

News Highlights

- The Tea Trade Association of Coimbatore has requested the Tea Board to persuade the Ministry of Commerce and Industry to allocate funds for running the electronic auction. The Government could no longer support this e auction and the cost should be borne by the stakeholders of the industry from April 2015.
- The Centre has urged tea companies to increase funding in research to enhance productivity, explore scope of mechanisation improve quality and lessen climate risk for long –term sustainability.
- The world's most expensive tea as per Darjeeling tea experts is on its way to UK. It is being produced by Makaibari Estate in Eastern India and is priced at 1400 pounds per kilo. The British love and appreciate good tea and are ready to pay a premium for the same.
- The North Bengal Tea Producers Welfare Association representing over 100 bought –leaf factories of North Bengal and Bihar have send a letter of request to the Prime Minister for declaring tea as the national drink of India.
- Small tea growers in Ooty are worried of falling tea prices. The Nilgiris Tea Cultivators' Association have submitted a memorandum to the Nilgiris collector for his intervention. Prices have declined amid collapse of traditional market and imports of cheaper tea. The prices have declined from Rs.18/kg in 1998 -99 to Rs.10.30/kg and further to Rs. 7.70/kg by 2000. Currently prices are around Rs.11/kg. Over 40,000 families depend on the small farms for their livelihood.
- United Planters Association Of Southern India (UPASI), the apex body of south Indian planters, will launch the e-auction for tea from December. It will be conducted by UPASI Commodities Exchange (UCEL) on a platform developed by state-run MSTC. UPASI will ensure certain standards in sustainability, quality and traceability for commodities traded through the platform.
- The Tea Trade Association has raised concern over the Kochi port's decision to increase lease rent rates in Willingdon Island. This will affect several business establishments in the island, mainly on tea trade at a time when the Kochi Tea Auction Centre maintained its leading position in the total tea sales last year.
- Tea farmers in Kenya have been asked to pick only the recommended green tea leaves so as to control the declining international prices. Tea prices have been falling at the Mombasa auction centre amid supply of poor quality tea in the market.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 39 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	147.2	31,68,284	24,64,367
ORTHODOX	187.28	6,52,740	5,42,498
DARJEELING	238.77	1,53,402	96,356
DUST	154.15	14,32,501	11,72,572

(Source: CTTA, Parcon India)

Prices noticed weak tone except Darjeeling tea during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for CTC variety. Best/Good Assams and Dooars noticed firm tone and Plainer varieties noticed some withdrawals. The Dust secondaries noticed easy tone. There was good buying from Hindustan Unilever, Tata Global, Western India buyers and exporters. In the orthodox category, Well Made Whole Leaf, Bolder Whole Leaf, Smaller Broken and Fannings noticed steady tone. Exporters were active in the market. There was some enquiry for Fannings and Secondary Broken from the local traders. Prices are likely to be steady to firm in the coming days.

Guwahati Tea Auction: Sale No: 39 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	135.40	45,76,817	34,08,548
Dust	143.17	19,42,045	13,86,528

(Source: CTTA, Parcon India)

Prices increased during the week compared to previous week. Quantity offered on sale increased during the week. There was good demand for Quality tea and fair for other varieties. Blacker, Cleaner sorts noticed steady tone and Secondary varieties noticed easy tone. Prices are likely to be range –bound to weak in the near –term.

Siliguri Tea Auction: Sale No: 39 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	114.75	5,80,296	4,49,199
CTC Leaf	123.21	35,66,251	27,65,081

(Source: CTTA, Parcon India)

Prices noticed easy tone during the week. There was good general demand in the market. The dust and the leaf markets noticed the same trend. There was good demand from the blenders and exporters were selective in the market. Prices are likely to notice steady to firm tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 39 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	-	-	-
CTC Leaf	93.40	15649	5044

(Source: Jalpaiguri Tea Auction Committee)

Prices improved slightly at Jalpaiguri tea auction compared to previous week. Volumes offered on sale remained almost steady compared to previous week. There are not much buyers in the market around current levels. There will be no auctions in the subsequent three weeks following festivals of 'Dussehra' and 'Lakshmi Puja'. Prices are likely to be steady to firm in the coming days.

FUTURE OFFERINGS (PACKAGES):

	SALE	THIS YEAR		LAST YEAR	
		QTY	CL. DATE	QTY	CL. DATE
SILIGURI	43	100844	22.09.2014	90168	21.09.2014
KOLKATA	42	63638	05.09.2014	Dropped	
GUWAHATI	41	153849	17.09.2014	79370	16.09.2013

Cochin Tea Auction: Sale No: 39 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	102.94	947223.30	823905.90
CTC Leaf	74.20	880025.00	681910.00
Orthodox Dust	60.45	18859.00	2893.00
Orthodox Leaf	119.02	123088.00	104053.00

(Source: Paramount Marketing, Coimbatore)

Prices at Kochi 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 variety. Plainer and medium varieties noticed weak tone. There was active buying from loose tea buyers and exporters. AVT, Hindustan Unilever Ltd., Kerala State Civil Supplies and Tata Global lent some support to the market. In the Leaf category, there was improved demand in the market for Nilgiri Broken and Whole Leaf. Fannings and Bolder Leaf noticed firm tone. Exporters, CIS countries and upcountry buyers were active in the market. Exporters bought Fannings and Tunisian buyers bought medium and plain teas. Prices are likely to be range –bound to weak in the coming days.

Coimbatore Tea Auction: Sale No: 39 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	81.47	210679.00	180322.00
CTC Leaf	70.21	127149.00	90687.00
Orthodox Dust	77.89	33387.00	5446.00
Orthodox Leaf	72.97	5335.00	2971.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone at Coimbatore tea auction. Quantity offered on sale declined in the orthodox category during the week compared to previous week. There was good buying from internal buyers in the market. Prices are likely to be steady to firm in the near –term.

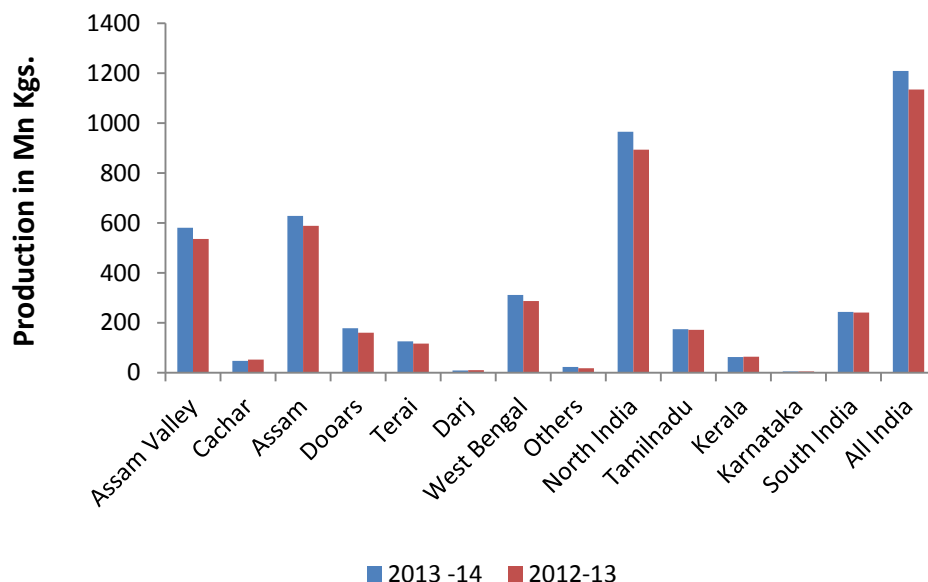
Coonoor Tea Auction: Sale No: 39 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	79.36	402902.50	313976.00
CTC Leaf	74.20	880025.00	681910.00
Orthodox Dust	93.44	59410.00	41733.00
Orthodox Leaf	86.73	62512.80	49398.20

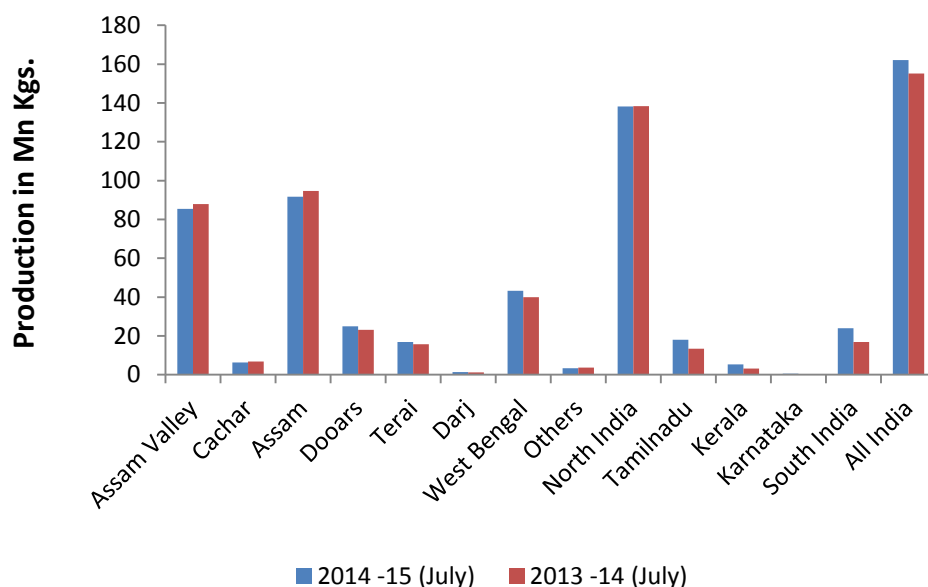
(Source: Paramount Marketing, Coimbatore)

Prices increased for CTC variety and declined for Orthodox variety at Coonoor tea auction during the week. Quantity offered on sale decline during the week compared to previous week. Some export demand for CTC variety lent support to the market. There was not much demand in the Leaf category. Prices are likely to notice weak tone in the coming days

Tea Production Regionwise



Tea Production Regionwise



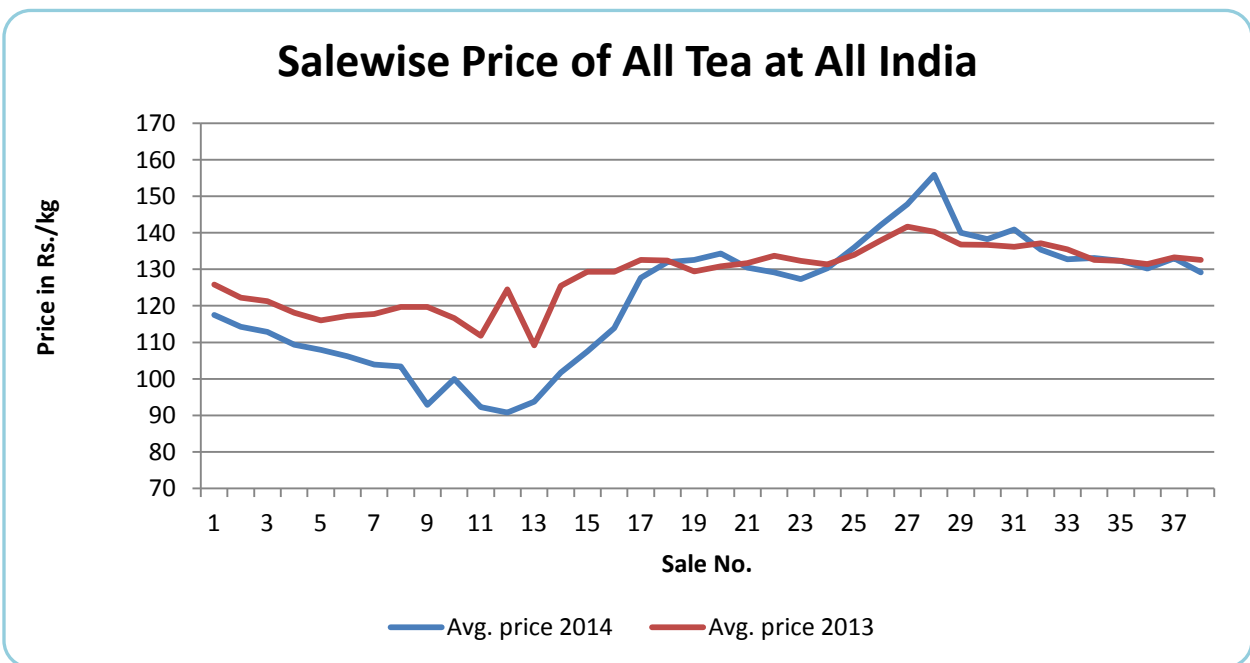
(Source: Tea Board)

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		
	2014 (E)	2013 +/-		2014(E)	2013	+/-	2014(E)	2013	+/-
JAN – MAR	35.87	30.67	+5.20	23.53	22.03	+1.50	59.40	52.70	+6.70
APR – JUN	17.36	17.16	+0.20	17.77	18.72	-0.95	35.13	35.88	-0.75
JAN - JUN	53.23	47.83	+5.40	41.30	40.75	+0.55	94.53	88.58	+5.95

Source: Tea Board Of India



The above graph shows the price comparison of All Tea at All India in 2013 and 2014. During the early part of the year (2014) in March and April, prices remained lower compared to previous year amid lack of export inquiry in the market and quality is not up to the mark at this time of the year. 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. This year there is not much good demand for

rain flush tea in the domestic and global market. Prices have declined slightly during the week compared to previous week.

Weekly Average Prices at Indian Auction Centers for week ending 2014-09-20

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonor	Coimbatore	Tea Serve
CTC All Dust	152.43(145.77)	135.82(131.85)	124.20(116.66)	93.14(85.59)	98.45(N S)	74.67(87.87)	75.91(99.81)	48.98(89.14)
Total Tea	161.86(158.47)	135.79(132.28)	124.20(116.66)	93.14(85.59)	99.88(N S)	75.29(88.11)	76.07(99.75)	48.98(89.14)

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

Variety	North India	South India	All India
CTC All Dust	137.45(132.44)	77.09(90.64)	125.32(126.85)
Total Tea	141.72(138.63)	78.51(90.74)	129.14(132.54)

(Source: Tea Board)

Tea – Technical Outlook

Technical Commentary:

Tea prices noticed recovery from 150 levels after the decline in prices from July onwards. Prices are holding below the uptrend line denoting the overall weak tone of the market. MACD is declining in the positive territory supporting weakness in the medium – term. RSI is increasing in the neutral region supporting firm tone in the coming days. Buyers are advised to purchase around current levels for their near –term requirement.

The tea prices are likely to notice in the coming days. Buyers can purchase around 160 levels for their near –term requirement.

Total Tea -Kolkata



Strategy: Wait for Better Buying Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	146.00	161.86	180.75	193.50

International Trade Scenario:
Srilanka Tea Auction (Colombo): Sale No: 37 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	450 - 550	480 - 640
Average Westerns	420 - 440	420 - 470
Plainer Westerns	365 - 410	370 - 410
Western Mediums	370 - 560	370 - 415
Uva Teas	330 - 480	375 - 445
Nuwara Eliya Teas	500 - 510	450 - 530
Udapussellawa Teas	330 - 395	340 - 440
CTC (BP1 and PF1)	320 - 500	350 - 650

In this week's auction, 6.62 million kgs of tea was offered for sale compared to 6.85 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's/BOPF's noticed mixed following quality. High Grown and Mid Grown CTC's noticed firm 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 steady tone. In the Tippy catalogues, better made FBOP noticed steady tone and FF1's noticed firm tone during the week. The below best and plainer variety noticed firm tone during the week. Russian and Iranian buyers remained subdued during the week.

DETAILS OF TEAS AWAITING SALE

	39		38		37	
AUCTION NO.						
	06TH/07TH October 2014		29TH/30TH September 2014		23RD /24TH September 2014	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	739	878,864 kg	747	866,021 kg	759	852,932 kg
Main Sale Total	11,254	6,026,018 kg	10,413	5,511,122 kg	10,906	5,771,603 kg
High & Medium	1,125	576,711 kg	1016	508,345 kg	942	463,434 kg
Low Growns Leafy	4,393	2,169,502 kg	4,125	2,011,426 kg	4,171	1,996,243 kg
	2,531	1,510,267 kg	2,426	1,444,030 kg	2,537	1,500,789 kg
Tippy						
Premium/Flowery	477	116,532 kg	551	125,588 kg	573	134,044 kg
Off Grades	2,258	1,208,918 kg	1,916	1,063,660 kg	2,232	1,248,618 kg
Dust	470	444,088 kg	379	358,073 kg	451	428,475 kg
Grand Total	11,993	6,904,882 kg	11,160	6,377,143 kg	11,665	6,624,535 kg
Reprints	1,073	582,582 kg	1077	665,437 kg	1269	766,993 kg
Scheduled to Close (Ex)		18.09.14		11.09.14		04.09.14
Dates (Ms)		19.09.14		12.09.14		05.09.14

Scheduled Closing DatesAuction No. 38 : 29TH / 30TH September 2014

Ex Estate : 11.09.2014

Main Sale : 12.09.2014

Auction No. 40 : 14TH / 15TH October 2014

Ex Estate : 25.09.2014

Main Sale : 26.09.2014

Auction No. 39 : 06TH / 07TH October 2014

Ex Estate : 18.09.2014

Main Sale : 19.09.2014

Auction No. 41 : 21ST / 22ND October 2014

Ex Estate : 02.10.2014

Main Sale : 03.10.2014

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 37

AUCTION AVERAGE PRICES (US\$/Kg)

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2013	2014	2013	2014
35	\$ 2.23	\$ 2.00	\$ 2.13	\$ 1.89
36	\$ 2.20	\$ 2.04	\$ 2.13	\$ 1.92
37	\$ 2.19	\$ 1.98	\$ 2.14	\$ 1.85

(In Srilankan Rupees)

QUOTATIONS	BROKENS	FANNINGS
Best	279 - 460	310 -391
Good	289 – 316	316 – 323
Good Medium	283 – 320	302 – 323
Medium	231 – 293	256 – 295
Lower Medium	190 – 252	171 – 263
Plain	98 - 152	107 - 221

During the week less demand noticed for 8,973,903 kilos of tea on offer. Around 26.59% of the quantity offered on sale remained unsold. Brighter DUST1s were USC4 to USC6 easier with mediums USC2 to USC15 lower and prices of lower mediums were USC3 to USC11 lower during the week. Prices of Brighter BP1's USC4 to USC26, prices of mediums declined and prices of lower mediums were USC6 to USC8 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BPs and PF's noticed firm tone. Well sorted clean coloury Fannings and Dusts prices noticed steady tone during the week. Other Fannings were steady and BMF's noticed good demand around higher levels. There was good buying interest from UK, Egyptian packers, Pakistan Packers, Sudan, Middle –East, Bazaar, Kazakhstan and other CIS countries. Demand remained subdued from Iran. Somalia continued to be active around lower levels during the week.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 37

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	14.980	809.640 Kg	7.060	385.060 Kg	47.56
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	14.980	809.640 Kg	7.060	385.060 Kg	47.56
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.460	137.660 Kg	2.020	113.740 Kg	82.62
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.460	137.660 Kg	2.020	113.740 Kg	82.62
TOTAL	17.440	947.300 Kg	9.080	498.800 Kg	52.65

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOFP	PF	DUST	BT	BP
169	133-216	125-185	134-198	130-193	126-146	253-301

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
126-183	128-141	135-136	150-171	126-144

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
152-188	168-202	170-209	175-217	136-185	158-180	---

Market offerings increased to 17,440 paper sacks from 12,960 paper sacks. There was lower demand in the market around current levels. Average price increased to USDcts 168.26 instead of USDcts 166.25 during last week's auction. Average price of Orthodox variety increased to USDcts 166.20 and average price of CTC increased to USDcts 175.02. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 52.65% during the period compared to 81.45% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	01/10/14	08/10/14	01/10/14	08/10/14
PTPN. IV	1.500 S	1.380 S	-	-
PTPN. VI	160 S	540 S	380 S	480 S
PTPN. VII	1.280 S	1.460 S	- S	- S
PTPN. VIII	12.640 S	13.520 S	1.860 S	1.860 S
PTPN. IX	700 S	1.040 S	-	-
PTPN. XII	- S	- S	600 S	560 S
Total Estate	16.280 S	17.940 S	2.840 S	2.900 S
Pagilaran	-	-	-	-
Total Private	--- S	--- S	--- S	--- S
Grand Total	16.280 S	17.940 S	2.840 S	2.900 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 19

(In US\$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	160-170	Best	192-197
Medium	172-177	Good	185-190
Small	183-193	Medium	172-180
Plain	90-120	Plain	90-120

Tea prices at Bangladesh tea auction increased during the week amid good demand from local buyers. The average price of tea during this week's auction was around USD 2.40/kg. Around 2.66 million kgs of tea was offered for sale and nearly 20.5 percent remained unsold.

There was good demand from blenders and loose tea buyers. 40,409 packages and 448 packages CTC Leaf of previous season noticed good demand. 6,915 packages and 25 packages of old season teas on offer of CTC Dust noticed good demand around lower levels. In CTC Dust, good liquoring varieties were firm to slightly dearer and medium levels noticed steady tone. Good liquoring Broken varieties noticed demand around higher levels and sold at a rate of Tk.187 –Tk.195. Good liquoring varieties in fannings also noticed good buying support. Good liquoring Dusts noticed firm tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

<i>Country</i>	<i>MONTH</i>	<i>2014</i>	<i>2013</i>	<i>CUMULATIVE</i>	<i>2014</i>	<i>2013</i>	<i>CUMULATIVE</i> <i>+ INC/-DEC.</i>
<i>Sri Lanka</i>	<i>July</i>	28.79	22.63	<i>Up to July</i>	201.5	196.6	+ 4.9
<i>North India</i>	<i>July</i>	138.20	112.2	<i>Up to July</i>	398.48	420.80	- 22.32
<i>South India</i>	<i>July</i>	23.89	16.88	<i>Up to July</i>	144.54	133.09	+ 11.45
<i>Kenya</i>	<i>July</i>	30.79	26.23	<i>Up to July</i>	255.98	251.85	+ 4.13
<i>Bangladesh</i>	<i>July</i>	8.9	10.1	<i>Up to July</i>	25.2	25.3	- 0.1
<i>Malawi</i>	<i>July</i>	1.4	1.7	<i>Up to July</i>	36.3	31.9	+ 4.4

(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 current year till May, production has declined in the major countries except Bangladesh and Malawi. 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 has been affected in the months of April and May in North India following lack of suitable temperature and rainfall in the growing regions.

Currency	27-09-2014	20-09-2014
USD	61.57	60.84
Srilankan Rupee	0.4669	0.4669
Indonesian Rupiah	0.4723	0.0051
Kenyan Shilling	0.6902	0.6879
Bangladeshi Taka	0.7963	0.7871

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone during the week. Arrival of tea quality is likely to improve in the coming months. Trading activities are likely to be lack –luster during the week following the festival of ‘Dussehra’ and there will be no auctions during the week at certain centers. Buying support from loose tea buyers lent support to the market and exporters were selective in the market. Prices are likely to be range –bound to weak in the near -term.

In the global market, prices noticed steady to firm tone amid improved demand in the market. Weather remains favourable in the tea growing regions. Future offerings are likely to decline at Srilankan and Indonesian tea auctions. Producers are focusing on different functional teas to increase their reach in the market. Prices are likely to notice steady to firm tone in the coming days.

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