

News Highlights.

- The average prices of tea declined from Rs.105 per kg to Rs.85 per kg and the United Planter's Association of South India has asked the government to give assistance to the tea industry.
- According to a pilot project done by a planter in Coonoor, application of the fertiliser directly at the roots, 6-8 inches under the soil, at a time when the plants are active will increase the efficiency of the usage of fertilisers. Applying the fertilisers in the open reduces efficiency following volatilisation.
- Tea workers in West Bengal have asked for a minimum wage of Rs.90 to Rs. 95 per day from the government.
- The volume of tea to be offered at Sale No. 45 of Coonoor Tea Trade Association due to be held on Thursday and Friday declined by 4.31 lakh kg to 17.37 lakh kgs. compared to last week.
- With the prices of tea leaves declining, small tea growers in the state of West Bengal are having hand-to-mouth survival.
- According to Tea Board officials, Burundi's revenues from its tea exports declined 6 percent in the first nine months to September from the same period a year ago due to higher volumes of the commodity on the global market

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 45 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	160.08	27,66,455	22,66,308
ORTHODOX	187.30	7,13,825	5,41,389
DARJEELING	206.21	1,69,728	98,142
DUST	164.92	13,53,416	11,09,134

(Source: CTTA, Parcon India)

Prices noticed firm tone at Kolkata tea auction during the week. Quantity offered on sale increased during the week compared to previous week. In the CTC category, there was good demand for Cleaner varieties. Best/Good Assams and Dooars noticed firm tone during the week. Enquiry from exporters added to the positive tone of the market. Prices are likely to be range – bound to firm tone in the coming days.

Guwahati Tea Auction: Sale No: 45 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	138.99	38,89,560	32,11,738
Dust	142.77	14,71,836	12,14,221

(Source: CTTA, Parcon India)

Prices noticed firm tone during the week in line with demand. Quantity offered on sale increased for CTC variety during the week compared to previous week. There was good demand for Cleaner and Liquoring sorts. Secondary varieties noticed certain withdrawals. Prices are likely to continue positive tone in the near –term.

Siliguri Tea Auction: Sale No: 45 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	117.32	5,87,030	4,52,976
CTC Leaf	130.01	36,96,827	32,03,923

(Source: CTTA, Parcon India)

Prices noticed positive tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand from exporters and loose tea buyers in the market. Best, Good and Better Medium sorts noticed good demand during the week. Prices are likely to witness positive tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 45 (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: 46 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	87.75	1160884.70	963658.40
CTC Leaf	63.26	62526.00	25524.00
Orthodox Dust	72.21	18195.00	2186.00
Orthodox Leaf	115.92	168914.00	127523.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was not much demand for CTC Dust during the week. There was good demand from AVT, Tata Global, Kerala State Civil Supplies for Good Liquoring teas. Fannings and Bolder Leaf noticed weak tone. Enquiry from upcountry buyers, Hindustan Unilever and exporters lent some support to the market. Prices are likely to notice steady to weak tone in the near -term.

Coimbatore Tea Auction: Sale No: 46 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	74.55	271249.00	219212.00
CTC Leaf	68.84	158236.00	91824.00
Orthodox Dust	63.77	17112.00	4710.00
Orthodox Leaf	73.00	9350.00	238.00

(Source: Paramount Marketing, Coimbatore)

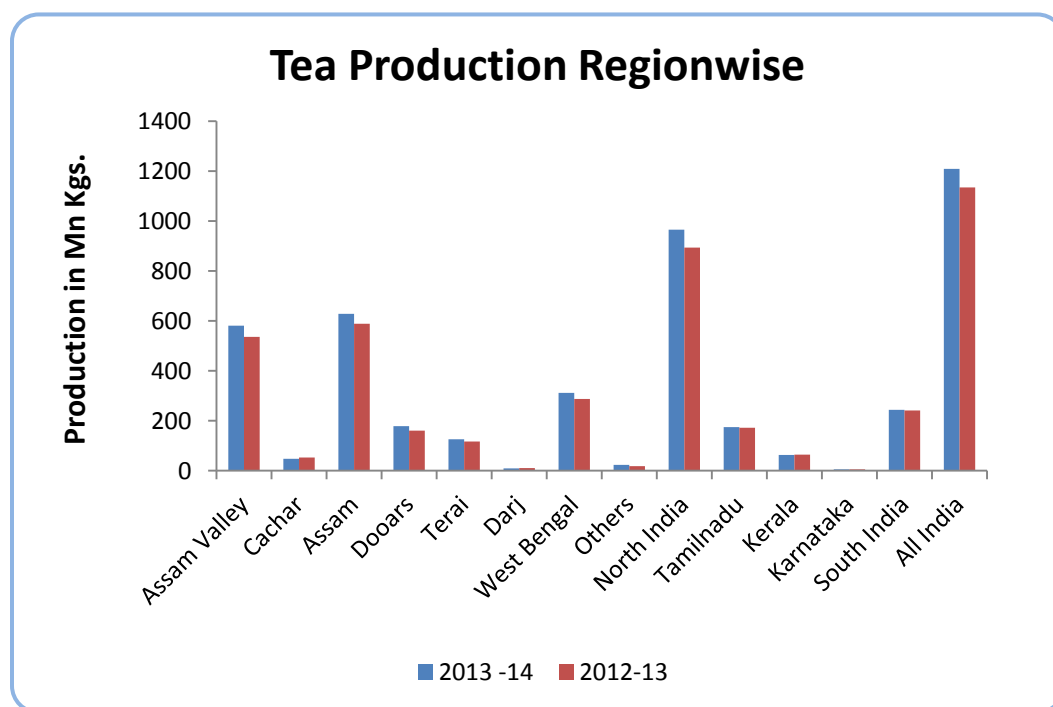
Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Lack of demand from the exporters weighed on prices. Prices are likely to notice steady to weak tone in the coming days.

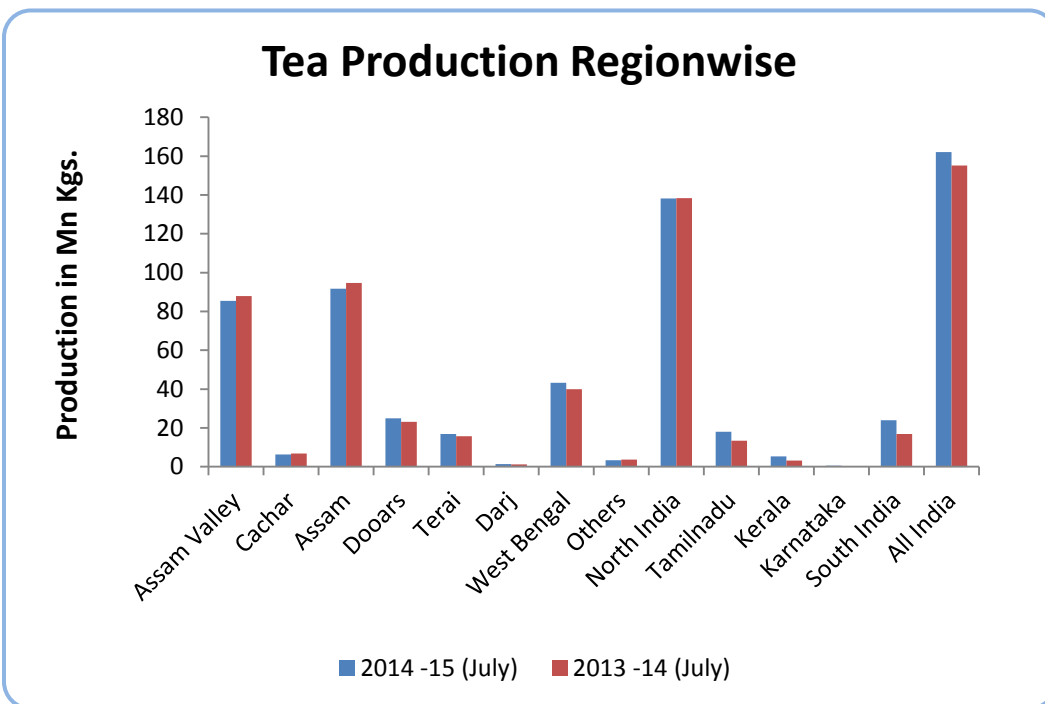
Coonoor Tea Auction: Sale No: 46 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	60.96	539665.50	414164.50
CTC Leaf	59.12	1145364.00	751777.00
Orthodox Dust	96.62	52221.00	37102.00
Orthodox Leaf	76.33	64033.40	37158.40

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone. Quantity offered on sale increased during the week compared to previous week. Demand for Nilgiris variety tea lent some support to the market. Prices are likely to notice range –bound to weak tone in the near –term.





(Source: Tea Board)

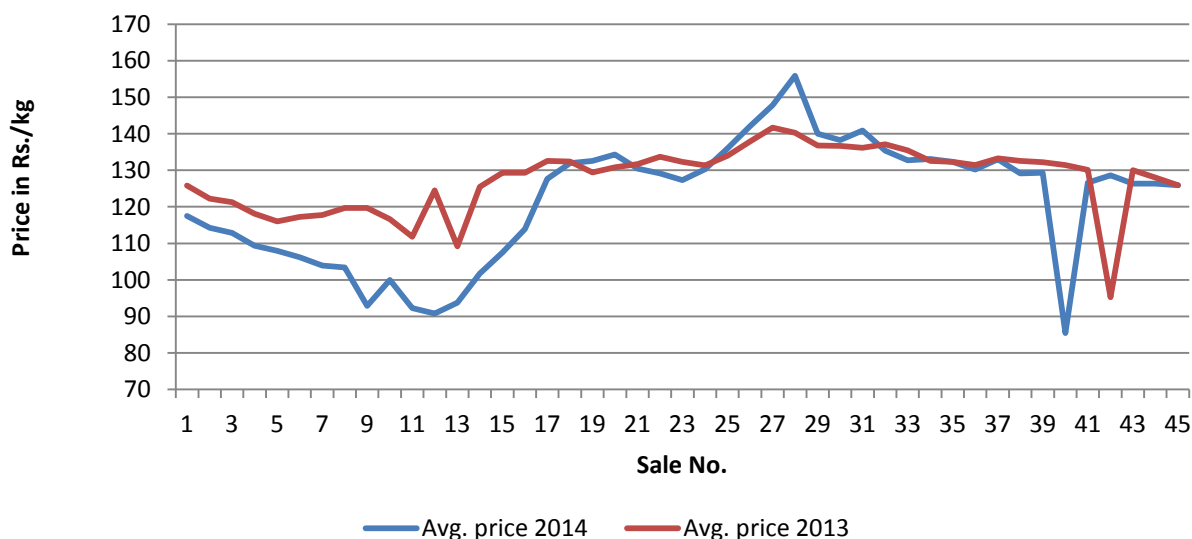
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the 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

Salewise Price of All Tea at All 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 in the market. Prices have declined during the week compared to previous week.

Weekly Average Prices at Indian Auction Centers for week ending 2014-11-08

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	156.50(144.78)	137.08(131.78)	123.03(120.62)	86.90(83.27)	88.71(107.97)	62.74(71.71)	74.44(81.88)	48.79(75.77)
Total Tea	160.72(153.35)	137.16(131.90)	123.03(120.62)	86.90(83.27)	92.84(111.44)	63.31(72.13)	74.44(81.88)	48.79(75.77)

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

Variety	North India	South India	All India
CTC All Dust	137.31(133.07)	72.44 (84.99)	123.76 (121.92)
Total Tea	139.45 (137.21)	74.87 (87.11)	125.90 (125.91)

(Source: Tea Board)

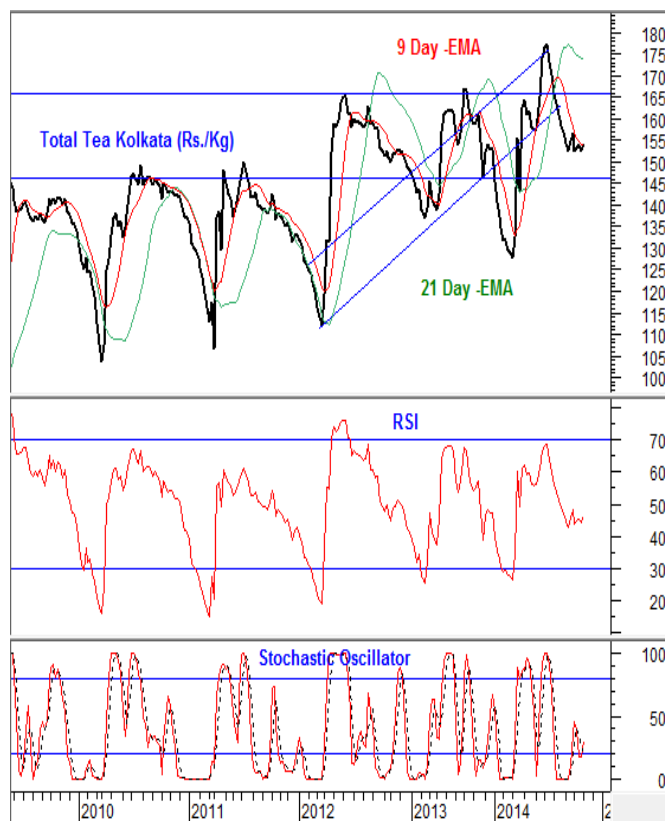
Tea – Technical Outlook

Technical Commentary:

Tea prices increased during the week. Prices are holding the supports of 150 levels and are likely to increase in the coming days. MACD has entered the negative territory suggesting weakness in the medium –term. RSI is increasing in the neutral region supporting firm tone in the near –term.

The tea prices are likely to notice firm tone 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	160.72	180.75	193.50

International Trade Scenario:
Srilanka Tea Auction (Colombo): Sale No: 43 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 575	470 - 600
Average Westerns	440 - 460	430 - 460
Plainer Westerns	405 - 430	385 - 420
Western Mediums	400 - 590	350 - 480
Uva Teas	350 - 500	370 - 460
Nuwara Eliya Teas	470 - 500	460 - 490
Udapussellawa Teas	400 - 460	380 - 420
CTC (BP1 and PF1)	310 - 480	380 - 700

In this week's auction, 7.37 million kgs of tea was offered for sale compared to 6.97 million kgs of tea during the previous week. There was not much 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 weak tone and Low Grown CTC's noticed easy 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 less demand. In the Tippy catalogues, better made FBOP noticed easy tone and FF1's noticed steady tone during the week. The below best and plainer variety noticed firm tone during the week. There was selective buying from Middle –East and Russia.

DETAILS OF TEAS AWAITING SALE

	45		44		43	
AUCTION NO.						
Dates	18 th /19 th November 2014		11 th /12 th November 2014		03 rd /04 th November 2014	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	773	928,455 kg	833	993,633 kg	905	1,087,635 kg
Main Sale Total	11,015	5,799,204 kg	11,191	5,865,473 kg	11,825	6,287,510 kg
High & Medium	1,250	661,675 kg	1,339	697,834 kg	1,377	725,930 kg
Low Growns Leafy	4,276	2,001,829 kg	4,336	2,059,748 kg	4,497	2,170,806 kg
	2,513	1,461,565 kg	2,460	1,422,299 kg	2,580	1,481,411 kg
Tippy						
Premium/Flowery	565	141,599 kg	532	128,258 kg	490	119,633 kg
Off Grades	1,949	1,085,553 kg	2,076	1,137,709 kg	2,362	1,296,614 kg
Dust	462	446,983 kg	448	419,625 kg	519	493,116 kg
Grand Total	11,788	6,727,659 kg	12,024	6,859,106 kg	12,730	7,375,145 kg
Reprints	1,207	650,754 kg	1,360	703,403 kg	1,248	672,234 kg
Scheduled to Close (Ex)		30.10.14		23.10.14		16.10.14
Dates (Ms)		31.10.14		24.10.14		17.10.14

Scheduled Closing Dates

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

Ex Estate : 23.10.2014

Main Sale : 24.10.2014

Auction No. 46 : 25th /26th Nov. 2014

Ex Estate : 07.11.2014

Main Sale : 07.11.2014

Auction No. 45 : 18th/19th Nov. 2014

Ex Estate : 30.10.2014

Main Sale : 31.10.2014

Auction No. 47 : 02ND / 03RD Dec. 2014

Ex Estate : 13.11.2014

Main Sale : 14.11.2014

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 43

(In Srilankan Rupees)

QUOTATIONS	BROKENS	FANNINGS
Best	264 - 449	320 -370
Good	251 – 312	320 – 326
Good Medium	251 – 304	310 – 333
Medium	185 – 296	267 – 316
Lower Medium	137 – 224	172 – 264
Plain	113 - 161	125 - 193

During the week fairly good demand noticed for 9,610,708 kilos of tea on offer. Brighter DUST1s were steady to USC16 easier with mediums USC2 to USC7 lower and prices of lower mediums were USC2 to USC10 lower during the week. Prices of Brighter BP1's noticed easy tone and were USC4 to USC26 lower, prices of mediums were USC2 to USC7 lower and prices of lower mediums were steady to USC14 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

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

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 44

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	12.480	668.340 Kg	6.480	343.620 Kg	51.41
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	12.480	668.340 Kg	6.480	343.620 Kg	51.41
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.040	117.120 Kg	1.220	69.200 Kg	59.08
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	2.040	117.120 Kg	1.220	69.200 Kg	59.08
TOTAL	14.520	785.460 Kg	7.700	412.820 Kg	52.56

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
156	119-165	119-199	119-202	118-193	109-133	238-307

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
108-153	122-127	109-132	161	120-132

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
156-168	160-188	150-191	162-226	135-140	150-180	---

Market offerings increased to 14,520 paper sacks from 13,320 paper sacks. There was lower demand in the market around current levels. Average price increased to USDcts 157.34 instead of USDcts 155.16 during last week's auction. Average price of Orthodox variety increased to USDcts 155.26 and average price of CTC declined to USDcts 167.63. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 52.56% during the period compared to 52.63% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	19/11/14	26/11/14	19/11/14	26/11/14
PTPN. IV	1.980 S	1.620 S	-	-
PTPN. VI	340 S	500 S	480 S	1.060 S
PTPN. VII	2.260 S	1.780 S	- S	100 S
PTPN. VIII	5.500 S	6.300 S	1.140 S	1.140 S
PTPN. IX	460 S	580 S	-	-
PTPN. XII	- S	- S	340 S	320 S
Total Estate	10.540 S	10.780 S	1.960 S	2.620 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	10.540 S	10.780 S	1.960 S	2.620 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 24

(In US\$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	190-195
Medium	175-185	Good	182-185
Small	182-190	Medium	175-180
Plain	100-112	Plain	100-130

Tea prices at Bangladesh tea auction declined during the week amid higher supplies 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 2.34/kg. Around 2.80 million kgs of tea was offered for sale and nearly 23 percent remained unsold.

There was good demand from blenders and some buying interest from loose tea buyers. 42,587 packages and 256 packages CTC Leaf of previous season noticed good demand. 6,034 packages and 633 packages of teas of old season on offer of CTC Dust noticed good demand around lower levels. In CTC Dust, good liquoring varieties were firm and medium levels noticed easy tone. Good liquoring Broken varieties noticed demand around lower levels. Good liquoring varieties in fannings also noticed withdrawals during the week. Good liquoring Dusts noticed firm tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

<u>Country</u>	<u>MONTH</u>	<u>2014</u>	<u>2013</u>	<u>CUMULATIVE</u>	<u>2014</u>	<u>2013</u>	<u>CUMULATIVE</u> <u>+ INC./-DEC.</u>
Sri Lanka	Sept.	28.8	25.1	Up to Sept.	255.7	248.4	+ 7.3
North India	August	145.20	140.8	Up to August	543.7	561.50	- 17.8
South India	August	13.9	14.7	Up to August	158.4	147.9	+ 10.5
Kenya	Sept.	33.3	32.8	Up to Sept.	316.0	310.9	+ 5.1
Bangladesh	Sept.	9.0	9.3	Up to Sept.	44.5	44.1	+ 0.4
Malawi	Sept.	2.7	2.7	Up to Sept.	40.6	36.4	+ 4.2

(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	15-11-2014	08-11-2014
USD	61.83	61.41
Srilankan Rupee	0.4720	0.4691
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6878	0.6840
Bangladeshi Taka	0.8011	0.7953

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone during the week. The quality of tea arriving in the market is not up to the mark amid rains in the tea growing regions of South India during the week. There is demand for quality tea in the market. Quantity offered on sale increased during the week compared to previous week. There was good demand for quality tea in North India. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, prices noticed weak tone during the period. There was not much demand in the market around current levels. Future offering of tea is likely to decline in Srilankan and Indonesian tea auctions. Weather is supportive for tea in the major growing regions. Prices are likely to decline in the coming days.

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