News Highlights.

- Falling rouble has affected the India exports and the tea industry is seeking for rupee payment system with Russia from the Commerce Ministry. Indo –Russian trade stood at $117 million with tea and spice in 2013 -14.

- Small tea growers in the country have asked the Commerce Ministry and Tea Board to launch massive pruning subsidy scheme to increase the productivity of bushes.

- According to Tea Board, Domestic tea output remained almost unchanged in October and increased by only 0.59 million kg to 165.66 million kg compared to 165.07 million kg a previous year.

- According to officials of the Indian Tea Board, production of tea is expected to decline by 15 million kg this season following poor cropping pattern in Assam. The Dooars region in Assam account for 20 percent of tea production in North India.

- Around 2000 small tea growere, 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.

- According to State –run Board, Srilanka's output of tea declined by 3.4 percent to 29.70 million kgs compared to the same period previous year.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 01 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	144.45	33,71,000	26,49,00
ORTHODOX	162.64	3,84,000	3,24,000
DUST	146.82	11,72,000	9,44,000

(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, there was good demand for Dooars and steady demand for Select Best Assams. There was better enquiry for fannings. There was good buying support from Western India Buyers Tata Global and Hindustan Unilever Ltd. In the Orthodox category, there was good demand for Clean Well Made Teas and other varieties declined following quality. Exporters were active in the market and there was good demand for Brokens and Fannings from North India Buyers and Local traders. Prices are likely to notice range –bound to weak tone in the coming days.

Guwahati Tea Auction: Sale No: 01 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	112.35	43,29,000	30,53,000
Dust	117.05	14,98,000	10,11,000

(Source: CTTA, Parcon India)

Prices declined during the week. Quantity offered on sale declined during the week compared to previous week. There was fair demand in the market and withdrawals were noticed in all varieties. There was some demand from exports. Prices are likely to notice weak tone in the near –term.

Siliguri Tea Auction: Sale No: 01 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	115.60	37,76,000	32,18,000
CTC Leaf	123.45	5,14,000	4,45,000

(Source: CTTA)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Liquoring teas and improved varieties. Plainer varieties noticed withdrawals. Buying interest from exporters and internal buyers lent support to the market.

Jalpaiguri Tea Auction: Sale No: 01 (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	**07**	110078	01.01.2015	89628	13.01.2014
KOLKATA	**08**	121861	05.01.2015	19831	29.01.2014
GUWAHATI	**04**	68720	31.12.2014	74314	01.01.2014

Cochin Tea Auction: Sale No: 51 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	102.87	1012880.42	844731.12
CTC Leaf	71.98	75903.00	49981.00
Orthodox Dust	63.30	6980.00	2671.00
Orthodox Leaf	117.96	153625.75	84167.75

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except Orthodox Leaf variety. Quantity offered on sale declined during the week compared to previous week. In the Leaf category, there was good demand for Nilgiri Brokens and Fannings noticed easy tone. There was some demand from exporters and CIS countries. There was good demand for Fannings and Whole Leaf from Hindustan Unilever Ltd. 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: 51 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	78.43	298040.00	251928.00
CTC Leaf	68.43	165063.00	123627.00
Orthodox Dust	66.71	31530.00	22944.00
Orthodox Leaf	66.71	31530.00	22944.00

(Source: Paramount Marketing, Coimbatore)

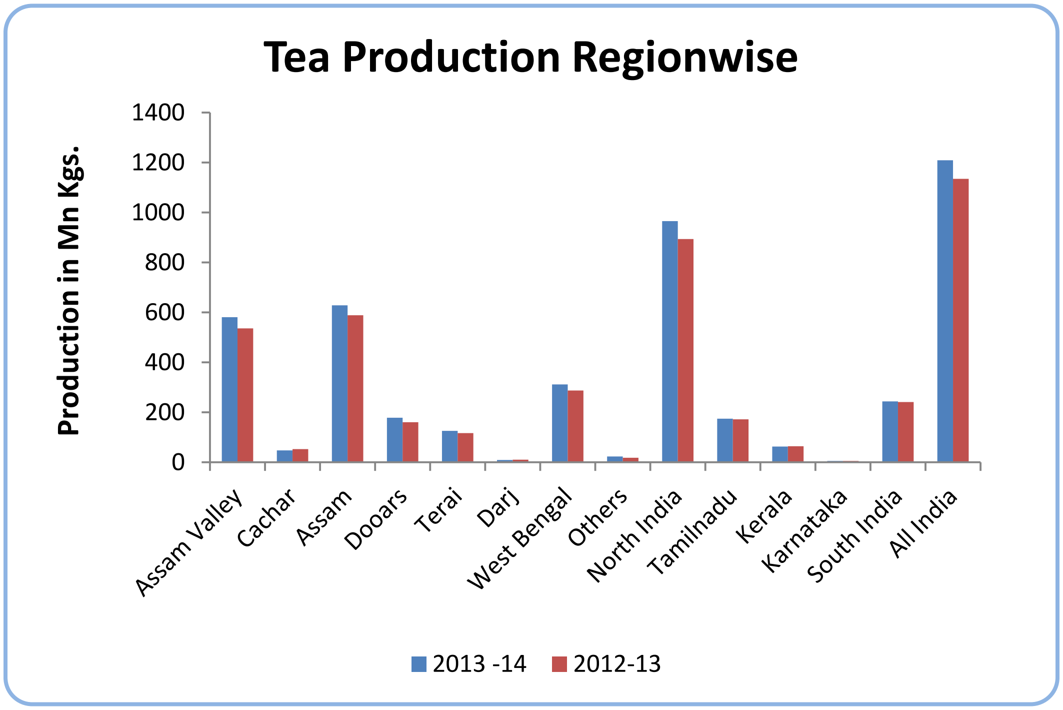
Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Lack of demand from exporters weighed on prices. Nilgiri Brokens noticed easy tone during the week. Prices are likely to notice easy tone during the week.

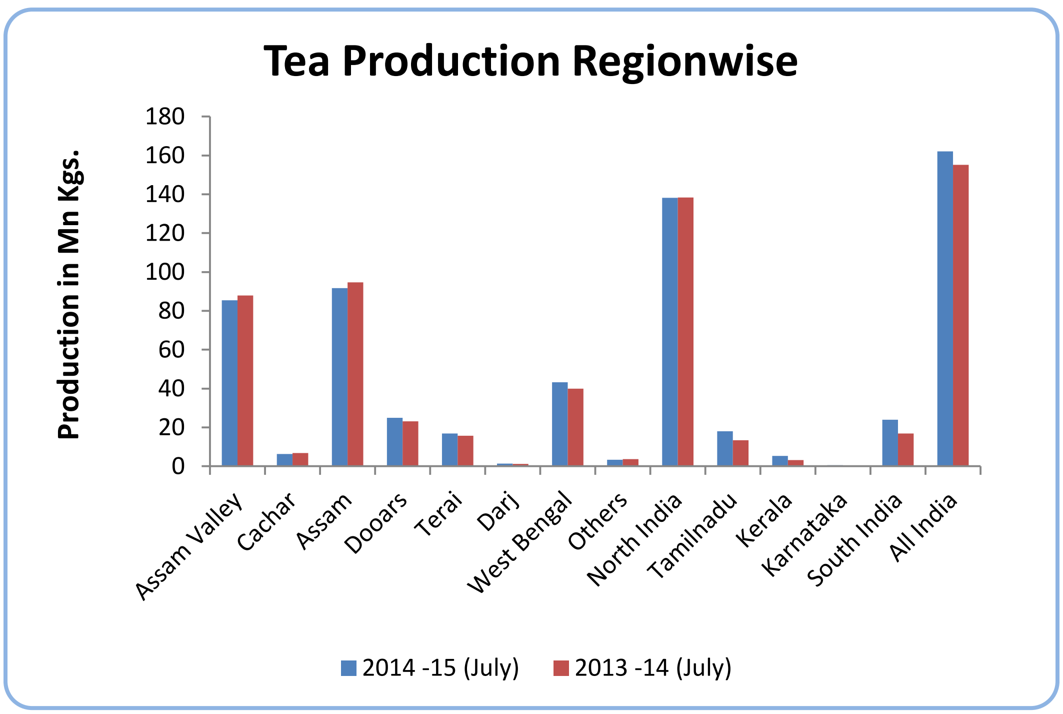
Coonoor Tea Auction: Sale No: 51 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	71.33	371977.00	325062.00
CTC Leaf	65.98	834208.00	707319.00
Orthodox Dust	90.88	48135.00	45801.00
Orthodox Leaf	89.04	41272.00	39948.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Demand for good quality tea lent support to the market. Buying interest from buyers in the local market lent support to the market. Prices are likely to notice range –bound to firm tone in the coming days.





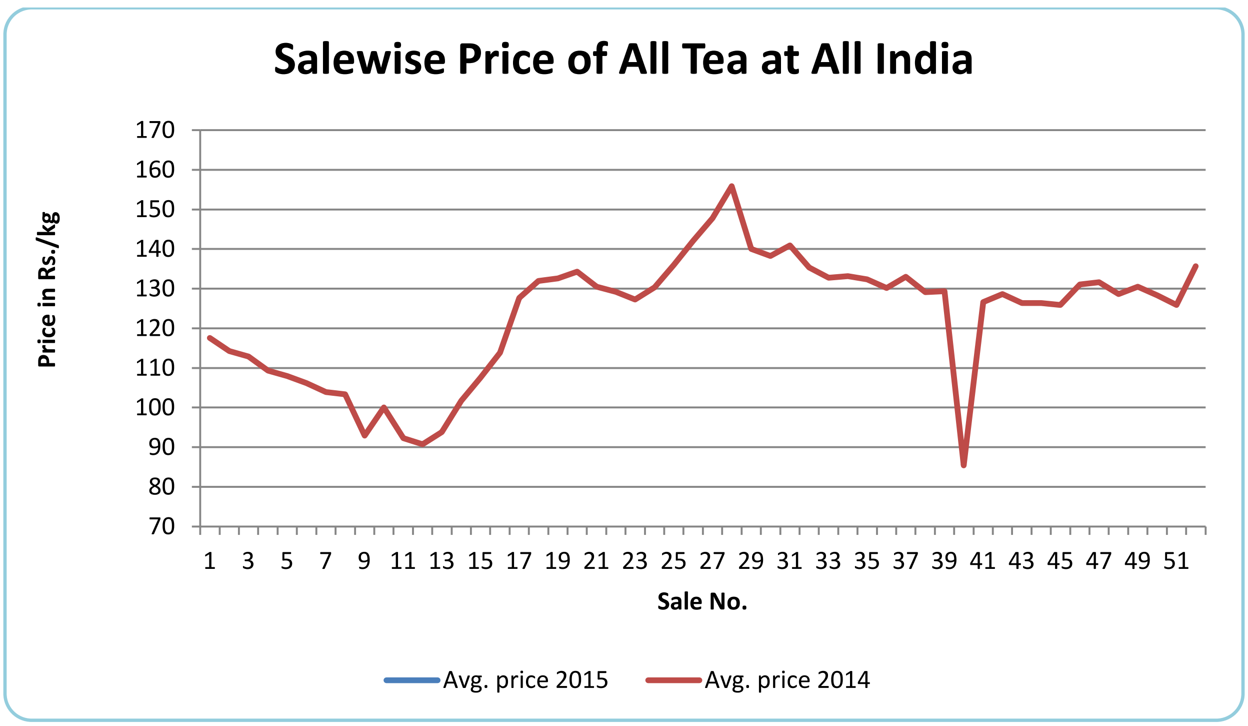
(Source: Tea Board)

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 2014 and 2015. 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 slightly higher 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 2014-01-03

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	147.87(145.31)	119.08(116.88)	121.55(122.44)	NS(NS)	99.48(100.85)	71.27(76.76)	76.15(82.52)	50.09(69.68)
Total Tea	151.02(145.28)	119.22(116.98)	121.55(122.45)	NS(NS)	102.77(102.22)	71.83(77.45)	76.45(82.55)	50.09(69.68)

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

Variety	North India	South India	All India
CTC All Dust	129.51(128.59)	75.00(85.28)	116.60(116.53)
Total Tea	131.40(129.18)	76.99(86.44)	118.46(117.54)

(Source: Tea Board)

Tea – Technical Outlook	**Total Tea -Kolkata**

Technical Commentary:
Tea prices declined during the week and are likely to continue the weak tone towards 146 levels. Prices are holding below 9 –Day and 21 –Day EMA supporting the overall weak tone of the market. RSI is declining in the neutral region supporting weakness in the near –term.

The tea prices are likely to notice some weakness. Buyers can purchase on any near –term weakness towards 150 levels.

Strategy: Wait for Better Buying Levels

Weekly Supports & Resistances		**S1**	**S2**	**PCP**	**R1**	**R2**
Total Tea	Kolkata	146.00	130.00	151.02	180.75	193.50

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 50 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	440 - 520	460 - 590
Average Westerns	420 - 430	410 - 450
Plainer Westerns	400 - 410	360 - 400
Western Mediums	330 - 580	370 - 460
Uva Teas	360 - 440	350 - 430
Nuwara Eliya Teas	450 - 520	480 - 490
Udapussellawa Teas	330 - 415	330 - 390
CTC (BP1 and PF1)	380 - 450	330 - 650

In this week's auction, 7.19 million kgs of tea was offered for sale compared to 7.45 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's noticed mixed tone 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 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 weak tone. In the Tippy catalogues, better made FBOP and FF1's noticed easy tone during the week. The below best and plainer variety noticed weak tone during the week. There was selective buying from Turkey and Syria. There was some demand from Iraq, Libya, Syria and Turkey. There was selective buying from Russia.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	02		01		50	
Dates	12th/13th January 2015		06th /07th January 2015		30th /31st December 2014	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	911	1,094,485 kg	891	1,061,914 kg	957	1,177,195 kg
Main Sale Total	10,742	5,704,202 kg	10,683	5,703,382 kg	11,074	6,015,511 kg
High & Medium	1,212	638,665 kg	1,222	637,078 kg	1,318	724,901 kg
Low Growns Leafy	3,788	1,743,902 kg	3,727	1,702,463 kg	3,910	1,834,920 kg
Tippy	2,543	1,468,318 kg	2,365	1,384,488 kg	2,636	1,589,106 kg
Premium/Flowery	542	135,786 kg	493	115,331 kg	628	147,127 kg
Off Grades	2,059	1,136,760 kg	2,287	1,298,199 kg	2,018	1,155,422 kg
Dust	598	580,771 kg	589	565,823 kg	564	564,035 kg
Grand Total	11,653	6,798,687 kg	11,574	6,765,296 kg	12,031	7,192,706 kg
Reprints	1,029	593,771 kg	794	453,067 kg	667	366,878 kg
Scheduled to Close (Ex)		18.12.14		11.12.14		04.12.14
Dates (Ms)		19.12.14		12.12.14		05.12.14

Scheduled Closing Dates

Auction No. 01	:	06th/07th Jan. 2015	Auction No. 03	:	20th/21st Jan. 2015
Ex Estate	:	11.12.2014	Ex Estate	:	31.12.2014
Main Sale	:	12.12.2014	Main Sale	:	31.12.2014
Auction No. 02	:	12th/13th Jan. 2015	Auction No. 04	:	26th/27th Jan. 2015
Ex Estate	:	18.12.2014	Ex Estate	:	08.01.2015
Main Sale	:	19.12.2014	Main Sale	:	08.01.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 01

AUCTION AVERAGE PRICE *(in US$ per kg)*

	SALE 01 HELD ON 05 & 06/01/2015			SALE 01 HELD ON 06 & 07/01/2014		
COUNTRY	PRIMARY	SECONDARY	TOTAL	PRIMARY	SECONDARY	TOTAL
Kenya	2.26	1.05	2.18	2.79	1.78	2.68
Uganda	1.23	0.80	1.12	2.00	1.71	1.89
Rwanda	2.33	1.65	2.25	2.80	2.21	2.72
Burundi	2.33	1.76	2.27	2.67	2.00	2.61
Zambia	-	-	-	-	-	-
Tanzania	1.16	0.68	1.04	1.62	1.66	1.63
D R of Congo	1.42	-	1.42	-	-	-
Mozambique	-	0.42	0.42	1.33	1.43	1.37
Madagascar	-	-	-	-	-	-
Malawi	-	-	-	1.80	-	1.80
Zimbabwe	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	-
Total	**2.12**	**0.98**	**2.01**	**2.66**	**1.76**	**2.52**

CTC QUOTATIONS	BP1 – USC	PF1 – USC	PD – USC	D1 - USC
Best	194 – 308	278 – 302	232 – 300	204 – 301
Good	187 – 214	284 – 296	231 – 244	206 – 233
Good Medium	165 – 219	259 – 294	185 – 246	170 – 240
Medium	135 – 204	195 – 268	184 – 222	178 – 207
Lower Medium	105 – 174	095 – 212	128 – 197	090 – 190
Plainer	070 – 115	082 – 162	088 – 170	096 – 169

	OFFERED		SOLD*	
Year 2015	*Packages*	*Kilos*	**Packages**	**Kilos**
Kenya	106,664	7,112,481.00	98,894	6,609,143.00
Uganda	26,880	1,540,468.00	23,000	1,309,392.00
Rwanda	7,400	483,810.50	6,388	421,675.50
Burundi	3,340	206,016.00	3,020	187,332.00
Zambia	-	-	-	-
Tanzania	2,310	115,001.00	2,050	102,809.50
Dem Rep of Congo	40	2,352.00	40	2,352.00
Mozambique	531	33,063.00	383	25,711.00
Madagascar	-	-	-	-

Malawi	-	-	-	-
TOTAL	**147,165**	**9,493,191.50**	**133,775**	**8,658,415.00**

During the week improved demand noticed for 9,493,151 kilos of tea on offer. Brighter DUST1s were firm to USC8 higher with mediums firm to USC14 higher and prices of lower mediums were USC7 to USC15 higher during the week. Prices of Brighter BP1's noticed firm tone and were USC14 to USC22 higher, prices of mediums were firm to USC22 higher and prices of lower mediums were firm to USC8 higher. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BPs noticed mixed tone and PF's noticed firm 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 easy tone. There was good buying interest from Egyptian packers, Yemen, other middle –eastern countries, Bazaar, Afghanistan and Pakistan Packers. There was less demand from Russia, U.K. and Iran. There was buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 01

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	12.080	647.140 Kg	7.220	380.780 Kg	58.84
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	12.080	647.140 Kg	7.220	380.780 Kg	58.84
C.T.C	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	2.680	152.800 Kg	2.160	124.120 Kg	81.23
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.680	152.800 Kg	2.160	124.120 Kg	81.23
TOTAL	14.760	799.940 Kg	9.380	504.900 Kg	63.11

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
161-181	112-208	118-185	108-212	109-198	108-155	262-27

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
162-188	102-124	100-145	-	100-128

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
152-165	151-192	137-188	147-225	111-198	137-181	---

Market offerings declined to 14,760 paper sacks from 16,760 paper sacks. There was less demand in the market around current levels. Average price increased to USDcts 158.61 instead of USDcts 143.13 during last week's auction. Average price of Orthodox variety increased to USDcts 159.47 and average price of CTC declined to USDcts 156.19. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 63.11% during the period compared to 51.05% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	14/01/15	21/01/15	14/01/15	21/01/15
PTPN. IV	1.260 S	1.260 S	-	-
PTPN. VI	780 S	780 S	560 S	560 S
PTPN. VII	1.020 S	1.020 S	- S	- S
PTPN. VIII	6.780 S	6.780 S	1.020 S	1.020 S
PTPN. IX	480 S	480 S	-	-
PTPN. XII	- S	- S	440 S	440 S
Total Estate	10.320 S	10.320 S	2.020 S	2.020 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	10.320 S	10.320 S	2.020 S	2.020 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 32
(In US$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	196-200
Medium	180-185	Good	190-195
Small	190-197	Medium	180-185
Plain	135-155	Plain	140-160

Tea prices at Bangladesh tea auction increased during the week amid lower supply of good quality leaf in the market. The average price of tea during this week's auction was around USD 2.40/kg. Around 2.00 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. 34,249 packages and 162 packages CTC Leaf of previous season noticed good demand. 6,416 packages and 20 packages of old season on offer of CTC Dust noticed fairly 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)

Country	MONTH	2014	2013	CUMULATIVE	2014	2013	CUMULATIVE + INC./-DEC.
Sri Lanka	Nov.	29.7	30.7	Up to Nov.	313.8	309.7	+ 4.1
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	10-01-2015	03-01-2015
USD	62.11	63.25
Srilankan Rupee	0.4723	0.4817
Indonesian Rupiah	0.0049	0.0050
Kenyan Shilling	0.6814	0.6969
Bangladeshi Taka	0.7988	0.8132

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone during the week. In north India, prices declined amid lack of availability of good quality leaf in the market and prices increased for orthodox variety in south India. Production is almost over in north India. Export revenue was affected this year following lower production of orthodox variety in north India. According to seasonality, prices remain lower till March in the domestic market and start increasing from April onwards. Prices are likely to notice range –bound to weak tone in the near –term.

In the global market, prices noticed firm tone amid increased demand in the market. Weather is normal in Srilanka, East Africa and Indonesia and drier in Kenya. Rainy season has arrived in Malawi and the intake of tea will increase in the coming days. Production is almost over in North India, China and Vietnam. Prices are likely to notice range –bound to firm tone in the coming days.