

News Highlights.

- This year, a special tea from north –east India was served at the grand banquet of the Nobel Prize ceremony. For the first time, the Nobel Museum Tea Blend was created in honour of the scientist Alfred Nobel.
- Govt has cleared Rs 1,425 cr scheme for tea promotion. As per the scheme, Rs 400 crore will be spent on plantation development, Rs 350 crore on quality up-gradation and product diversification, Rs 200 crore on market promotion and Rs 150 crore on research and development, among others.
- Around 2000 small tea growers, all members of four INDCO (Industrial co-operative) tea factories located in Gudalur and Pandalur taluks in Nilgiris, observed one –day hunger strike in front of their respective tea factories for a minimum support price of Rs.25 for green leaf tea per kg.
- In the first ten months of the calendar year 2014, the output of global black tea increased by 1.28 percent compared to the same period previous year. The overall global black tea output is up at 1,843.12 mkg compared to 1,838.06 mkg during the same period previous year.
- 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: 49 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	164.38	30,13,000	24,27,000
ORTHODOX	174.50	5,99,000	4,60,000
DUST	161.53	13,04,000	10,71,000

(Source: CTTA, Parcon India)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. In the CTC category, Best/Good Assams noticed weak tone. Dooars variety eased in line with quality. There was active demand from Tata Global and Hindustan Unilever Ltd. There was fair demand from Western India buyers and Local dealers. In the Orthodox category, there was good demand for Bolder Whole Leaf and other varieties noticed withdrawal. Broken and Fannings noticed steady tone. Prices are likely to notice range –bound to firm tone in the coming days.

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

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	132.00	44,50,000	33,46,000
Dust	135.90	15,95,000	12,47,000

(Source: CTTA, Parcon India)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was active buying in Good Sorts and secondary varieties noticed withdrawal. There was good demand from internal buyers and Tata Global. There was selective buying from exporters and Hindustan Unilever Ltd. Prices are likely to notice steady 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: 49 (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: 50 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	98.16	1090224.00	931376.20
CTC Leaf	70.46	90367.00	61429.50
Orthodox Dust	59.48	15515.00	4728.00
Orthodox Leaf	123.69	151245.00	98003.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. In the Leaf category, there was good demand for Nilgiri Broken and Fannings noticed steady tone. There was good demand from exporters and CIS countries. There was good demand for Fannings and Whole Leaf from Hindustan Unilever Ltd. In the CTC Dust category, around 87% was sold. Good Liquoring teas noticed firm tone during the week. There was good demand from AVT, Kerala State Civil Supplies and Tata Global. There was better

export enquiry for Medium and Plainer varieties. Prices are likely to notice firm tone in the near – term.

Coimbatore Tea Auction: Sale No: 50 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	78.03	273195.00	212567.00
CTC Leaf	70.65	152232.00	106087.00
Orthodox Dust	67.91	17299.00	14064.00
Orthodox Leaf	69.87	18083.00	7912.00

(Source: Paramount Marketing, Coimbatore)

Prices declined during the week except slight firm tone in CTC Leaf variety. Quantity offered on sale increased during the week compared to previous week. Lack of export enquiry weighed on prices. Some demand for Nilgiri Broken lent support to the market. Prices are likely to decline in the coming days.

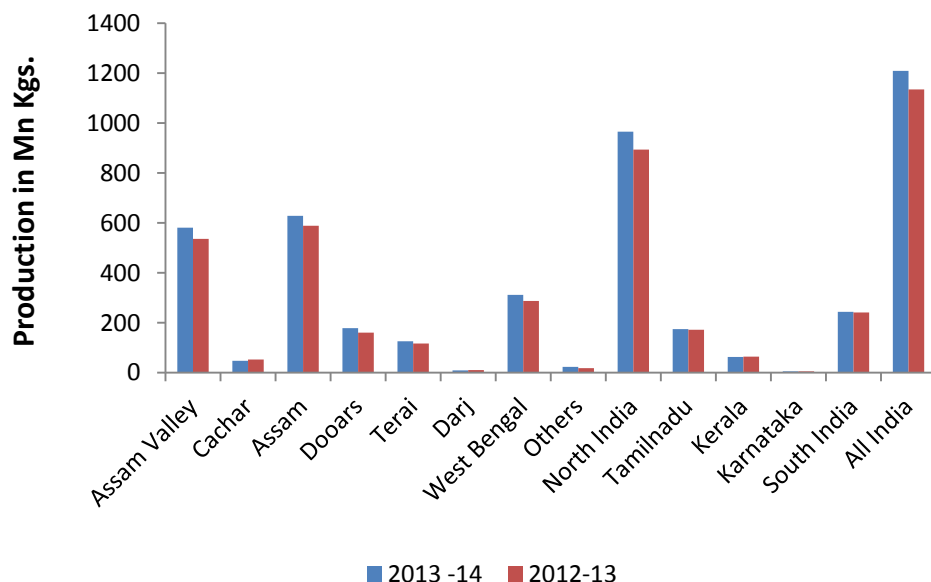
Coonoor Tea Auction: Sale No: 50 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	68.53	385311.00	319176.00
CTC Leaf	62.71	1006398.50	762697.00
Orthodox Dust	93.30	65008.00	42916.00
Orthodox Leaf	84.11	58710.20	50846.20

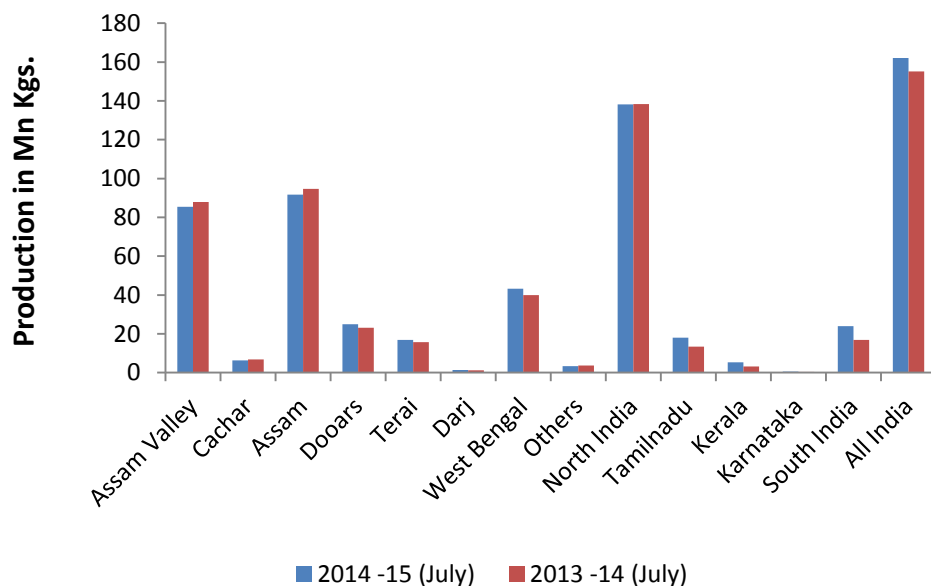
(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Good demand from internal buyers in the market lent support to the market. Good quality tea is arriving in the market. Prices are likely to notice firm tone in the coming days.

Tea Production Regionwise



Tea Production Regionwise



(Source: Tea Board)

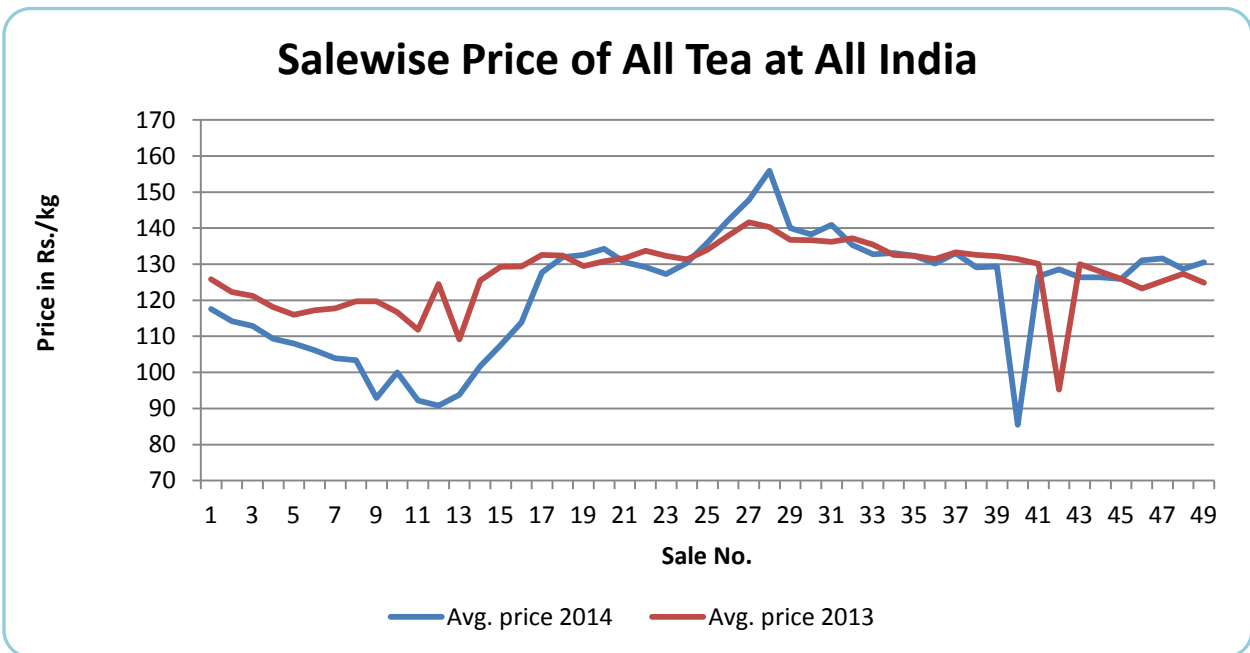
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the 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 2014-12-06

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	167.18(152.31)	133.87(124.54)	120.98(120.67)	NS(NS)	91.82(95.28)	63.99(72.31)	75.18(81.18)	50.13(75.60)
Total Tea	169.09(156.78)	133.88(124.74)	120.98(120.67)	NS(NS)	94.38(99.92)	64.72(73.04)	75.15(81.17)	50.13(75.60)

(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)

Tea – Technical Outlook		Total Tea -Kolkata				
<p>Technical Commentary: Tea prices increased during the week. Overall scenario is positive and prices are likely to continue firm tone in the near –term. MACD is likely to enter the positive territory supporting firm tone in the near –term. RSI is increasing in the neutral region adding to the positive tone of the market.</p> <p><i>The tea prices are likely to continue positive tone in the near –term. Buyers can purchase around current levels for their medium –term requirement.</i></p>						
Strategy: Wait for Better Buying Levels						
Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	146.00	169.09	180.75	193.50

International Trade Scenario:
Srilanka Tea Auction (Colombo): Sale No: 48 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 520	470 - 590
Average Westerns	430 - 460	415 - 460
Plainer Westerns	360 - 420	370 - 410
Western Mediums	365 - 600	380 - 570
Uva Teas	385 - 450	380 - 460
Nuwara Eliya Teas	480 - 490	480 - 510
Udapussellawa Teas	345 - 435	355 - 420
CTC (BP1 and PF1)	400 - 450	350 - 680

In this week's auction, 7.40 million kgs of tea was offered for sale compared to 7.18 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 easy tone and Low Grown CTC's noticed weak 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 easy 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 some demand from Iraq, Libya, Jordon and Saudi Arabia. There was selective buying from Russia.

DETAILS OF TEAS AWAITING SALE

	50		49		48	
AUCTION NO.						
	30 th /31 st December 2014		15 th /16 th December 2014		09 th /10 th December 2014	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	957	1,177,195 kg	987	1,201,810 kg	969	1,170,450 kg
Main Sale Total	11,074	6,015,511 kg	11,406	6,247,954 kg	11,444	6,232,619 kg
High & Medium	1,318	724,901 kg	1,357	731,060 kg	1,371	744,269 kg
Low Grown Leafy Tippy	3,910	1,834,920 kg	4,022	1,896,324 kg	4,083	1,932,409 kg
	2,636	1,589,106 kg				
			2,638	1,608,520 kg	2,664	1,617,680 kg
Premium/Flowery	628	147,127 kg	547	134,459 kg	574	138,954 kg
Off Grades	2,018	1,155,422 kg	2,229	1,268,381 kg	2,181	1,229,939 kg
Dust	564	564,035 kg	613	609,210 kg	571	569,368 kg
Grand Total	12,031	7,192,706 kg	12,393	7,449,764 kg	12,413	7,403,069 kg
Reprints	667	366,878 kg	603	317,528 kg	698	351,477 kg
Scheduled to Close (Ex)		04.12.14		27.11.14		20.11.14
Dates (Ms)		05.12.14		28.11.14		21.11.14

Scheduled Closing Dates

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

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

Ex Estate : 04.12.2014

Main Sale : 05.12.2014

Auction No. 02 : 12th/13th Jan. 2015

Ex Estate : 18.12.2014

Main Sale : 19.12.2014

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 48

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2013	2014	2013	2014
46	\$ 2.27	\$ 2.03	\$ 2.18	\$ 1.91
47	\$ 2.26	\$ 2.03	\$ 2.19	\$ 1.91
48	\$ 2.31	\$ 2.01	\$ 2.21	\$ 1.89

(In Srilankan Rupees)

QUOTATIONS	BROKENS	FANNINGS
Best	266 - 416	330 -364
Good	246 – 288	327 – 335
Good Medium	239 – 332	311 – 338
Medium	206 – 282	292 – 322
Lower Medium	130 – 222	159 – 255
Plain	93 - 146	110 - 213

During the week fair demand noticed for 10,052,083 kilos of tea on offer. Brighter DUST1s were weak to USC15 lower with mediums firm to USC10 higher and prices of lower mediums were USC2 to USC14 higher during the week. Prices of Brighter BP1's noticed weak tone and were USC9 to USC13 lower, prices of mediums were firm to USC10 higher and prices of lower mediums were steady to USC2 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 easy tone during the week. Well sorted clean coloury Fannings noticed mixed tone and Dusts prices noticed easy tone during the week. Other Fannings and BMF's noticed easy tone. There was good buying interest from Egyptian packers, UK and Pakistan Packers. There was less demand from Yemen, other Middle –Eastern countries, Bazaar, Afghanistan and Sudan. There was some buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 48

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	9.440	506.880 Kg	6.060	323.020 Kg	63.73
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	9.440	506.880 Kg	6.060	323.020 Kg	63.73
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.720	99.960 Kg	1.440	84.840 Kg	84.87
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	1.720	99.960 Kg	1.440	84.840 Kg	84.87
TOTAL	11.160	606.840 Kg	7.500	407.860 Kg	67.21

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
168-200	112-193	114-118	125-206	108-187	100-166	243-288

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
92-167	106-131	90-110	155	105-122

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
154-167	151-191	146-189	151-222	143-199	130-183	---

Market offerings decreased to 11,160 paper sacks from 11,200 paper sacks. There was less demand in the market around current levels. Average price increased to USDcts 158.42 instead of USDcts 156.40 during last week's auction. Average price of Orthodox variety increased to USDcts 157.28 and average price of CTC increased to USDcts 162.93. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 67.21% during the period compared to 73.83% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	17/12/14	23/12/14	17/12/14	23/12/14
PTPN. IV	1.560 S	1.460 S	-	-
PTPN. VI	480 S	580 S	760 S	660 S
PTPN. VII	920 S	920 S	- S	- S
PTPN. VIII	6.680 S	6.780 S	1.240 S	1.320 S
PTPN. IX	620 S	620 S	-	-
PTPN. XII	- S	- S	640 S	540 S
Total Estate	10.260 S	10.340 S	2.640 S	2.520 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	10.260 S	10.340 S	2.640 S	2.520 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	Oct.	140.42	140.09	Up to Oct.	822.37	833.91	- 11.54
South India	Oct.	25.24	24.98	Up to Oct.	203.53	196.88	+ 6.65
Kenya	Oct.	45.37	44.28	Up to Oct.	361.42	355.27	+ 6.15
Bangladesh	Oct.	10.4	9.7	Up to Oct.	54.8	53.8	+ 1.0
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	13-12-2014	06-12-2014
USD	62.64	62.24
Srilankan Rupee	0.4776	0.4746
Indonesian Rupiah	0.0050	0.0051
Kenyan Shilling	0.6922	0.6900
Bangladeshi Taka	0.8106	0.7992

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was not much demand from the exporters. Demand from internal buyers lent some support to the market. Quality of tea arriving in the market is good. 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. There is good demand in the market around current levels. Future offerings of tea is likely to increase in Srilanka and decline in Indonesia. Weather is dry and hot in certain growing regions of Africa and conducive in the other parts. Prices are likely to notice firm tone in the coming days.

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