

News Highlights

- According to the Tea Board, the production of tea in North India till August is reported at 543.6 million kgs. compared to 561.6 million kgs. during the same period previous year. According to sources, tea prices are likely to increase in the coming months amid lower availability.
- In sale no. 41, post Dussehra, around 36 per cent of the tea on offer amounting to Rs.4.44 crore remained unsold. Lower shipments to Pakistan were reported during the period.
- A delegation from the United Tea Workers Front (UTWF) has been asked by labour minister that minimum wages for the workers should be implemented in the next 6 months.
- On the occasion of World Food Day, Greenpeace released a report showcasing successfully running tea plantations using ecological approaches across India. According to Greenpeace, non pesticide management is the future of tea cultivation.
- Tea production in South India has been declining during the last few years amid lower number of rainy days, increase in maximum temperature and low atmospheric water content. India produces annually 1100 -1200 million kgs. In North India also, production has been affected following lack of sufficient rainfall and increase in temperatures.
- World tea production till August declined by 0.5 percent led by India and Uganda.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 41 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	151.67	26,86,000	22,01,000
ORTHODOX	181.85	7,07,831	5,92,269
DUST	154.10	13,36,000	10,83,000

(Source: CTTA, Parcon India)

Prices increase at Kolkata tea auction during the week. Quantity offered on sale increased compared to previous week. CTC variety tea prices noticed firm tone amid good demand. The Cleaner and Brighter Liquoring varieties noticed firm tone. The plainer varieties noticed easy tone. There was good demand from Tata Global, Hindustan Unilever and exporters. In the orthodox category, there was good demand around lower levels. Iran and CIS countries were active in the market. Prices are likely to notice range –bound to firm tone in the coming days.

Guwahati Tea Auction: Sale No: 41 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	134.10	45,63,000	33,24,000
Dust	141.03	21,03,000	15,51,417

(Source: CTTA, Parcon India)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for quality tea and fair for other varieties. Good and Better Medium Sorts noticed firm tone and the secondary variety noticed easy tone. There was good demand from blenders and exporters in the market. Prices are likely to continue positive tone in the near -term.

Siliguri Tea Auction: Sale No: 41 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	111.90	5,50,000	3,90,000
CTC Leaf	120.99	35,51,000	27,93,000

(Source: CTTA, Parcon India)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was some demand for quality tea. Better Medium sorts noticed easy tone. There was good demand for Fannings during the week. Blenders and Internal buyers were active in the market. Prices are likely to notice weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 41 (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.

FUTURE OFFERINGS (PACKAGES):

		THIS YEAR		LAST YEAR	
	SALE	QTY	CL. DATE	QTY	CL. DATE
SILIGURI	47	100867	17.10.2014	89818	19.10.2013
KOLKATA	48	133587	14.10.2014	129327	28.10.2013
GUWAHATI	43	150756	30.09.2014	130710	25.09.2013

Cochin Tea Auction: Sale No: 42 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	98.81	1069865.70	920450.90
CTC Leaf	75.07	70337.00	44273.00
Orthodox Dust	62.05	10286.00	692.00
Orthodox Leaf	134.28	155880.00	137644.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone at Kochi tea auction. Prices firmed up for leaf variety and declined for dust variety. Quantity offered on sale declined during the week compared to previous week. There was fair demand for CTC dust in the market. Plainer varieties noticed much withdrawals in the market. There was good demand from AVT, Tata Global, Kerala State Civil Supplies for Good Liqueuring teas. Demand remained subdued from Loose Tea traders and Upcountry buyers. In the Leaf category, there was good demand for Select Best Niligiri Broken and Whole Leaf. Fannings and Bolder Leaf noticed steady to weak tone. There was less demand from upcountry buyers, Hindustan Unilever and exporters. Prices are likely to be range –bound to weak in the coming days.

Coimbatore Tea Auction: Sale No: 42 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	81.74	234898.00	161636.00
CTC Leaf	77.42	141885.00	78028.00
Orthodox Dust	68.83	17593.00	3775.00
Orthodox Leaf	75.27	5098.00	791.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone at Coimbatore tea auction during the week. Quantity offered on sale declined during the week compared to previous week. There was some export enquiry in the market. Good demand from the loose tea buyers added to the positive tone of the market. Prices are likely to be steady to firm in the near –term.

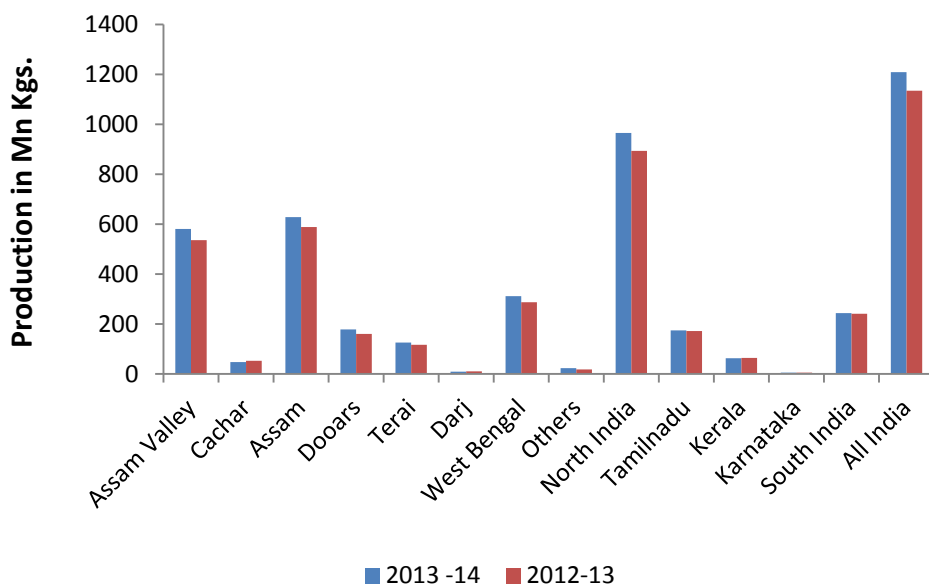
Coonoor Tea Auction: Sale No: 42 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	68.52	528919.50	326702.00
CTC Leaf	69.67	1135479.50	740204.50
Orthodox Dust	84.04	60479.00	37685.00
Orthodox Leaf	90.76	69393.60	50471.20

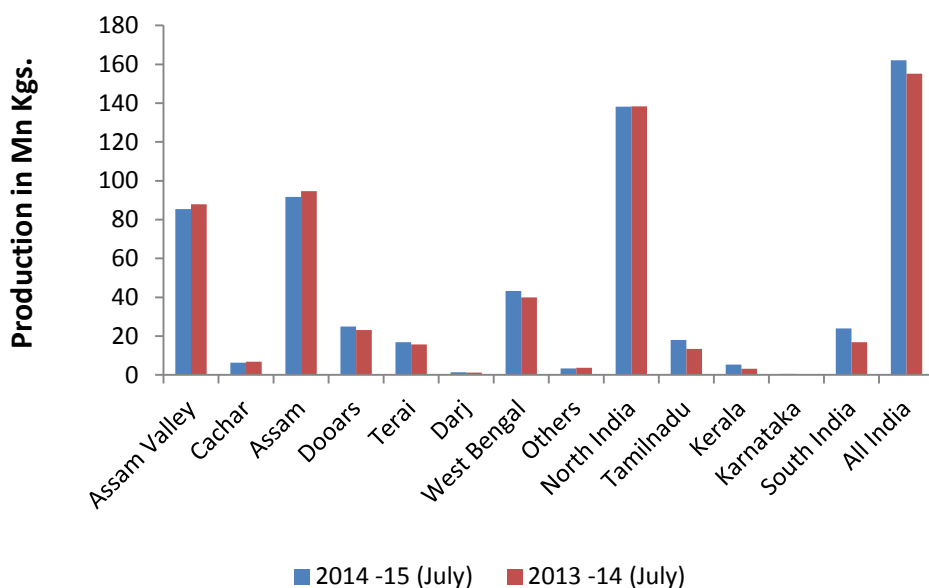
(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone at Coonoor tea auction. Quantity offered on sale increased for CTC Dust and Orthodox Leaf variety during the week compared to previous week. Lack of demand from internal buyers and exporters weighed on the market. Prices are likely to notice weak tone in the coming days.

Tea Production Regionwise



Tea Production Regionwise



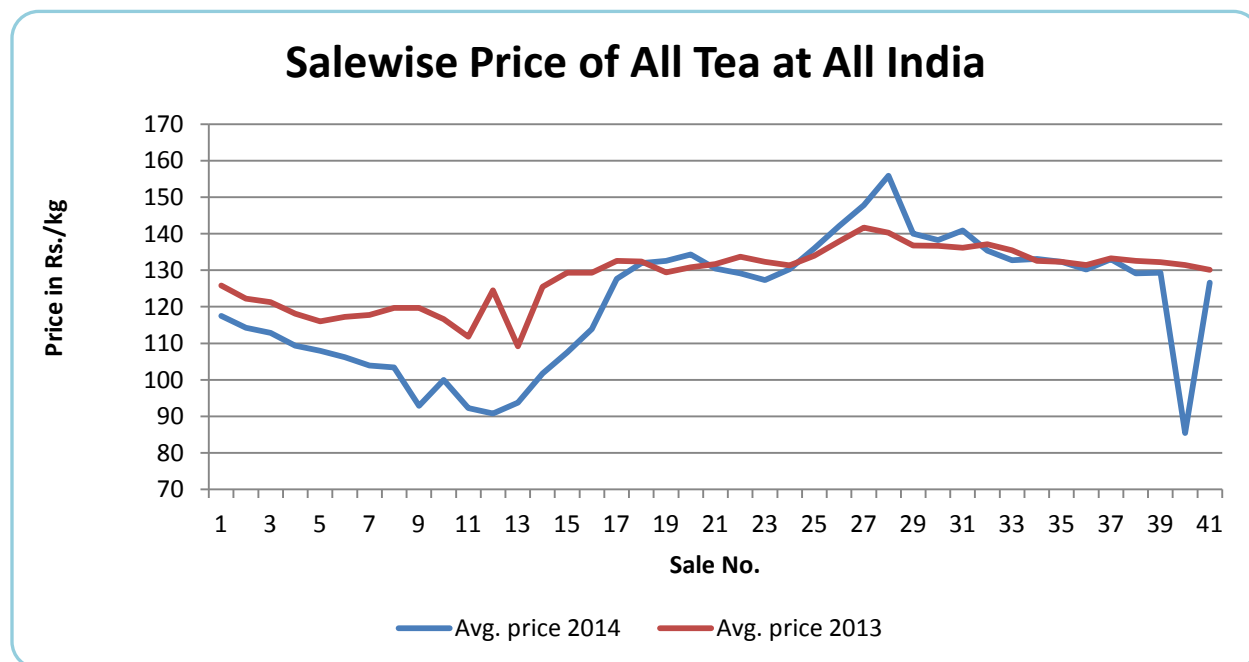
(Source: Tea Board)

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 lower compared to previous year amid lack of availability of good quality tea. Prices have declined during the week compared to previous week.

Weekly Average Prices at Indian Auction Centers for week ending 2014-10-011

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	150.25(148.81)	135.50(137.32)	121.34(115.06)	NS(NS)	100.06(118.35)	72.99(84.45)	79.19(96.25)	50.87(82.92)
Total Tea	157.68(162.20)	135.47(137.59)	121.34(115.07)	NS(NS)	103.32(120.25)	73.56(85.01)	79.17(96.24)	50.87(82.92)

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

Variety	North India	South India	All India
CTC All Dust	134.87(135.10)	80.04(98.99)	123.38(124.25)
Total Tea	138.22(142.21)	82.28(100.61)	126.59(130.11)

(Source: Tea Board)

Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:

Tea prices declined during the week. Breaking of prices below the support of 150 levels will denote weak tone of the market. MACD is declining in the positive territory supporting the weak tone of the market. RSI is declining in the neutral region supporting near – term weakness. Buyers are advised to purchase around 150 levels for their near –term requirement.

The tea prices are likely to notice firm tone in the coming days. Buyers can purchase around 150 levels for their near –term requirement.

The figure consists of three vertically stacked technical analysis charts for 'Total Tea Kolkata (Rs./Kg)'. The x-axis for all charts represents time from 2010 to 2014. The top chart displays the price movement with a black line for the actual price, a red line for the 9 Day -EMA, and a green line for the 21 Day -EMA. Horizontal blue lines indicate support levels at 150 and 160. The middle chart shows the RSI (Relative Strength Index) with a red line fluctuating between 20 and 80, with horizontal blue lines at 30, 50, 70, and 80. The bottom chart shows the Stochastic Oscillator with a red line fluctuating between 0 and 100, with horizontal blue lines at 20, 50, and 80.

Strategy: Wait for Better Buying Levels

Weekly Supports & Resistances

		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	146.00	157.68	180.75	193.50

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 40 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	490 - 540	580 - 640
Average Westerns	430 - 480	500 - 570
Plainer Westerns	400 - 420	440 - 490
Western Mediums	560 - 620	410 - 450
Uva Teas	385 - 490	400 - 570
Nuwara Eliya Teas	470 - 530	490
Udapussellawa Teas	380 - 430	400 - 490
CTC (BP1 and PF1)	360 - 500	340 - 745

In this week's auction, 7.20 million kgs of tea was offered for sale compared to 6.90 million kgs of tea during the previous week. There was less demand for Select Best teas during the week. Better western BOP's noticed firm tone and BOPF's noticed easy tone during the week. High Grown and Mid Grown CTC's noticed mixed tone and Low Grown CTC's noticed firm tone during the week. There was less demand for liquoring leafy teas.

In the leaf category, Better PEK/PEK1's and a few bolder types noticed improved demand. In the Tippy catalogues, better made FBOP noticed firm tone and FF1's noticed firm tone during the week. The below best and plainer variety noticed weak tone during the week. Russian buyers were active and there was good demand from Tea Bag sector. There was less demand from Syria.

DETAILS OF TEAS AWAITING SALE

	42		41		40	
AUCTION NO.						
Dates	28 th / 29 th October 2014		21 st /22 nd October 2014		14 th /15 th October 2014	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	880	1,052,341 kg	887	1,057,243 kg	787	928,850 kg
Main Sale Total	10,997	5,914,985 kg	11,539	6,230,598 kg	11,688	6,278,343 kg
High & Medium	1,382	741,252 kg	1,478	804,133 kg	1,308	690,521 kg
Low Growns Leafy	4,327	2,109,689 kg	4,399	2,145,822 kg	4,634	2,299,623 kg
	2,400	1,402,032 kg	2,489	1,471,217 kg	2,608	1,572,949 kg
Tippy						
Premium/Flowery	587	135,960 kg	503	117,944 kg	521	125,625 kg
Off Grades	1,780	1,009,103 kg	2,154	1,186,993 kg	2,154	1,146,764 kg
Dust	521	516,949 kg	514	504,489 kg	463	442,861 kg
Grand Total	11,877	6,967,326 kg	12,424	7,287,841 kg	12,475	7,207,193 kg
Reprints	802	446,668 kg	893	482,489 kg	902	460,652 kg
Scheduled to Close (Ex)		09.10.14		02.10.14		25.09.14
Dates (Ms)		10.10.14		03.10.14		26.09.14

Scheduled Closing Dates

Auction No. 41 : 21st / 22nd October 2014

Ex Estate : 02.10.2014

Main Sale : 03.10.2014

Auction No. 43 : 03rd / 04th Nov. 2014

Ex Estate : 16.10.2014

Main Sale : 17.10.2014

Auction No. 42 : 28th / 29th October 2014

Ex Estate : 09.10.2014

Main Sale : 10.10.2014

Auction No. 44 : 11th / 12th Nov. 2014

Ex Estate : 23.10.2014

Main Sale : 24.10.2014

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 40

AUCTION AVERAGE PRICES (US\$/Kg)

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2013	2014	2013	2014
38	\$ 2.15	\$ 2.00	\$ 2.10	\$ 1.92
39	\$ 2.18	\$ 2.01	\$ 2.11	\$ 1.90
40	\$ 2.13	\$ 2.02	\$ 2.08	\$ 1.92

(In Srilankan Rupees)

QUOTATIONS	BROKENS	FANNINGS
Best	263 - 409	324 -427
Good	277 – 295	316 – 329
Good Medium	237 – 356	310 – 329
Medium	197 – 306	250 – 310
Lower Medium	155 – 235	184 – 269
Plain	105 - 134	92 - 184

During the week good demand noticed for 9,126,654 kilos of tea on offer. Around 19.48% of the quantity offered on sale remained unsold. Brighter DUST1s were firm to USC10 easier with mediums firm to USC6 lower and prices of lower mediums were USC2 to USC6 lower during the week. Prices of Brighter BP1's USC2 to USC20, prices of mediums were firm to USC 20 lower and prices of lower mediums were USC4 to USC14 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BPs noticed firm tone and PF's noticed easy tone during the week. Well sorted clean coloury Fannings noticed easy tone and Dusts prices noticed firm tone during the week. Other Fannings and BMF's noticed mixed tone. There was good buying interest from UK, Afghanistan and Pakistan Packers. Yemen and other Middle –Eastern noticed purchased around lower levels. There was less demand from Kazakhstan, other CIS countries and Russia. Somalia was active during the week.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 40

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	16.900	917.760 Kg	7.800	415.080 Kg	45.23
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	16.900	917.760 Kg	7.800	415.080 Kg	45.23
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	3.440	192.080 Kg	2.680	150.780 Kg	78.50
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	3.440	192.080 Kg	2.680	150.780 Kg	78.50
TOTAL	20.340	1.109.840 Kg	10.480	565.860 Kg	50.99

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
160-202	126-190	121-185	130-190	129-192	121-146	255-262

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
112-175	124-150	125-133	150-200	120-134

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
141-187	166-210	165-197	163-216	122-188	151-177	---

Market offerings declined to 20,340 paper sacks from 20,740 paper sacks. There was lower demand in the market around current levels. Average price declined to USDcts 160.86 instead of USDcts 167.60 during last week's auction. Average price of Orthodox variety declined to USDcts 157.71 and average price of CTC increased to USDcts 169.40. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 50.99% during the period compared to 47.05% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	15/10/14	22/10/14	15/10/14	22/10/14
PTPN. IV	1.380 S	1.380 S	-	-
PTPN. VI	540 S	560 S	480 S	580 S
PTPN. VII	1.460 S	2.260 S	- S	- S
PTPN. VIII	13.520 S	11.680 S	1.860 S	1.620 S
PTPN. IX	1.040 S	620 S	-	-
PTPN. XII	- S	- S	560 S	500 S
Total Estate	17.940 S	16.500 S	2.900 S	2.700 S
Pagilaran	-	-	-	-
Total Private	--- S	--- S	--- S	--- S
Grand Total	17.940 S	16.500 S	2.900 S	2.700 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 21

(In US\$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	165-175	Best	195-200
Medium	175-180	Good	185-192
Small	185-195	Medium	177-182
Plain	95-120	Plain	95-120

Tea prices at Bangladesh tea auction increased during the week amid good demand in the market. Demand for quality leaf lent some support to the market. The average price of tea during this week's auction was around USD 2.39/kg. Around 2.45 million kgs of tea was offered for sale and nearly 20.5 percent remained unsold.

There was good demand from blenders and some buying support from loose tea buyers. 37,614 packages and 665 packages CTC Leaf of previous season noticed good demand. 6,877 packages of teas on offer of CTC Dust noticed good demand. 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. 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>August</i>	24.77	26.59	<i>Up to August</i>	226.79	223.39	+ 3.4
<i>North India</i>	<i>July</i>	138.20	138.25	<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>August</i>	26.76	26.34	<i>Up to August</i>	282.73	278.19	+ 4.54
<i>Bangladesh</i>	<i>August</i>	10.3	9.5	<i>Up to August</i>	35.5	34.8	+ 0.7
<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	18-10-2014	11-10-2014
USD	61.26	61.53
Srilankan Rupee	0.4690	0.4723
Indonesian Rupiah	0.0051	0.0050
Kenyan Shilling	0.6872	0.6894
Bangladeshi Taka	0.7920	0.7963

Overall Outlook and Recommendation:

In the domestic market, prices noticed mostly firm tone except weakness noticed at Siliguri and Coonoor tea auctions. Good demand was noticed in the market from exporters and internal buyers for quality tea after 'Dussehra'. Quality of tea is likely to improve in the coming days. Prices are likely to notice firm tone in the near –term.

In the global market, prices noticed mixed tone during the week. Demand remained less amid higher offerings in the market. Offerings are likely to increase in Srilanka and decline in Indonesia. Weather is favourable in the tea growing regions. Prices are likely to be range –bound to weak in the coming days.

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