b>Currency</b>	<b>25-04-2015</b>	<b>18-04-2015</b>
<b>USD</b>	63.49	62.55
<b>Srilankan Rupee</b>	0.4766	0.4701
<b>Indonesian Rupiah</b>	0.0049	0.0049
<b>Kenyan Shilling</b>	0.6724	0.6697
<b>Bangladeshi Taka</b>	0.8160	0.8046



### **Overall Outlook and Recommendation:**

In the domestic market, prices noticed range –bound to weak tone. Quantity offered on sale increased during the week compared to previous week. Arrivals are likely to increase in the coming days. Rain in certain tea growing region is supporting crop development. There was not much demand from exporters in the market. Prices are likely to notice range –bound to weak tone in the near –term.

In the global market, prices noticed mixed tone. Weather is favourable in tea growing regions of India and Africa. Demand is likely to pick up in the coming days. Future offering of tea is likely to increase in Srilanka and decline in Indonesia. Prices are likely to notice range –bound to weak tone in the near –term.

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