

News Highlights.

- Production of tea is likely to be in operation in the next four months in Bageshwar district of Uttarakhand. New tea gardens are developed for the purpose and it will have a packaging facility of its own.
- According to McLeod Russel, the world's biggest tea grower, rebound in profit growth is expected in India from a three –year slump amid declining output and stockpiles in the domestic market.
- 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.
- Ilam' orthodox tea output in Nepal is expected to decline to 2500 tonnes from 3500 tonnes during the previous year. According to farmers, inadequate rainfall during the main season of green tea leaves has affected production. As a result of lower production, exports are likely to decline in the current year.
- Srilankan output of tea declined by 8.8% in the month of October compared to the same period previous year. In the first 10 months of the year, production increased by 1.77% compared to the same period in the previous year.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 48 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	168.11	29,32,000	25,27,000
ORTHODOX	176.79	6,78,000	5,72,000
DUST	167.57	12,81,000	11,37,000

(Source: CTTA, Parcon India)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. In the CTC category, there was good demand for Plainer sorts and steady demand for Best/Good Sorts. There was active buying support from Tata Global and Western India buyers. Good demand from exporters lent support to Bolder Broken and Fannings. In the Orthodox category, there was good demand for Bolder Whole Leaf and the Few Tippy sorts were sold in line with quality. There was some demand for Secondary Broken from local buyers in the market. Prices are likely to be range –bound to firm in the coming days.

Guwahati Tea Auction: Sale No: 48 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	131.81	39,16,000	29,32,000
Dust	138.57	15,57,000	42,49,000

(Source: CTTA, Parcon India)

Prices declined slightly during the week. Quantity offered on sale declined the week compared to previous week. There was good demand from loose tea buyers and exporters in the market. There was some withdrawal in secondary variety. There was good demand for Cleaner and Liquoring sorts in the market. There was not much demand in the market around current levels. Withdrawals were noticed in secondary varieties. Prices are likely to notice range –bound to firm tone in the near -term.

Siliguri Tea Auction: Sale No: 48 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	116.50	4,47,000	3,84,000
CTC Leaf	121.57	34,48,000	27,48,000

(Source: CTTA, Parcon India)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. In the Dust category, there was good demand for tea. Browner sorts noticed withdrawals. The Lower, Medium and Plain varieties noticed good demand from blenders. There selective enquiry from the exporters. Prices are likely to be range –bound to weak in the coming days.

Jalpaiguri Tea Auction: Sale No: 48 (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	04	110854	05.12.2014	89606	12.12.2013
	03	110865	28.11.2014	90807	05.12.2013
KOLKATA	03	133956	25.11.2014	131026	18.12.2013
GUWAHATI	51	132020	28.11.2014	150908	27.11.2013

Cochin Tea Auction: Sale No: 49 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	92.81	1086711.40	957115.70
CTC Leaf	68.71	59343.00	38595.00
Orthodox Dust	70.98	18269.00	2588.00
Orthodox Leaf	115.56	169087.00	120660.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased in CTC variety compared to previous week. There was good demand for CTC variety in the market. In the orthodox category, there was not much demand. Buying support from AVT, Tata Global and Kerala Civil Supplies lent support to the market. Prices are likely to notice range –bound to firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 49 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	78.78	259111.00	225047.00
CTC Leaf	68.94	174162.00	116265.00
Orthodox Dust	70.34	20608.00	17423.00
Orthodox Leaf	73.81	9747.00	8233.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Good demand for Nilgiri Broken lent support to the market. There was some withdrawal in the orthodox variety. Prices are likely to notice range -bound to firm tone in the coming days.

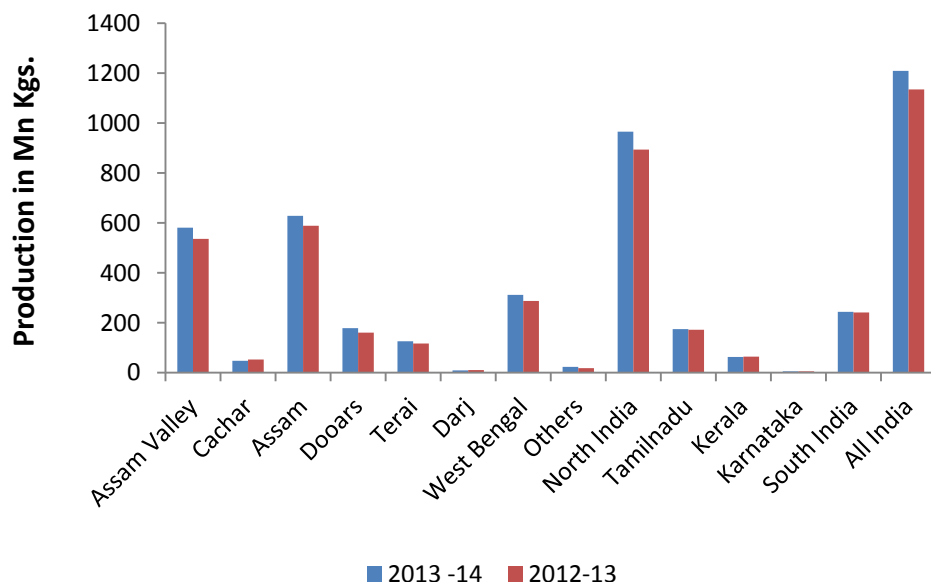
Coonoor Tea Auction: Sale No: 49 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	66.69	379150.00	293094.00
CTC Leaf	73.29	1004430.00	736098.00
Orthodox Dust	95.46	59864.00	38196.00
Orthodox Leaf	83.27	42708.00	42414.80

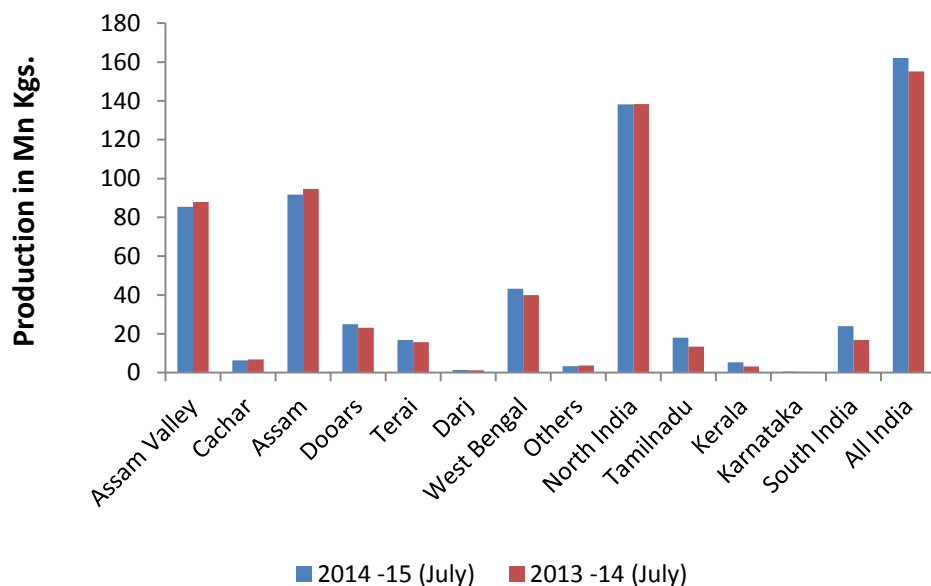
(Source: Paramount Marketing, Coimbatore)

Prices continued positive tone during the week. Quantity offered on sale declined during the week compared to previous week. There is good quality arrival of tea in the market. Enquiry from exporters added to the positive tone of the market. There was buying interest from loose tea buyers. Prices are likely to notice firm tone in the coming days.

Tea Production Regionwise



Tea Production Regionwise



(Source: Tea Board)

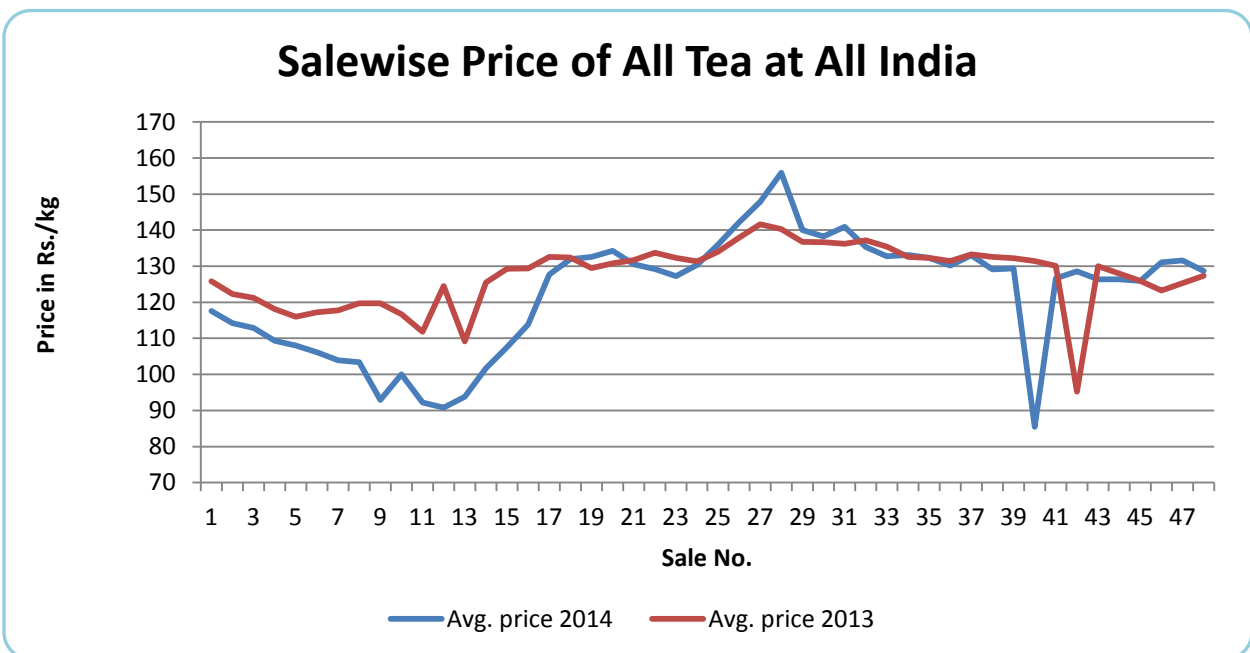
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the 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 –	35.87	30.67	+5.20	23.53	22.03	+1.50	59.40	52.70	+6.70
MAR									
APR –	17.36	17.16	+0.20	17.77	18.72	-0.95	35.13	35.88	-0.75
JUN									
JAN -	53.23	47.83	+5.40	41.30	40.75	+0.55	94.53	88.58	+5.95
JUN									

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 in the market. Prices have declined during the week compared to previous week.

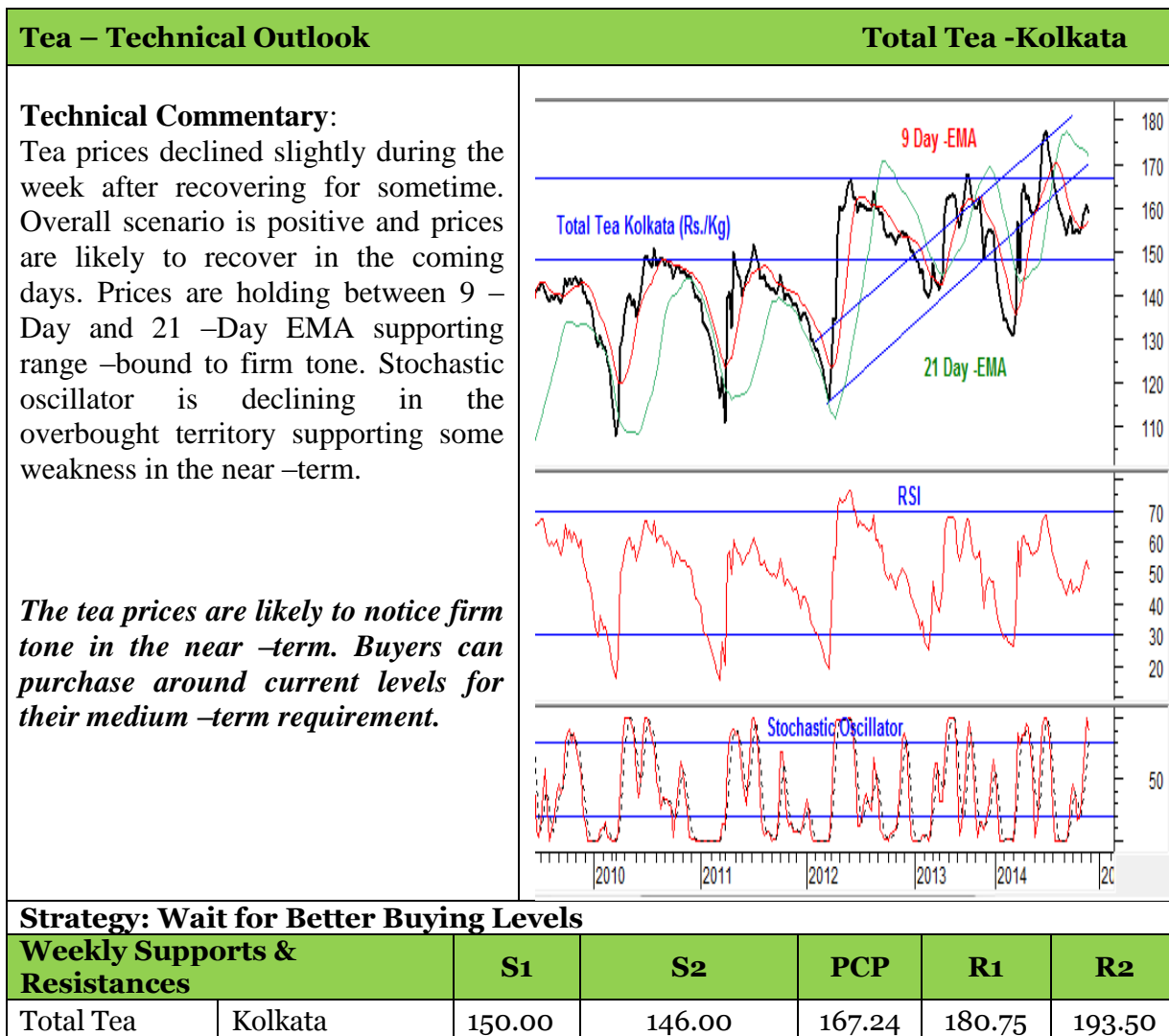
Weekly Average Prices at Indian Auction Centers for week ending 2014-11-29

Varie ty	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	164.65(15 3.33)	135.19(124. 02)	122.26(1 23.10)	NS(NS)	90.26(10 0.54)	62.33(74.3 4)	73.40(80.88)	49.15(75.0 5)
Total Tea	167.24(15 8.71)	135.14(124. 23)	122.26(1 23.10)	NS(NS)	92.29(10 5.69)	63.33(75.0 4)	73.44(81.08)	49.15(75.0 5)

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

Variety	North India	South India	All India
CTC All Dust	140.74(134.36)	72.99(84.97)	126.93(124.26)
Total Tea	142.63(137.54)	74.98(87.83)	128.64(127.37)

(Source: Tea Board)



International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 47 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 520	470 - 660
Average Westerns	430 - 460	430 - 460
Plainer Westerns	410 - 420	370 - 420
Western Mediums	370 - 620	370 - 410
Uva Teas	385 - 460	360 - 470
Nuwara Eliya Teas	450 - 500	430 - 480
Udapussellawa Teas	360 - 420	375 - 435
CTC (BP1 and PF1)	410 - 470	340 - 680

In this week's auction, 7.18 million kgs of tea was offered for sale compared to 7.003 million kgs of tea during the previous week. There was good 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 firm tone and Low Grown CTC's noticed easy 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 firm tone. In the Tippy catalogues, better made FBOP noticed steady 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 Turkey and Syria. There was active buying from Russia.

DETAILS OF TEAS AWAITING SALE

	49		48		47	
AUCTION NO.						
Dates	15 th /16 th December 2014		09 th /10 th December 2014		02 nd /03 rd December 2014	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	987	1,201,810 kg	969	1,170,450 kg	937	1,123,824 kg
Main Sale Total	11,406	6,247,954 kg	11,444	6,232,619 kg	11,196	6,062,559 kg
High & Medium	1,357	731,060 kg	1,371	744,269 kg	1,364	735,661 kg
Low Growns Leafy	4,022	1,896,324 kg	4,083	1,932,409 kg	4,153	1,982,018 kg
	2,638	1,608,520 kg	2,664	1,617,680 kg	2,503	1,512,758 kg
Tippy						
Premium/Flowery	547	134,459 kg	574	138,954 kg	470	119,275 kg
Off Grades	2,229	1,268,381 kg	2,181	1,229,939 kg	2,167	1,196,595 kg
Dust	613	609,210 kg	571	569,368 kg	539	516,252 kg
Grand Total	12,393	7,449,764 kg	12,413	7,403,069 kg	12,133	7,186,383 kg
Reprints	603	317,528 kg	698	351,477 kg	849	425,325 kg
Scheduled to Close (Ex)		27.11.14		20.11.14		13.11.14
Dates (Ms)		28.11.14		21.11.14		14.11.14

Scheduled Closing Dates

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

Ex Estate : 20.11.2014

Main Sale : 21.11.2014

Auction No. 50 : 30th/31st Dec. 2014

Ex Estate : 04.12.2014

Main Sale : 05.12.2014

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

Ex Estate : 27.11.2014

Main Sale : 28.11.2014

Auction No. 01 : 06th/07th Jan. 2015

Ex Estate : 11.12.2014

Main Sale : 12.12.2014

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 47

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2013	2014	2013	2014
45	\$ 2.15	\$ 2.03	\$ 2.06	\$ 1.91
46	\$ 2.27	\$ 2.03	\$ 2.18	\$ 1.91
47	\$ 2.26	\$ 2.03	\$ 2.19	\$ 1.91

(In Srilankan Rupees)

QUOTATIONS	BROKENS	FANNINGS
Best	265 - 428	319 -372
Good	268 – 292	319 – 341
Good Medium	252 – 332	317 – 343
Medium	192 – 273	242 – 332
Lower Medium	132 – 178	166 – 252
Plain	107 - 138	113 - 220

During the week fair demand noticed for 10,178,686 kilos of tea on offer. Brighter DUST1s were USC6 to USC10 higher with mediums firm to USC8 lower and prices of lower mediums were up to USC10 lower during the week. Prices of Brighter BP1's noticed firm tone and were up to USC32 higher, prices of mediums were firm to USC16 higher and prices of lower mediums were steady to USC24 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed easy 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 easy tone during the week. Other Fannings and BMF's noticed steady tone. There was good buying interest from Egyptian packers, Afghanistan, Bazaar, other CIS countries and Pakistan Packers. There was less demand from Yemen, other Middle –Eastern countries, Kazakhstan and Russia. There was some buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 47

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	8.960	476.660 Kg	6.840	360.520 Kg	75.63
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	8.960	476.660 Kg	6.840	360.520 Kg	75.63
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.240	127.720 Kg	1.480	85.700 Kg	67.10
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	2.240	127.720 Kg	1.480	85.700 Kg	67.10
TOTAL	11.200	604.380 Kg	8.320	446.220 Kg	73.83

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
162-187	114-199	114-132	110-199	108-188	101-160	251-278

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
104-169	123-141	100-138	230	110-125

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
157-187	150-197	146-184	150-225	134-196	148-184	---

Market offerings decreased to 11,200 paper sacks from 13,400 paper sacks. There was fair demand in the market around current levels. Average price increased to USDcts 156.40 instead of USDcts 152.81 during last week's auction. Average price of Orthodox variety increased to USDcts 155.43 and average price of CTC increased to USDcts 160.24. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 73.83% during the period compared to 68.46% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	10/12/14	17/12/14	10/12/14	17/12/14
PTPN. IV	1.480 S	1.560 S	-	-
PTPN. VI	340 S	480 S	560 S	760 S
PTPN. VII	1.020 S	920 S	80 S	- S
PTPN. VIII	5.500 S	6.680 S	920 S	1.240 S
PTPN. IX	460 S	620 S	-	-
PTPN. XII	- S	- S	300 S	640 S
Total Estate	8.800 S	10.260 S	1.860 S	2.640 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	8.800 S	10.260 S	1.860 S	2.640 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 28

(In US\$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	192-196
Medium	177-184	Good	186-191
Small	185-193	Medium	180-185
Plain	100-120	Plain	100-130

Tea prices at Bangladesh tea auction increased during the week amid lower supply and 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 2.36/kg. Around 2.847 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. 39,418 packages and 804 packages CTC Leaf of previous season noticed good demand. 5,892 packages 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 noticed firm tone 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	Oct.	28.0	30.5	Up to Oct.	283.9	279.0	+ 4.9
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	06-12-2014	29-11-2014
USD	61.96	62.24
Srilankan Rupee	0.4724	0.4746
Indonesian Rupiah	0.0050	0.0051
Kenyan Shilling	0.6863	0.6900
Bangladeshi Taka	0.8031	0.7992

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was selective buying from exporters in the market. Loose tea buyers lent some support to the market. Good quality tea is arriving in the market. Prices are likely to notice range –bound to firm tone in the near –term.

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

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