News Highlights.

- At Sale No: 26 of Coonoor Tea Trade Association auction, record volume of 88 per cent of the 18.83 lakh kg on offer was sold. For the first time in the calendar year 2015, 1045 lots were sold in a single session.

- The Union Government is likely to ask for a report from Assam and West Bengal regarding minimum wages paid to tea garden labourers. There have been complaints of anomalies in paying minimum wages to tea garden labourers.

- The recent landslide in Darjeeling has affected the tea gardens and crop output is expected to be lower. Tea bushes have been uprooted amid landslides and mudslides caused by torrential downpour. An estimated 150 hectares of tea-land has been damaged during a production time which yields some of the finest 'second flush' teas. The exact impact on the crop will be clear in the coming days.

- Tea production in West Bengal and Assam has been affected by heavy and continuous rains in the tea growing regions. According to sources, production of second flush of tea in June is likely to decline by 20% -25%. The quality of tea has also been affected and there are fears of a pest attack in the coming days. Last year in June, production was around 113.43 million kg of tea.

- Output of Kenyan tea declined by 27 per cent in the first quarter of 2015 compared to previous year amid dry weather conditions in the tea growing regions according to data from the industry regulator. Output of black tea declined to 81.7 million kg between January and March 2015 compared to 111.9 million kg in 2014.

- Sri Lankan Tea Exports for the month of May is recorded at 27.6 Mkgs at an approximate average unit F.O.B. value per kilogram of Rs.597.39. This is a shortfall of 0.59 Mkgs at a negative variance of Rs.52.96, thus recording a loss of Rs.1.8 billion of export earnings for the month when compared to May 2014 as reported by John and Keells Brokers, Srilanka.

- Sri Lanka Tea Production for the month of May totalled 32.2M/kgs showing a decrease of 7M/kgs compared to 39.2M/kgs of 2014. Production for May in all elevations too show a decrease compared to May 2014.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 26 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	152.39	21,17,000	15,35,000
ORTHODOX	255.06	4,38,000	3,93,000
DARJEELING	-	-	-
DUST	165.15	8,36,000	6,33,000

(Source: CTTA, Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. CTC and Dust variety tea noticed weak tone during the week. There was good enquiry for Best/Good liquoring teas and fair for medium varieties. Plainer varieties witnessed withdrawals. Buying interest was noticed from Hindustan Unilever Limited, Tata Global and Western India buyers. In the Orthodox category, there was good demand for Tippy teas from exporters. Prices are likely to notice range –bound to firm –tone in the coming days.

Guwahati Tea Auction: Sale No: 26 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	150.67	25,51,000	16,87,000
Dust	157.90	15,34,000	11,64,000

(Source: CTTA, Parcon)

Prices continued positive tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for quality and fair for other varieties. Good and Improved sorts noticed firm tone. There was good demand from blenders and exporters in the market, Prices are likely to notice firm tone in the near –term.

Siliguri Tea Auction: Sale No: 26 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	123.17	4,42,000	3,39,000
CTC Leaf	126.84	29,51,000	21,54,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Bright Liquoring teas noticed weak tone during the week. The Browner and Medium varieties were discounted. There was not much demand for the pPlainer types. Clean and Liquoring dusts noticed good demand following quality. Prices are likely to notice range –bound to firm tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 26 (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: 27 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	89.02	1366897.80	1091549.70
CTC Leaf	69.37	71141.00	55117.00
Orthodox Dust	64.420	22369.00	11213.00
Orthodox Leaf	122.98	204571.00	157247.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed easy tone during the week except slight firmness noticed in CTC Dust variety. Quantity offered on sale increased during the week compared to previous week. Heavy rains during the last few days have affected the quality of the crop. There was good demand for CTC Dust variety tea from local buyers in the market. There was some enquiry from exporters around lower levels. Prices are likely to notice range –bound to weak tone in the near –term.

Coimbatore Tea Auction: Sale No: 27 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	75.51	329351.00	232916.00
CTC Leaf	66.82	202361.00	129612.00
Orthodox Dust	72.17	6032.00	4185.00
Orthodox Leaf	103.40	9136.00	6168.00

(Source: Paramount Marketing, Coimbatore)

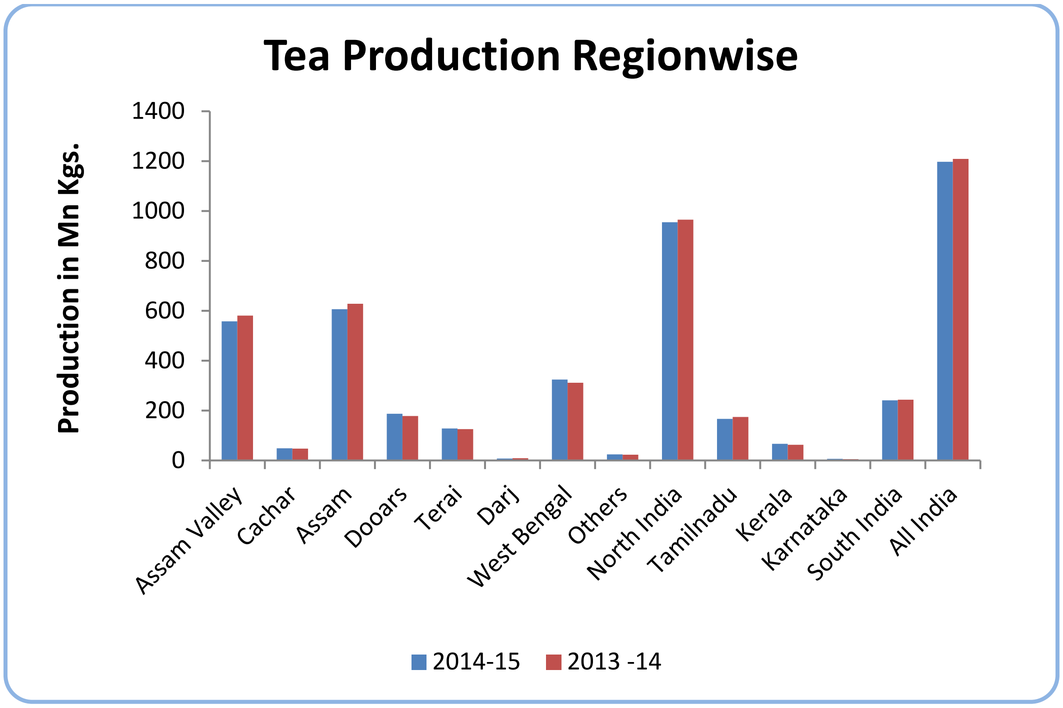
Prices noticed weak tone during the week except orthodox leaf variety tea. Quantity offered on sale increased during the week compared to previous week. There is good demand for orthodox leaf variety from Iranian buyers in the market. At this time of the year, the quantity of new crop arrival increases and quality is on the lower side. Prices are likely to notice firm tone in the coming days.

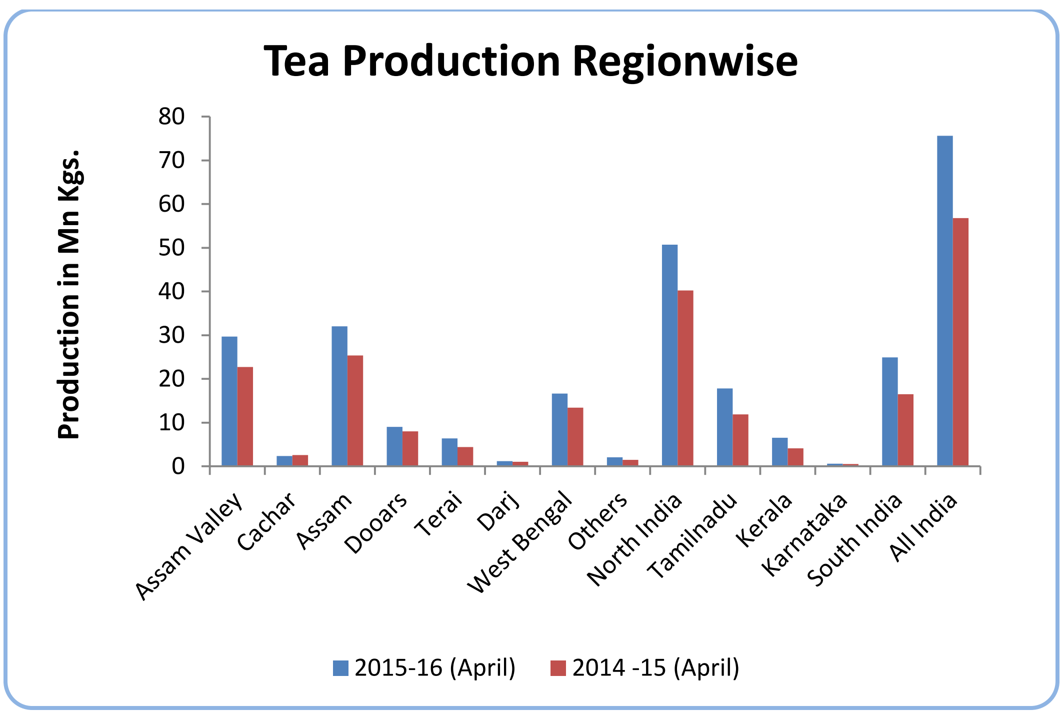
Coonoor Tea Auction: Sale No: 27 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	74.57	429955.00	365021.00
CTC Leaf	64.57	1218038.00	932765.50
Orthodox Dust	94.04	52174.00	36710.00
Orthodox Leaf	92.71	63691.00	58755.50

(Source: Paramount Marketing, Coimbatore)

Prices continued positive tone during the week except slight weakness in CTC leaf variety. Quantity offered on sale declined during the week compared to previous week. There was good demand for brighter liquoring teas. Internal buyers were not much active in the market. Buying interest was noticed from Hindustan Unilever Limited and Indcoserve. There was some enquiry from exporters. Prices are likely to continue firm tone in the near –term.





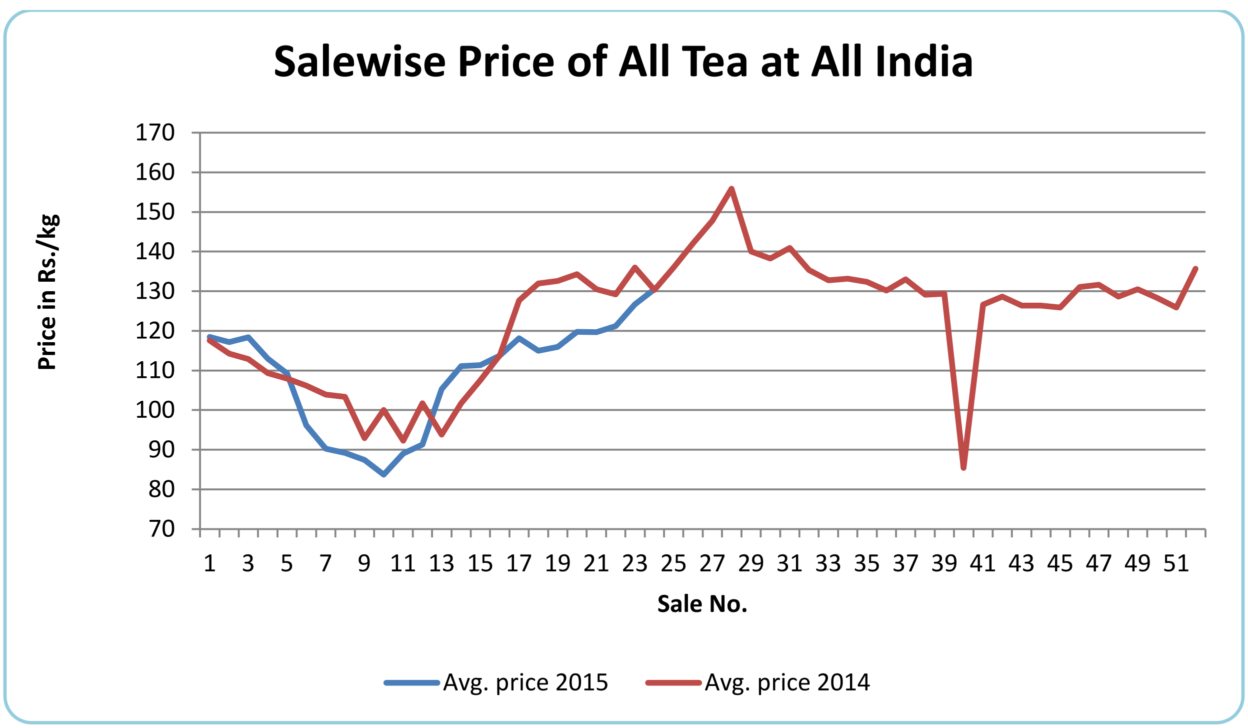
(Source: Tea Board)

The above graph shows region wise production comparison, 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 to 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
Jan-Apr 2015 (P)	33.34	676.04	202.77	28.90	376.43	130.25	62.24	1052.47	169.10
Jan-Apr 2014	42.07	934.73	222.18	29.83	407.19	136.50	71.90	1341.92	186.64
Inc/Dec in %	-20.75	-27.68	-8.74	-3.12	-7.55	-4.58	-13.44	-21.57	-9.40
Jan-Dec 2014 (P)	116.29	2777.31	238.83	84.94	1151.63	135.58	201.23	3928.94	195.25
Jan-Dec 2013	128.08	3075.87	240.15	90.98	1279.36	140.62	219.06	4355.23	198.81
Inc/Dec in %	-9.21	-9.71	-0.55	-6.64	-9.98	-3.58	-8.14	-9.79	-1.79

Source: Tea Board Of 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 declined slightly during the week compared to previous week.

Weekly Average Prices at Indian Auction Centers for week ending 2014-06-27

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	163.57(182.85)	153.21(177.33)	127.75(154.91)	NS(NS)	86.42(94.54)	67.80(76.27)	72.92(80.66)	58.85(57.97)
Total Tea	182.95(196.17)	153.66(177.25)	127.76(154.91)	NS(NS)	91.44(96.42)	68.82(76.66)	73.03(80.66)	58.85(57.97)

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

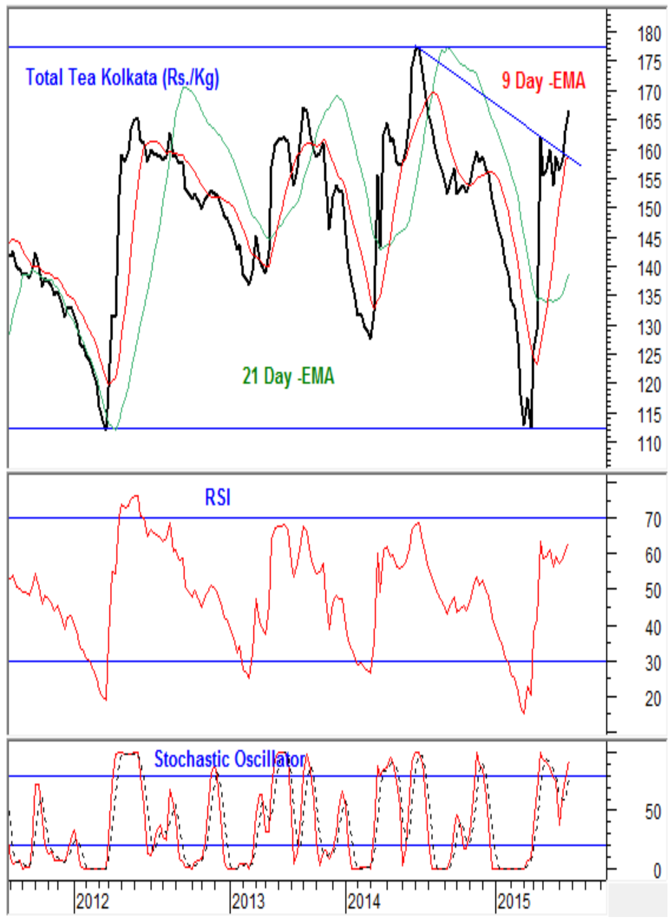
Variety	North India	South India	All India
CTC All Dust	147.66 (171.76)	73.64 (81.90)	123.93 (138.02)
Total Tea	155.55 (177.03)	76.25 (83.37)	130.50 (142.12)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata

Technical Commentary:
Tea prices continued positive tone during the week. In the daily chart, prices have broken above the downtrend line denoting firm tone in the medium –term. Prices are likely to move towards 200 levels in the coming days and are holding above 9 –Day and 21 –Day EMA. RSI is increasing in the neutral region supporting the positive tone of the market in the near –term.

The tea prices are likely to continue firm tone towards 200 levels in the coming days. Traders can consider purchasing around current levels for their medium –term requirement.



Strategy: Buy Around Current Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	130.00	182.95	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 25 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	390 - 430	460 - 530
Average Westerns	340 - 380	420 - 450
Plainer Westerns	310 - 335	380 - 400
Western Mediums	330 - 560	350 - 450
Uva Teas	300 - 480	320 - 460
Nuwara Eliya Teas	300 - 395	330 - 420
Udapussellawa Teas	350 - 410	350 - 450
CTC (BP1 and PF1)	320 - 440	350 - 570

In this week’s auction, 7.42 million kgs of tea was offered for sale compared to 7.42 million kgs of tea during the previous week. There was good 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 weak 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 weak tone during the week. The below best and plainer variety noticed easy tone during the week. With better quality tea expected in the coming weeks and middle –east countries celebrating ‘Eid’ festival, demand is expected to improve in the coming days. There was good demand from Russia and demand remained subdued from middle –east countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	27		26		25	
Dates	14th/15th July 2015		07th/08th July 2015		29th/ 30th June 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,049	1,180,596 kg	1,042	1,177,589 kg	1,041	1,174,064 kg
Main Sale Total	11,499	6,552,911 kg	11,365	6,429,707 kg	11,430	6,560,448 kg
High & Medium	1,635	928,678 kg	1,526	892,169 kg	1,610	930,703 kg
Low Growns Leafy	4,048	1,985,078 kg	4,088	2,030,947 kg	3,991	2,013,327 kg
Tippy	2,465	1,522,897 kg	2,481	1,531,619 kg	2,624	1,634,798 kg
Premium/Flowery	550	140,992 kg	541	145,099 kg	640	164,289 kg
Off Grades	2,136	1,277,044 kg	2,125	1,226,335 kg	1,986	1,202,544 kg
Dust	665	698,222 kg	604	603,538 kg	579	614,787 kg
Grand Total	12,548	7,733,507 kg	12,407	7,607,296 kg	12,471	7,734,512 kg
Reprints	679	437,931 kg	827	549,912 kg	909	627,408 kg
Scheduled to Close (Ex)		25.06.15		18.06.15		11.06.15
Dates (Ms)		26.06.15		19.06.15		12.06.15

Scheduled Closing Dates

Auction No. 26	:	07th/08th July 2015
Ex Estate	:	18.06.2015
Main Sale	:	19.06.2015
Auction No. 27	:	14th/15th July 2015
Ex Estate	:	25.06.2015
Main Sale	:	26.06.2015
Auction No. 28	:	21st/22nd July 2015
Ex Estate	:	02.07.2015
Main Sale	:	03.07.2015
Auction No. 29	:	27th/28th July 2015
Ex Estate	:	09.07.2015
Main Sale	:	10.07.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 26

	SALE 26 HELD ON 29 & 30/06/2015			SALE 26 HELD ON 07 & 08/07/2014		

(in US$ per kg)

COUNTRY	PRIMARY	SECONDARY	TOTAL	PRIMARY	SECONDARY	TOTAL
Kenya	3.52	1.36	3.34	2.20	1.26	2.14
Uganda	1.90	1.11	1.60	1.58	0.96	1.38
Rwanda	3.59	2.19	3.35	2.19	1.77	2.13
Burundi	3.72	1.92	3.56	2.10	1.66	2.04
Zambia	-	-	-	-	-	-
Tanzania	1.41	0.87	1.15	0.97	0.83	0.94
D R of Congo	2.29	-	2.29	-	-	-
Mozambique	-	-	-	1.07	0.62	0.79
Madagascar	-	-	-	-	-	-
Malawi	-	-	-	1.28	1.18	1.27
Zimbabwe	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	-
Total	**3.39**	**1.35**	**3.13**	**2.08**	**1.12**	**1.96**

CTC QUOTATIONS	BP1 – USC	PF1 – USC	PD – USC	D1 - USC
Best	334 – 374	421 – 424	384 – 400	362 – 390
Good	340 – 362	422 – 432	384 – 404	372 – 386
Good Medium	312 – 363	400 – 428	340 – 394	372 – 384
Medium	302 – 364	400 – 410	340 – 372	298 – 338
Lower Medium	160 – 300	172 – 300	300 – 322	200 – 320
Plainer	120 – 284	116 – 280	090 – 292	107 – 236

During the week good demand noticed for 7,454,434 kilos of tea on offer. Brighter DUST1s were lower up to USC4, with mediums higher up to USC22 to USC44 higher and prices of lower mediums were higher to USC10 lower. Prices of Brighter BP1's were higher up to USC20, prices of mediums were USC8 to USC34 higher and prices of lower mediums noticed mixed tone and were firm up to USC10 and sometimes lower till USC10. 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 noticed firm tone and Dusts noticed positive tone during the week. Other Fannings noticed firm tone and BMF's noticed weak tone. There was good buying interest from Pakistan packers, Egyptian packers, Yemen, other middle-eastern countries, Sudan, Kazakhstan, other CIS countries and U.K. There was some demand from Afghanistan, Russia and Iran. Good demand was noticed from Somalia around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 26

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	7.080	376.120 Kg	5.580	295.520 Kg	78.57
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	7.080	376.120 Kg	5.580	295.520 Kg	78.57

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.000	111.400 Kg	1.820	101.600 Kg	91.20
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.000	111.400 Kg	1.820	101.600 Kg	91.20
GRAND TOTAL	9.080	487.520 Kg	7.400	397.120 Kg	81.46

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
161	136-200	135-198	132-200	124-202	118-134	270-335

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
116-184	127-132	118-132	-	120-122

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
166-200	171-226	150-227	150-230	133-191	141-174	---

Market offerings declined to 9,020 paper sacks from 10,420 paper sacks. There was fair demand in the market. Average price increased to USDcts 150.79 instead of USDcts 149.57 during last week's auction. Average price of Orthodox variety increased to USDcts 145.45 and average price of CTC declined to USDcts 164.06. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 81.46% during the period compared to 80.90% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	8/07/15	15/07/15	8/07/15	15/07/15
PTPN. IV	900 S	860 S	-	-
PTPN. VI	320 S	340 S	340 S	460 S
PTPN. VII	940 S	1.220 S	140 S	160 S
PTPN. VIII	2.560 S	4.580 S	480 S	580 S
PTPN. IX	360 S	380 S	-	-
PTPN. XII	- S	- S	560 S	500 S
Total Estate	5.080 S	7.380 S	1.520 S	1.700 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	5.080 S	7.380 S	1.520 S	1.700 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 09

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	185-195	Best	193-198
Medium	190-195	Good	190-192
Small	193-198	Medium	183-188
Plain	170-175	Plain	170-175

Tea prices at Bangladesh tea auction increased during the week amid good demand from the local buyers. The average price of tea during this week's auction was around USD 2.50/kg. Around 1.23 million kgs of tea was offered for sale and nearly 4 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers. 17,760 packages and 295 packages of CTC Leaf of old season noticed good demand. 4,309 packages and 99 packages of old season on offer of CTC Dust noticed fair buying interest. In CTC Dust, good liquoring varieties noticed firm tone and medium levels noticed easy tone. Good liquoring Broken varieties noticed demand at lower prices. Good liquoring varieties in fannings noticed mixed tone during the week. Good liquoring Dusts noticed easy tone in line with quality during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

Country	MONTH	2015	2014	CUMULATIVE	2015	2014	CUMULATIVE + INC./-DEC.
Sri Lanka	May	32.23	39.24	Up to May	143.41	142.64	+ 0.77
North India	Apr.	50.7 (E)	42.1	Up to Apr.	84.2 (E)	84.9	- 0.7
South India	Apr.	24.9 (E)	16.5	Up to Apr.	72.7 (E)	65.1	+ 7.6
Kenya	Apr.	23.84	39.97	Up to Apr.	105.45	152.05	- 46.6
Bangladesh	Apr.	3.1	2.7	Up to Apr.	3.6	3.5	+ 0.1
Malawi	Apr.	6.4	6.4	Up to Apr.	24.8	28.2	- 3.4

(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 more in the coming months following good rains in the tea growing regions in the months of April and May.

Currency	04-07-2015	27-06-2015
USD	63.42	63.45
Srilankan Rupee	0.4742	0.4743
Indonesian Rupiah	0.0047	0.0048
Kenyan Shilling	0.6371	0.6443
Bangladeshi Taka	0.8158	0.8164

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone. North India tea auction centers noticed firm tone and South Indian tea auction centers noticed mostly weak tone. Quantity offered on sale increased during the week compared to previous week. There is good demand for quality leaf in the market. In the Southern auction centers, quantity of arrival has increased and quality is on the lower side. Rains during the last few days have affected the quality of new crop. Prices are likely to notice range –bound to firm tone amid expected good domestic and export demand in the coming days.

In the global market, prices noticed firm tone. Quantity offered on sale increased during the week compared to previous week. There was good demand in the market around current levels. Heavy rains in parts of North and South India are affecting the quality of the crop. Future offering of tea is likely to decline in Srilanka and Indonesia. Prices are likely to continue positive tone in the near –term.