

News Highlights.

- According to FAO, the Maximum Residue Level standards had a much larger effect on trade than import tariffs and cost –related disruption in supply might lead to increase in prices. MRL standards vary across countries and the impact is found to be more in tea trade.
- According to officials at the Tea Board, it is concerned about the rising cost of production and proper price realization of the product. Tea prices are steady to lower in southern India and it has increased slightly in northern India. Most of the members of the association produce tea of medium grade which with a reasonable market price is failing to match the increasing cost of production.
- Consumption of green tea is growing in the country amid increase in health awareness among people. Tata Global is planning to launch new green tea products and tap small towns. Green accounts for Rs.300 crore or 1.5% of total sales of about Rs.20,000 crore in India and consumption of green tea is growing by around 50% a year. Tata's Tetley green tea bags and packets have about 30% share of the green tea market in the country.
- The United Planters' Association of Southern India has asked the government for the removal of several levies imposed on tea plantations at a recent meeting of the association members. This is to save the sector that gives livelihood to 3.65 lakh workers and 70,000 small growers in south India alone.
- 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: 46 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	164.39	26,60,618	24,04,293
ORTHODOX	189.25	10,10,851	8,01,149
DARJEELING	215.71	2,36,308	1,29,047
DUST	165.69	13,04,218	11,18,147

(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 from internal buyers in the market. Best/Good Assams and Dooars continued firm tone during the week. Prices are likely to notice firm tone in the near –term.

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

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	133.52	42,18,864	32,53,978
Dust	139.66	16,57,129	13,12,652

(Source: CTTA, Parcon India)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Lack of demand for good quality tea weighed on prices. There was some demand for Cleaner and Liquoring sorts. Secondary varieties witnessed much withdrawal. Prices are likely to notice range –bound to firm tone in the coming days.

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	119.24	4,87,909	4,36,482
CTC Leaf	129.52	33,32,391	27,28,514

(Source: CTTA, Parcon India)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was demand for Best, Good and Better Medium sorts in the market. Prices are likely to notice range –bound to firm tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 46 (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: 47 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	87.84	1217008.00	995612.50
CTC Leaf	64.56	74095.00	49745.00
Orthodox Dust	68.11	11606.00	9379.00
Orthodox Leaf	121.54	159412.00	125569.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except slight weakness in orthodox variety. Quantity offered on sale increased during the week compared to previous week. At a recently held meeting of the Tea Board, South Indian tea growers have asked for intervention of the government to control falling prices. There was good demand for CTC variety tea. Enquiry from exporters lent some support to the market. There was good demand from AVT, Tata Global and Kerala State Civil Supplies for Good Liquoring teas. Prices are likely to notice firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 47 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	75.02	257535.00	215736.00
CTC Leaf	70.13	166871.00	122533.00
Orthodox Dust	67.24	16536.00	9437.00
Orthodox Leaf	74.12	10942.00	7728.00

(Source: Paramount Marketing, Coimbatore)

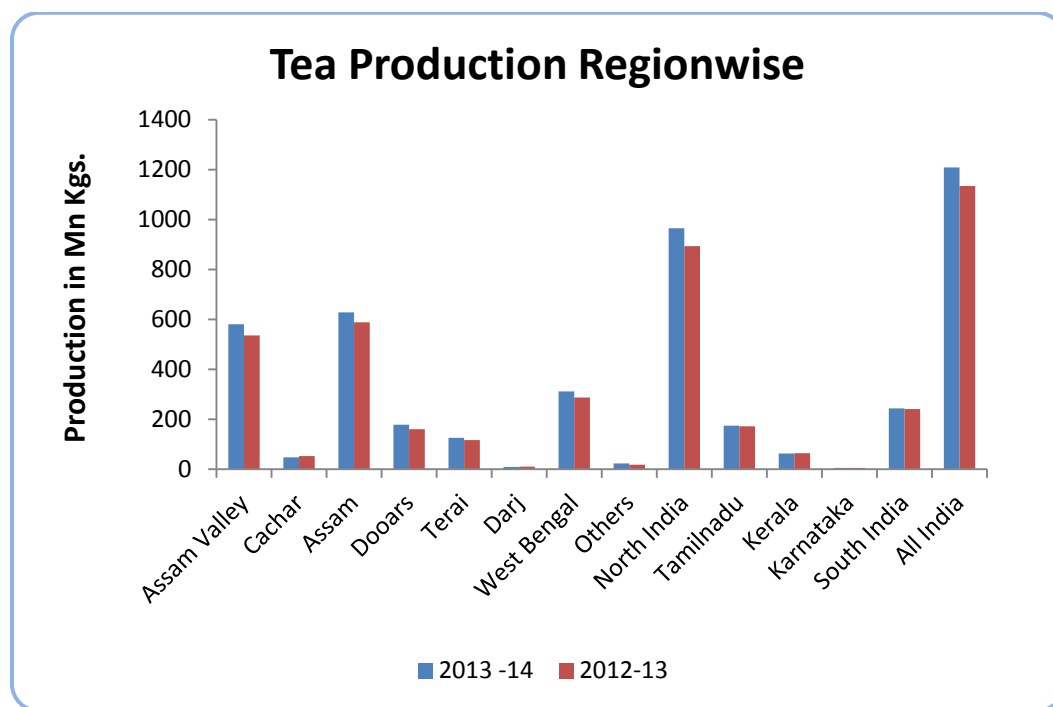
Prices witnessed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand for Nilgiri Broken lent some support to the market. Prices are likely to be range –bound to firm in the coming days.

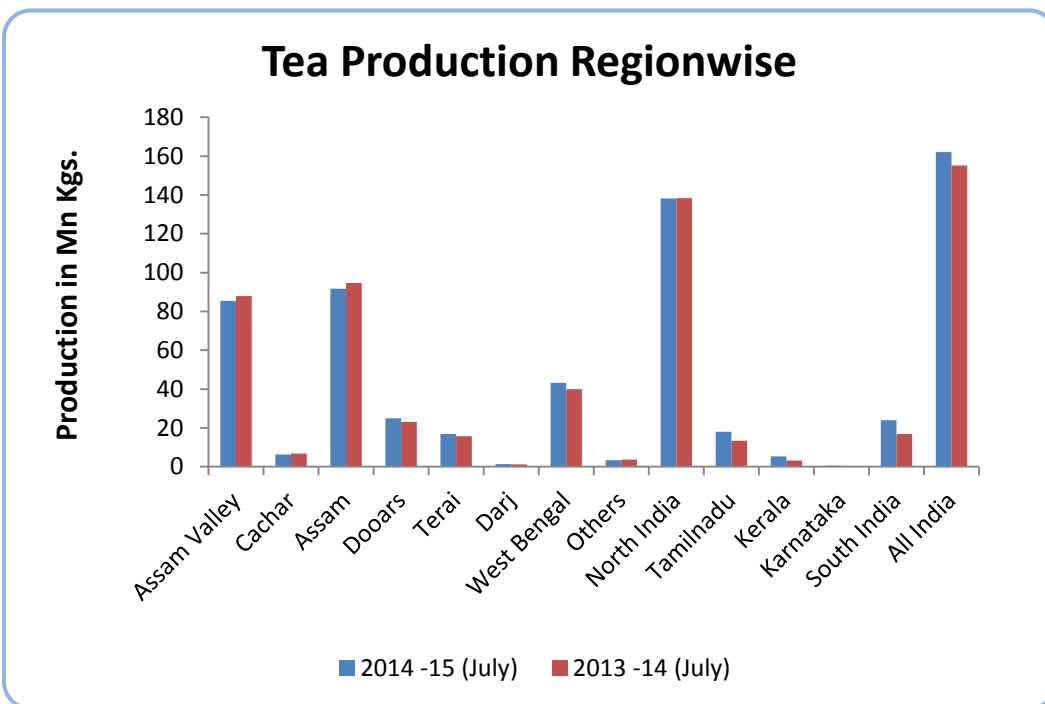
Coonoor Tea Auction: Sale No: 47 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	61.97	478056.50	398848.50
CTC Leaf	59.95	1134963.50	837321.00
Orthodox Dust	88.43	56751.00	37629.00
Orthodox Leaf	77.60	47831.40	43446.40

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except Orthodox Dust variety. Quantity offered on sale declined during the week compared to previous week. Demand for good quality tea arriving in the market lent support to prices. Prices are likely to notice range –bound to firm tone in the near – term.





(Source: Tea Board)

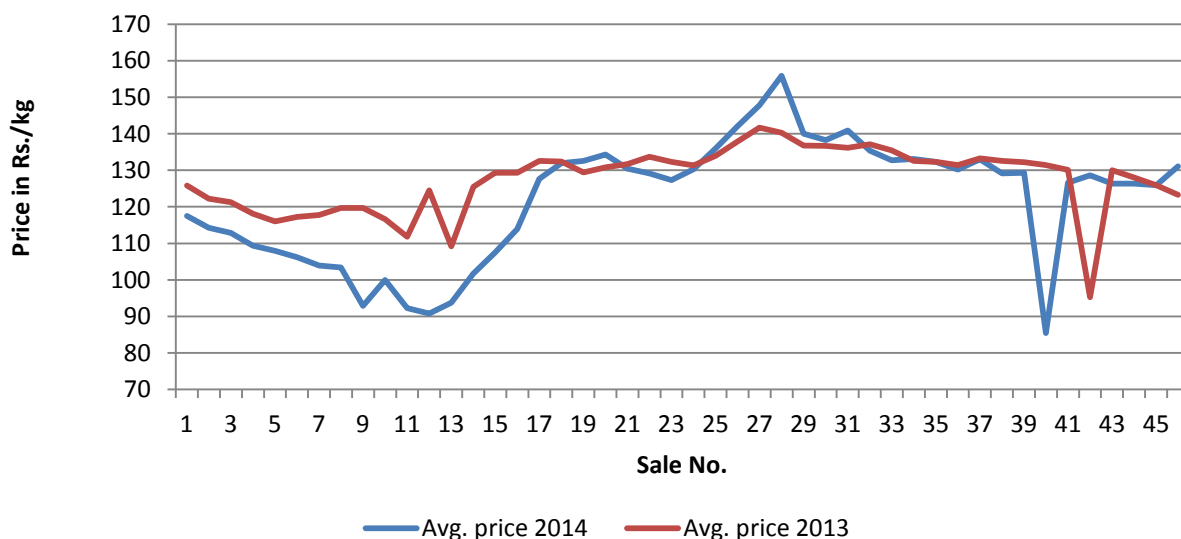
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the 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 2014-11-15

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	161.67(144.73)	140.06(130.55)	128.50(121.57)	NS(NS)	87.08(104.03)	60.91(74.35)	72.73(82.51)	49.50(77.55)
Total Tea	166.21(155.04)	140.03(130.78)	128.50(121.57)	NS(NS)	90.37(107.67)	61.37(74.84)	72.73(82.56)	49.50(77.55)

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

Variety	North India	South India	All India
CTC All Dust	142.74(131.78)	70.54(84.71)	128.67(118.78)
Total Tea	145.24(136.57)	72.59(86.63)	131.05(123.25)

(Source: Tea Board)

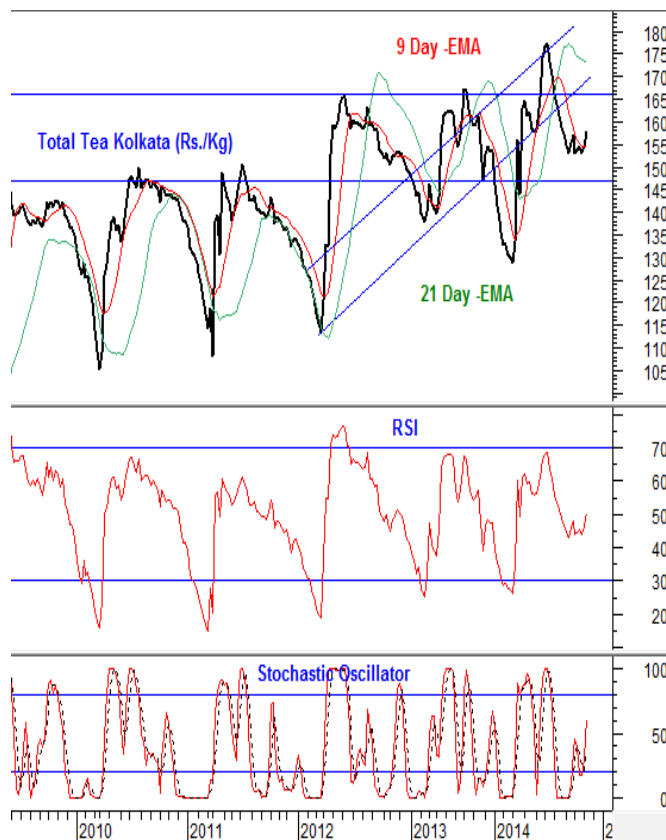
Tea – Technical Outlook

Technical Commentary:

Tea prices continued positive tone during the week. Prices are holding below the uptrend channel in the weekly chart. Prices are in between 9 – Day and 21 –Day EMA supporting sideways to firm tone in the medium – term. Stochastic oscillator is increasing in the neutral region supporting firm tone in the coming days.

The tea prices are likely to continue firm tone in the coming days. Buyers can purchase around current 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	166.21	180.75	193.50

International Trade Scenario:
Srilanka Tea Auction (Colombo): Sale No: 45 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 560	470 - 600
Average Westerns	430 - 460	420 - 460
Plainer Westerns	405 - 420	370 - 410
Western Mediums	420 - 590	380 - 440
Uva Teas	390 - 480	370 - 470
Nuwara Eliya Teas	450 - 490	460 - 470
Udapussellawa Teas	410 - 480	385 - 430
CTC (BP1 and PF1)	430 - 470	350 - 700

In this week's auction, 6.73 million kgs of tea was offered for sale compared to 7.37 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's and BOPF's noticed firm 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 good 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 firm 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 Iran, Russia, CIS countries, Turkey and Syria.

DETAILS OF TEAS AWAITING SALE

	47		46		45	
AUCTION NO.						
	02 nd / 03 rd December 2014		25 th /26 th November 2014		18 th /19 th November 2014	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	937	1,123,824 kg	934	1,126,554 kg	773	928,455 kg
Main Sale Total	11,196	6,062,559 kg	10,974	5,877,156 kg	11,015	5,799,204 kg
High & Medium	1,364	735,661 kg	1,310	694,105 kg	1,250	661,675 kg
Low Growns Leafy	4,153	1,982,018 kg	4,231	2,028,898 kg	4,276	2,001,829 kg
	2,503	1,512,758 kg	2,641	1,561,633 kg	2,513	1,461,565 kg
 Tippy						
Premium/Flowery	470	119,275 kg	597	149,776 kg	565	141,599 kg
Off Grades	2,167	1,196,595 kg	1,703	961,966 kg	1,949	1,085,553 kg
Dust	539	516,252 kg	492	480,778 kg	462	446,983 kg
Grand Total	12,133	7,186,383 kg	11,908	7,003,710 kg	11,788	6,727,659 kg
Reprints	849	425,325 kg	1,325	799,506 kg	1,207	650,754 kg
Scheduled to Close (Ex)		13.11.14		07.11.14		30.10.14
Dates (Ms)		14.11.14		07.11.14		31.10.14

Scheduled Closing Dates

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

Ex Estate : 07.11.2014

Main Sale : 07.11.2014

Auction No. 48 : 09th/10th Dec. 2014

Ex Estate : 20.11.2014

Main Sale : 21.11.2014

Auction No. 47 : 02nd /03rd Dec. 2014

Ex Estate : 13.11.2014

Main Sale : 14.11.2014

Auction No. 49 : 15th/16th Dec. 2014

Ex Estate : 27.11.2014

Main Sale : 28.11.2014

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 45

AUCTION AVERAGE PRICE

AUCTION	KENYA 2013	KENYA 2014	TOTAL 2013	TOTAL 2014
43	\$ 1.97	\$ 2.03	\$ 1.93	\$ 1.92
44	\$ 2.02	\$ 2.01	\$ 1.97	\$ 1.90
45	\$ 2.15	\$ 2.03	\$ 2.06	\$ 1.91

(In Srilankan Rupees)

QUOTATIONS	BROKENS	FANNINGS
Best	293 - 426	325 -394
Good	278 – 320	320 – 331
Good Medium	349 – 364	307 – 333
Medium	185 – 304	251 – 315
Lower Medium	135 – 201	172 – 251
Plain	105 - 139	119 - 217

During the week good demand noticed for 9,915,810 kilos of tea on offer. Brighter DUST1s were up to USC10 easier with mediums firm to USC10 lower and prices of lower mediums were up to USC8 higher during the week. Prices of Brighter BP1's noticed easy tone and were up to USC18 lower, prices of mediums were USC2 to USC18 lower and prices of lower mediums were steady to USC6 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 mixed tone during the week. Well sorted clean coloury Fannings noticed firm tone and Dusts prices noticed firm tone during the week. Other Fannings and BMF's noticed steady tone. There was good buying interest from Egyptian packers, Afghanistan, Kazakhstan Bazaar, other CIS countries and Pakistan Packers. There was less demand from Yemen, other Middle –Eastern countries and U.K. There was some buying support from Somalia.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 45

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	10.380	563.740 Kg	7.920	424.940 Kg	75.38
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	10.380	563.740 Kg	7.920	424.940 Kg	75.38
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.920	108.760 Kg	1.620	92.160 Kg	84.74
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	1.920	108.760 Kg	1.620	92.160 Kg	84.74
TOTAL	12.300	672.500 Kg	9.540	517.100 Kg	76.89

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
160-195	114-195	115-135	111-206	116-192	105-170	240-309

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
105-173	115-125	105-145	156	111-125

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
145-200	141-188	155-188	170-220	122-200	154-183	---

Market offerings declined to 12,300 paper sacks from 14,520 paper sacks. There was fair demand in the market around current levels. Average price declined to USDcts 150.99 instead of USDcts 157.34 during last week's auction. Average price of Orthodox variety declined to USDcts 148.67 and average price of CTC declined to USDcts 160.54. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 76.89% during the period compared to 52.56% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	26/11/14	03/12/14	26/11/14	03/12/14
PTPN. IV	1.620 S	1.480 S	-	-
PTPN. VI	500 S	340 S	1.060 S	560 S
PTPN. VII	1.780 S	1.020 S	100 S	80 S
PTPN. VIII	6.300 S	5.500 S	1.140 S	920 S
PTPN. IX	580 S	460 S	-	-
PTPN. XII	- S	- S	320 S	300 S
Total Estate	10.780 S	8.800 S	2.620 S	1.860 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	10.780 S	8.800 S	2.620 S	1.860 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 26

(In US\$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	183-188
Medium	170-178	Good	180-182
Small	178-185	Medium	172-177
Plain	95-110	Plain	95-125

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 2.34/kg. Around 2.80 million kgs of tea was offered for sale and nearly 22 percent remained unsold.

There was good demand from blenders and some buying interest from loose tea buyers. 41,828 packages and 341 packages CTC Leaf of previous season noticed good demand. 6,220 packages and 60 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 certain 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	Sept.	138.3	132.2	Up to Sept.	682.0	693.7	- 11.7
South India	Sept.	19.8	24.2	Up to Sept.	178.2	172.1	+ 6.1
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	22-11-2014	15-11-2014
USD	61.68	61.83
Srilankan Rupee	0.4706	0.4720
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6850	0.6878
Bangladeshi Taka	0.7992	0.8011

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone during the week. The quality of tea arriving in the market is improving. Demand for good quality tea lent support to the market. Quantity offered on sale increased during the week compared to previous week. South Indian tea growers have asked for the intervention of the government to control falling prices. Prices are likely to notice firm tone in the near –term.

In the global market, prices noticed firm tone during the week. There was good demand in the market around current levels. Future offering of tea is likely to increase in Srilanka and decline in Indonesia. Weather remains normal in the tea growing regions. Prices are likely to notice range –bound to firm tone in the coming days.

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