News Highlights.

- In the first six months of the current financial year, India's tea exports to Bangladesh declined by 90% amid increase in import duty on tea. According to the Tea Board of India, tea exports to Bangladesh declined 0.46 million kg in the first six months to September 2014 compared to 5.02 million kg during the same period previous year.

- Lower temperature in Munnar during the last few days is likely to affect tea plantation in 400 hectares. Tea production is likely to decline by 6 -7 lakh kg during the January - March period in this area.

- According to Tea Board, India's tea production in November 2014 declined by 10% to 101.31 million kg compared to same period previous year following decline in production in Assam.

- The Tea Board is planning to take a delegation to Russia. In the first eight months of the current fiscal year, tea exports have declined. The visit has been planned between February 9 and 13, 2014.

- The highly priced 'First Flush' tea which comes to the market in March, is likely to be affected this year following unfavourable weather condition in the foothill regions of Dooar.

- Increasing atmospheric temperature is affecting the quality and quantity of Darjeeling tea and is likely to affect the livelihood of more than two lakh families that depend on the tea gardens. During the no-plucking period from end-December to mid-February, the tea bushes require low temperature and adequate moisture.

- Global black tea output declined to 2019.13 mkg in 2014 compared to 2027.5 mkg in 2013. India's production declined by 16.06 mkg to 1127.21 mkg and Uganda's production declined by 8.76 mkg.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 02 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	144.1	33,66,610	23,57,246
ORTHODOX	153.26	2,26,091	1,77,818
DARJEELING	138.79	86,321	44,064
DUST	143.03	12,68,587	9,26,207

(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: 02 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	121.49	14,93,415	11,34,797
Dust	125.21	6,26,795	5,32,131

(Source: CTTA, Parcon India)

Prices increased during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Dust category of tea. Select Good Assams noticed steady tone. Upcountry market demand and some export inquiry lent support to the market. Prices are likely to notice firm tone in the near –term.

Siliguri Tea Auction: Sale No: 02 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	124.68	-	87,70,000
CTC Leaf	130.02	-	12,92,000

(Source: CTTA)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Dust and Liquoring sorts and other varieties declined. Tata Global and Hindustan Unilever Limited were active and exporters were selective. There was good demand from internal buyers in the market. Prices are likely to notice firm tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 02 (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: 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)

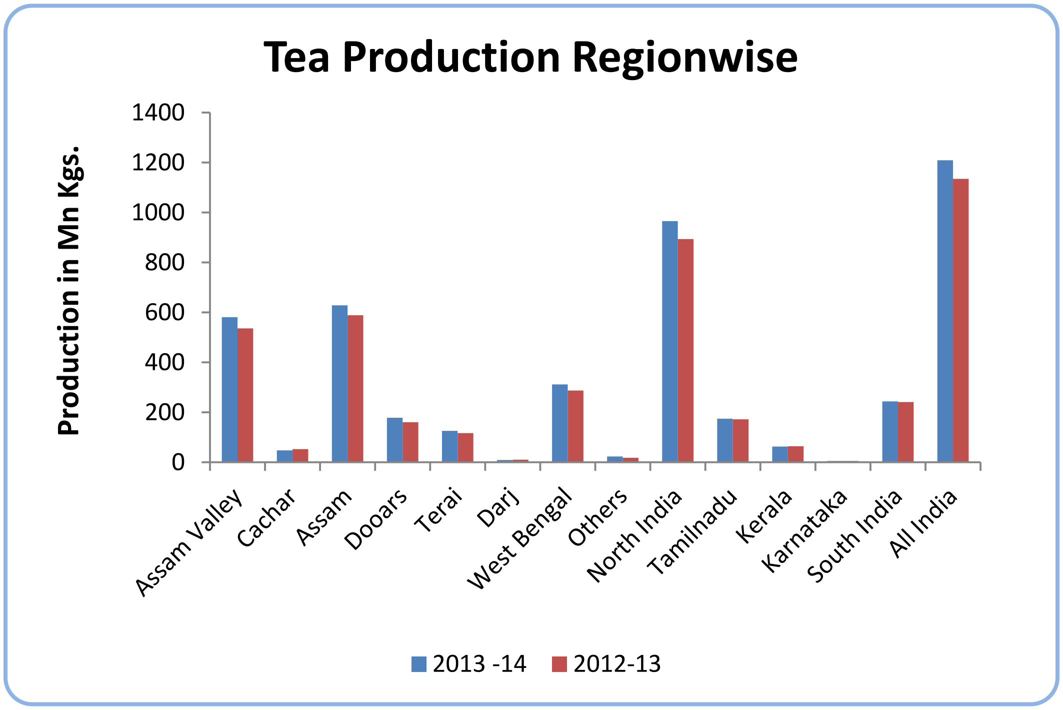
Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Lack of demand from exporters weighed on prices. Nilgiri Brokens noticed easy tone during the week. Prices are likely to notice easy tone during the week.

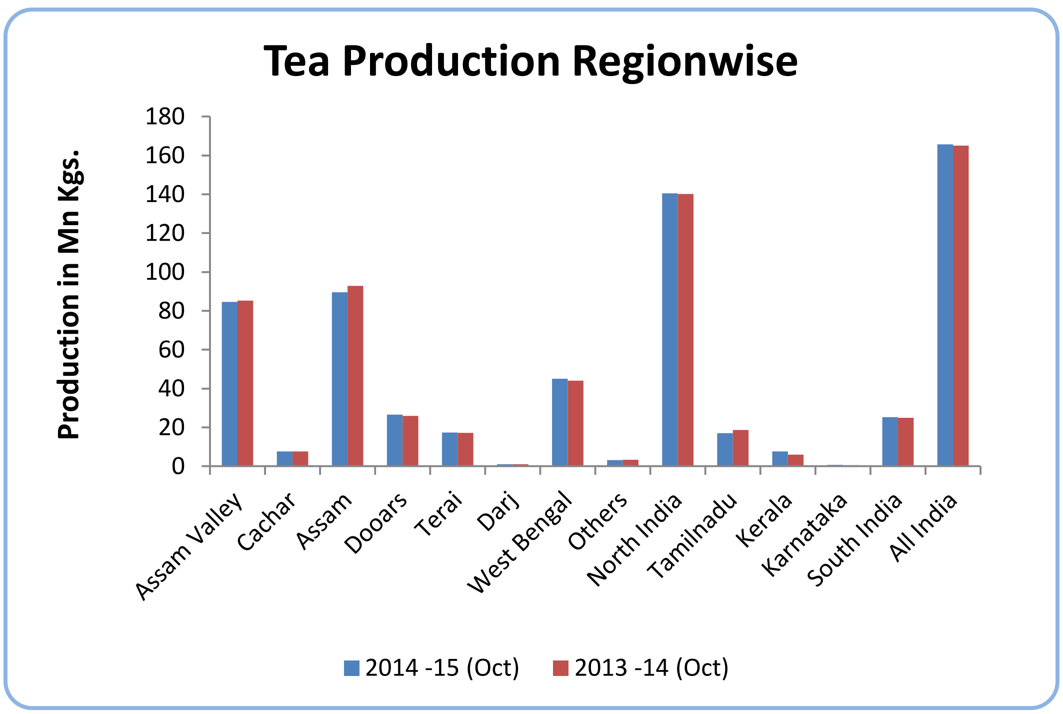
Coonoor Tea Auction: Sale No: 51 (Price in Rs./kg)

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.





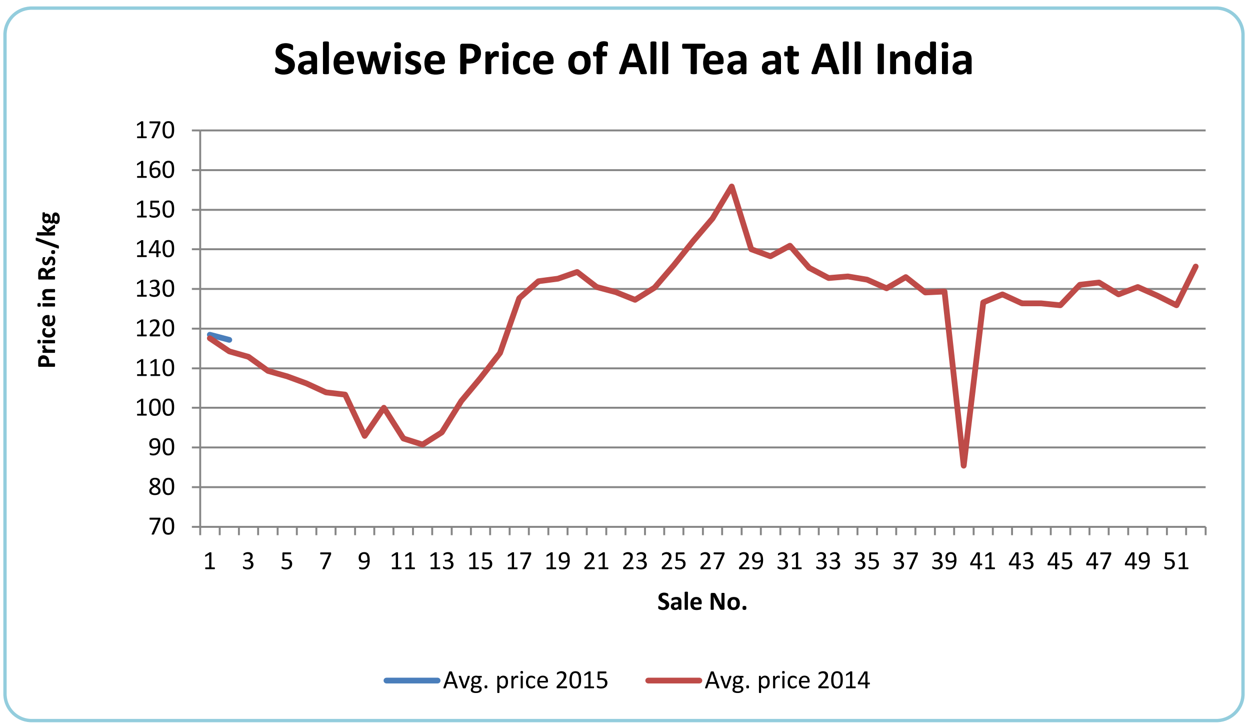
(Source: Tea Board)

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	
Period	Qty	Value	Qty	Value	Qty	Value
Apr-Jun 2014	18.05	455.84	19.09	270.57	37.14	726.41
Jul-Sep 2014	28.01	713.30	21.62	278.36	49.63	991.66
Apr-Sep 2014	46.06	1169.14	40.71	548.93	86.77	1718.07

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 2014-01-10

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	144.55(136.13)	113.50(113.20)	122.51(118.12)	NS(NS)	96.74(110.29)	72.14(78.45)	78.43(84.12)	51.03(73.58)
Total Tea	146.27(136.34)	113.60(113.41)	122.51(118.14)	NS(NS)	99.65(112.05)	72.71(79.35)	78.36(84.19)	51.03(73.58)

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

Variety	North India	South India	All India
CTC All Dust	126.34(122.71)	77.43(87.80)	115.96(113.33)
Total Tea	127.53(123.45)	79.19(89.25)	117.14(114.24)

(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 130 levels. MACD is declining in the negative territory supporting weak tone. Stochastic oscillator is declining in the oversold region supporting some recovery in the near –term.

The tea prices are likely to notice some weakness. Buyers can purchase on any near –term weakness towards 130 levels.

Strategy: Wait for Better Buying Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	130.00	112.80	146.27	170.90	180.75

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 02 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	430 - 520	460 - 590
Average Westerns	420 - 425	420 - 450
Plainer Westerns	400 - 415	375 - 410
Western Mediums	490 - 530	370 - 390
Uva Teas	360 - 440	350 - 430
Nuwara Eliya Teas	450 - 520	480 - 490
Udapussellawa Teas	330 - 415	330 - 390
CTC (BP1 and PF1)	370 - 440	390 - 460

In this week's auction, 6.80 million kgs of tea was offered for sale compared to 7.19 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's noticed weak tone and BOPF's noticed easy 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 CIS countries and Iran. There was some demand from Iraq, Saudi Arabia, Kuwait, Syria and Turkey.

DETAILS OF TEAS AWAITING SALE

SALE NO : 3 SCHEDULED FOR 20TH/ 21ST JANUARY 2015

	LOT	QUANTITY kgs
Ex Estate	986	1,189,587
High & Medium	1,170	599,778
Low Grown : Leafy	4,130	1,944,925
Low Grown : Tippy	2,642	1,617,322
Premium Flowery	569	147,503
Off Grades	2,298	1,305,953
Dust	584	569,399
TOTAL	**12,379**	**7,374,467**
Re-print	88	59,973

LOW GROWN CATALOGUES

Leafy	Closed on	31/12/2014	Violations Excluded
Tippy	Closed on	31/12/2014	Violations Excluded

OTHER MAIN SALE CATALOGUES

High & Medium	Closed on	31/12/2014	Violations Excluded
Dust	Closed on	31/12/2014	Violations Excluded
Premium Flowery	Closed on	31/12/2014	Violations Excluded
Off Grades	Closed on	31/12/2014	Violations Excluded
BOP1A	Closed on	31/12/2014	Violations Excluded
Ex Estate	Closed on	31/12/2014	Violations Excluded

No of Pkgs : 181,962
CTC : 8,155 Pkgs - 453,968 kgs

SALE NO. 3 - SALE OF 21ST/ 22ND JANUARY 2014

Lots : 12,004 **Re-print Lots** : 346
Quantity : 7,423,568 kgs **Re-print Quantity** : 206,776 kgs

BUYERS' PROMPT **: 27/01/2015**
SELLERS' PROMPT **: 28/01/2015**

(Source: Forbes and Walker Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 02

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

	SALE 02 HELD ON 12 & 13/01/2015			SALE 02 HELD ON 13 & 14/01/2014		

(in US$ per kg)

COUNTRY	PRIMARY	SECONDARY	TOTAL	PRIMARY	SECONDARY	TOTAL
Kenya	2.40	1.10	2.32	2.95	1.82	2.83
Uganda	1.39	0.83	1.23	2.03	1.76	1.94
Rwanda	2.53	1.69	2.41	2.96	2.23	2.85
Burundi	2.46	1.70	2.35	2.67	2.07	2.60
Zambia	-	-	-	-	-	-
Tanzania	1.20	0.75	1.06	1.61	1.71	1.67
D R of Congo	-	-	-	-	-	-
Mozambique	0.97	0.75	0.86	1.94	1.59	1.81
Madagascar	-	-	-	-	-	-
Malawi	-	-	-	1.76	-	1.76
Zimbabwe	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	-
Total	**2.26**	**1.02**	**2.12**	**2.77**	**1.80**	**2.61**

CTC QUOTATIONS	BP1 – USC	PF1 – USC	PD – USC	D1 - USC
Best	220 – 325	298 – 336	239 – 330	220 – 316
Good	200 – 244	307 – 322	240 – 254	220 – 245
Good Medium	160 – 252	280 – 320	208 – 250	212 – 254
Medium	144 – 256	230 – 298	200 – 236	178 – 226
Lower Medium	120 – 188	127 – 216	134 – 206	120 – 204
Plainer	082 – 154	065 – 185	090 – 188	088 – 188

	OFFERED		SOLD*	
Year 2015	**Packages**	**Kilos**	**Packages**	**Kilos**
Kenya	102,610	6,891,416.00	96,530	6,508,498.00
Uganda	29,440	1,677,592.00	26,879	1,521,073.00
Rwanda	7,640	498,805.50	7,320	478,699.50
Burundi	2,680	163,112.00	2,680	163,188.00
Zambia	-	-	-	-
Tanzania	1,735	85,344.00	1,575	77,592.00
Dem Rep of Congo	-	-	-	-
Mozambique	206	11,597.00	166	8,942.00

Madagascar	-	-	-	-
Malawi	-	-	-	-
TOTAL	**144,311**	**9,327,866.50**	**135,150**	**8,757,992.50**

During the week improved demand noticed for 9,327,867 kilos of tea on offer. Brighter DUST1s were firm to USC38 higher with mediums weak to USC5 lower and prices of lower mediums were firm to USC20 higher during the week. Prices of Brighter BP1's noticed firm tone and increased up to USC17 higher, prices of mediums were firm to USC22 higher and prices of lower mediums were firm to USC18 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 and Dusts prices noticed firm tone during the week. Other Fannings noticed weak tone and BMF's noticed firm tone. There was good buying interest from Pakistan Packers and Afghanistan. There was demand from Sudan, Yemen, U.K., other middle –eastern countries, Bazaar and CIS countries. There was less demand from Russia and Iran. There was buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 02

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	12.220	644.560 Kg	5.460	295.620 Kg	45.86
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	12.220	644.560 Kg	5.460	295.620 Kg	45.86
C.T.C	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	2.280	128.360 Kg	1.720	97.360 Kg	75.85
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.280	128.360 Kg	1.720	97.360 Kg	75.85
TOTAL	14.500	772.920 Kg	7.180	392.980 Kg	50.84

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	**BOP**	**BOPF**	**PF**	**DUST**	**BT**	**BP**
185-202	**109-195**	**114**	**114-196**	**103-198**	**95-147**	**266**

Orthodox Secondary Grades				
PF.II	**DUST.II**	**BT.II**	**BP.II**	**DUST.III**
120-193	**100-136**	**87-132**	**156**	**105-125**

CTC First and Secondary Grades						
BP.1	**PF.1**	**PD**	**D.1**	**FANN**	**D.2**	**D.3**
148-160	**147-196**	**135-186**	**140-208**	**108-190**	**142**	**---**

Market offerings declined to 14,500 paper sacks from 14,760 paper sacks. There was less demand in the market around current levels. Average price declined to USDcts 155.48 instead of USDcts 158.61 during last week’s auction. Average price of Orthodox variety declined to USDcts 157.77 and average price of CTC declined to USDcts 148.79. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 50.84% during the period compared to 63.11% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox 21/01/15	Orthodox 28/01/15	C.T.C 21/01/15	C.T.C 28/01/15
PTPN. IV	2.200 S	1.560 S	-	-
PTPN. VI	460 S	380 S	720 S	660 S
PTPN. VII	1.700 S	1.220 S	- S	- S
PTPN. VIII	8.520 S	7.880 S	1.220 S	1.020 S
PTPN. IX	420 S	400 S	-	-
PTPN. XII	- S	- S	320 S	300 S
Total Estate	13.300 S	11.440 S	2.260 S	1.980 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	13.300 S	11.440 S	2.260 S	1.980 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 34
(In US$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	198-203
Medium	178-183	Good	192-197
Small	188-195	Medium	180-185
Plain	135-155	Plain	135-150

Tea prices at Bangladesh tea auction declined during the week amid lower demand from local buyers and political unrest. The average price of tea during this week's auction was around USD 2.40/kg. Around 1.90 million kgs of tea was offered for sale and nearly 30 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	17-01-2015	10-01-2015
USD	61.61	62.11
Srilankan Rupee	0.4691	0.4723
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6728	0.6814
Bangladeshi Taka	0.7926	0.7988

Overall Outlook and Recommendation:

In the domestic market, prices noticed recovery following good demand from internal buyers in the market. Quantity offered on sale declined during the week compared to previous week. Unfavourable weather conditions in Darjeeling and Munnar is likely to affect the output of first flush of tea, which is expected in April. There was good demand for Select Best teas and others declined following quality. Prices are likely to notice range –bound to weak tone in the near –term.

In the global market prices noticed firm tone amid steady to lower supply except Kenya. Strengthening dollar and political instability in Russia affected demand. Floods have been reported in Malawi. Wet weather condition is likely to improve demand. Future offerings of tea is likely to increase in Colombo and decline in Indonesia in the coming week. Prices are likely to notice firm tone in the coming days.