News Highlights.

- Mumbai is likely to host the 3rd World Tea and Coffee Expo 2015 from October 1 -3, 2015. The event shall cater to 100 exhibitors from 10 countries and around 6000 prospective buyers from across India and abroad.

- India's production of tea declined in the calendar year 2014 by 17 million kg. compared to 2013. Till November in 2014, output was at 1127.21 million kg compared to 1143.27 million kg during the same period 2013.

- South Indian Farmers Organisation has emphasized to find the cause of continuous decline in tea prices and frame remedial steps to save the sector. Many tea growers, workers and small tea factory owners associated with the sector are facing problems amid falling prices of green tea leaves.

- Many tea factories in Nilgiris, Kerala, Assam, Darjeeling and West Bengal have been closed following decline in prices. The recommendations are likely to be discussed with the State and Central governments to save the sector.

- Greenland Fedha Limited (GFL), a microfinance institution for small –scale tea farmers in Kenya has installed a new software solution for automated processes and also enable a mobile payment system. Prior to this, the manual system was cumbersome to log loans, work out interests, manage inventory and run the business effectively. It was difficult to compete with commercial banks and other microfinance lenders. GFL can progress with its future plan to build versatile mobile banking platform that can expand beyond the tea sector.

- Srilanka's tea exports touched an all time high in 2014 both in volume and value recording 1.6 billion U.S. dollars. Exports were recorded at 327.87 million kgs. compared to 327.41 million kgs. in 2006.

- According to the country's tea association, tea production in Uganda is likely to see a record output of 62 million kilograms in the current year on rising yields. The East African country has more than 31,000 hectares (76,600 acres) under tea. Uganda, Africa's third-biggest grower after Kenya and Malawi, exports at least 95 percent of its output, according to the association.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 04 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	131.19	31,40,770	20,93,285
ORTHODOX	167.00	2,14,195	1,78,559
DARJEELING	185.95	83,907	24,556
DUST	130.95	13,49,029	10,87,431

(Source: CTTA, Parcon India)

Prices noticed mixed tone during the week. CTC and Dust variety tea prices declined and other varieties noticed firm tone. Quantity offered on sale increased during the week compared to previous week. Expected lower production in the coming weeks lends some support to the market. There was some enquiry from the exporters and buying support from Tata Global and Hindustan Unilever Ltd. Prices are likely to notice range –bound to firm tone in the coming days.

Guwahati Tea Auction: Sale No: 04 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	104.75	24,77,350	14,61,934
Dust	106.91	10,15,064	7,03,663

(Source: CTTA, Parcon India)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was demand for Good Assams in the market. Arrivals are lower amid unfavourable weather conditions in the growing regions. Price are likely to notice weak tone in the near –term.

Siliguri Tea Auction: Sale No: 03 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	110.38	4,72,131	3,60,556
CTC Leaf	111.69	35,80,599	25,26,829

(Source: CTTA)

Prices declined during the week. Quantity offered on sale increased during the week compared to previous week. There was selective buying from the exporters. Demand from Tata Global and

Hindustan Unilever Limited lent some support to the market. Prices are likely to notice weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 04 (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: 05 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	98.720	1184571	1027340
CTC Leaf	71.39	94645	67565
Orthodox Dust	81.55	9806	7754
Orthodox Leaf	128.04	159730	125892

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. 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 good demand for Fannings and Whole Leaf from Hindustan Unilever Ltd. Good Liquoring teas noticed firm tone during the week. There was demand from AVT, Kerala State Civil Supplies and Tata Global. There were withdrawals for Medium and Plainer varieties. Prices are likely to notice range –bound to weak tone in the near – term.

Coimbatore Tea Auction: Sale No: 05 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	83.47	263805	205192
CTC Leaf	78.20	107054	88771
Orthodox Dust	70.08	26350	21929
Orthodox Leaf	82.56	11561	3343

(Source: Paramount Marketing, Coimbatore)

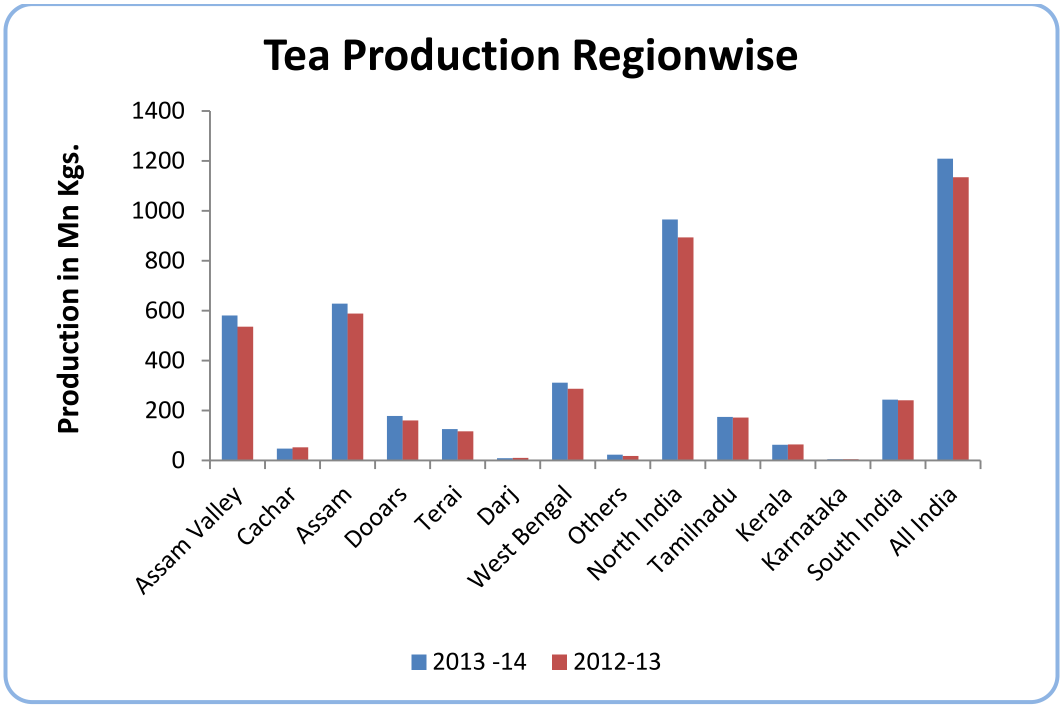
Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There is not much demand in the market amid lack of availability of good quality tea. Prices are likely to notice weak tone in the coming days.

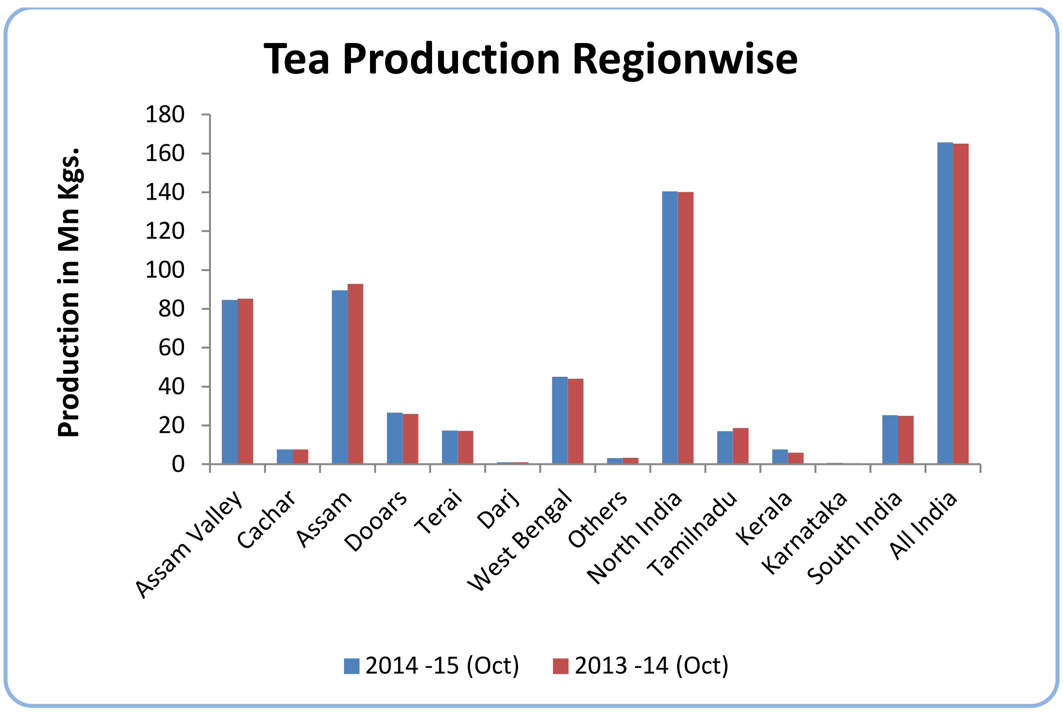
Coonoor Tea Auction: Sale No: 05 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	80.46	292798	255691
CTC Leaf	77.63	679704	591184
Orthodox Dust	92.46	42091	27655
Orthodox Leaf	90.72	32692	32055.6

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone at Coonoor tea auction. Quantity offered on sale declined during the week compared to previous week. There was some demand from the exporters around lower levels. There is not much demand from internal buyers in the market. Prices are likely to notice range –bound to weak tone in the coming days.





(Source: Tea Board)

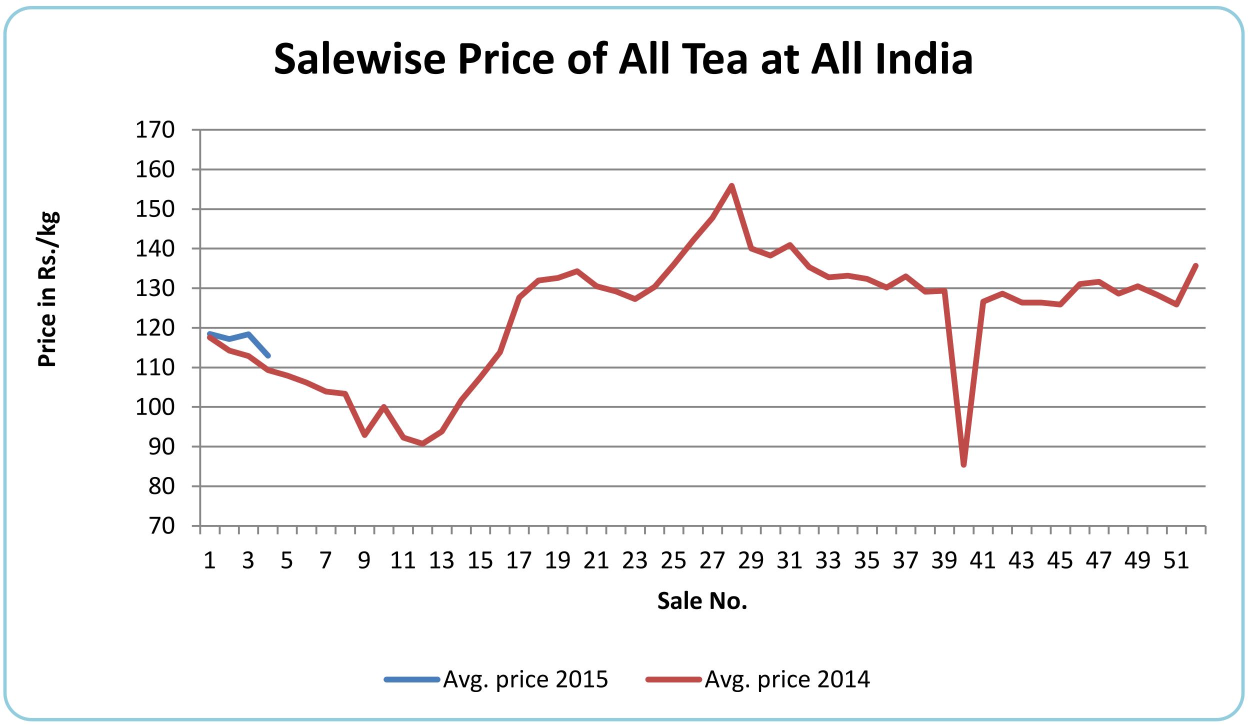
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam.

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 2014-01-24

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	135.29(125.62)	108.54(107.83)	119.20(110.77)	NS(NS)	94.95(106.80)	78.38(82.79)	80.16(90.20)	56.12(79.43)
Total Tea	136.57(125.37)	108.62(107.90)	119.20(110.77)	NS(NS)	99.08(108.42)	78.78(83.13)	80.23(90.19)	56.12(79.43)

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

Variety	North India	South India	All India
CTC All Dust	120.61(114.49)	81.51(92.00)	112.00(108.67)
Total Tea	121.42(114.97)	83.91(93.36)	112.95(109.33)

(Source: Tea Board)

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

Technical Commentary:
Tea prices declined during the week. MACD is declining in the negative territory supporting weakness in the medium –term. Stochastic oscillator is steady in the oversold region supporting recovery in the near –term. Traders are advised to wait for better buying levels.

The tea prices are likely to notice some weakness. Buyers can purchase on any near –term weakness towards 125 levels.

Strategy: Wait for Better Buying Levels

Weekly Supports & Resistances		**S1**	**S2**	**PCP**	**R1**	**R2**
Total Tea	Kolkata	130.00	112.80	136.57	150.00	170.90

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 04 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	430 - 500	430 - 610
Average Westerns	400 - 420	400 - 420
Plainer Westerns	390 - 400	380 - 390
Western Mediums	410 - 580	365 - 470
Uva Teas	350 - 425	350 - 405
Nuwara Eliya Teas	450 - 540	450 - 510
Udapussellawa Teas	370 - 420	340 - 390
CTC (BP1 and PF1)	385 - 450	330 - 510

In this week's auction, 6.93 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 around lower levels 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 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 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 Iran following New Year.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	06		05		04	
Dates	10th /11th February 2015		02nd February 2015		26th/27th January 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	808	952,526 kg	733	848,974 kg	818	957,039 kg
Main Sale Total	11,431	6,053,440 kg	6,747	3,438,045 kg	11,359	5,979,735 kg
High & Medium	1,006	492,052 kg	658	340,947 kg	1,118	574,142 kg
Low Growns Leafy	4,138	1,891,635 kg	2,589	1,140,893 kg	4,050	1,846,691 kg
Tippy	2,852	1,755,163 kg	1,561	891,989 kg	2,796	1,640,486 kg
Premium/Flowery	632	165,003 kg	340	93,213 kg	646	158,867 kg
Off Grades	2,218	1,191,631 kg	1,273	668,713 kg	2,203	1,238,410 kg
Dust	585	557,956 kg	326	302,290 kg	546	521,139 kg
Grand Total	12,239	7,005,966 kg	7,480	4,287,019 kg	12,177	6,936,774 kg
Reprints	989	531,173 kg	1,277	694,015 kg	1815	956,837 kg
Scheduled to Close (Ex)		22.01.15		16.01.15		08.01.15
Dates (Ms)		23.01.15		16.01.15		08.01.15

Scheduled Closing Dates

Auction No. 05: 02nd Feb. 2015

Ex Estate : 16.01.2015

Main Sale : 16.01.2015

Auction No. 06: 10th/11th Feb. 2015

Ex Estate : 22.01.2015

Main Sale : 23.01.2015

Auction No. 07: 17th/18th Feb. 2015

Ex Estate : 29.01.2015

Main Sale : 30.01.2015

Auction No. 08: 24th/25th Feb. 2015

Ex Estate : 06.02.2015

Main Sale : 06.02.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 04

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

(in US$ per kg)

COUNTRY	PRIMARY	SECONDARY	TOTAL	PRIMARY	SECONDARY	TOTAL
Kenya	2.52	1.15	2.43	2.66	1.89	2.58
Uganda	1.44	0.82	1.23	2.03	1.77	1.95
Rwanda	2.57	1.80	2.45	2.89	2.15	2.77
Burundi	2.53	1.66	2.45	2.54	2.09	2.49
Zambia	-	-	-	-	-	-
Tanzania	1.26	0.68	1.15	1.62	1.69	1.67
D R of Congo	1.90	-	1.90	-	-	-
Mozambique	-	0.73	0.73	1.86	1.56	1.78
Madagascar	-	-	-	1.76	1.73	1.75
Malawi	-	0.79	0.79	1.89	1.70	1.87
Zimbabwe	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	-
Total	**2.39**	**1.04**	**2.23**	**2.57**	**1.85**	**2.47**

	OFFERED		SOLD*	
Year 2015	*Packages*	*Kilos*	**Packages**	**Kilos**
Kenya	102,569	6,867,351.00	93,585	6,303,106.50
Uganda	23,281	1,303,976.00	20,341	1,132,308.00
Rwanda	6,226	404,651.00	5,347	348,041.00
Burundi	3,360	205,388.00	3,280	200,396.00
Tanzania	3,260	155,909.50	3,100	149,764.00
Dem Rep of Congo	80	3,692.00	80	4,592.00
Mozambique	148	7,336.00	148	7,336.00
Madagascar	-	-	-	-
Malawi	440	22,920.00	240	13,076.00
TOTAL	**139,364**	**8,971,223.50**	**126,121**	**8,158,619.50**

CTC QUOTATIONS	BP1 – USC	PF1 – USC	PD – USC	D1 - USC
Best	220 – 360	312 – 326	245 – 344	258 – 331
Good	212 – 284	304 – 320	240 – 256	252 – 266
Good Medium	210 – 250	292 – 324	236 – 262	230 – 266
Medium	230 – 300	247 – 302	230 – 252	200 – 244
Lower Medium	134 – 235	140 – 227	134 – 226	185 – 224
Plainer	080 – 178	084 – 190	085 – 210	090 – 200

During the week improved demand noticed for 8,971,224 kilos of tea on offer. Brighter DUST1s were USC10 to USC26 higher with mediums USC2 to USC10 lower and prices of lower mediums were firm to USC12 higher during the week. Prices of Brighter BP1's noticed firm tone and increased up to USC4 higher, prices of mediums were firm to USC22 higher and prices of lower mediums were firm to USC14 higher. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

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

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 04

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	12.440	669.240 Kg	7.760	413.860 Kg	61.84
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	12.440	669.240 Kg	7.760	413.860 Kg	61.84
C.T.C	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	2.340	132.540 Kg	1.680	97.180 Kg	73.32
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.340	132.540 Kg	1.680	97.180 Kg	73.32
TOTAL	14.780	801.780 Kg	9.440	511.040 Kg	63.74

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
150-214	142-216	106	105-208	105-202	95-133	232-314

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
98-197	104-132	94-107	199-274	99-129

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
145-154	152-191	138-195	146-212	107-147	134-186	---

Market offerings declined to 14,780 paper sacks from 15,440 paper sacks. There was less demand in the market around current levels. Average price increased to USDcts 155.22 instead of USDcts 152.92 during last week’s auction. Average price of Orthodox variety increased to USDcts 157.11 and average price of CTC increased to USDcts 148.21. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 63.74% during the period compared to 49.15% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	04/02/15	**11/02/15**	**04/02/15**	**11/02/15**
PTPN. IV	1.880 S	1.320 S	-	-
PTPN. VI	560 S	900 S	720 S	920 S
PTPN. VII	1.020 S	620 S	- S	120 S
PTPN. VIII	8.200 S	6.000 S	1.300 S	1.200 S
PTPN. IX	420 S	460 S	-	-
PTPN. XII	- S	- S	540 S	600 S
Total Estate	12.080 S	9.300 S	2.560 S	2.840 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	12.080 S	9.300 S	2.560 S	2.840 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 36
(In US$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	200-205
Medium	175-185	Good	195-200
Small	190-200	Medium	180-195
Plain	120-140	Plain	120-130

Tea prices at Bangladesh tea auction increased during the week amid lower supplies in the market. The average price of tea during this week's auction was around USD 2.40/kg. Around 1.76 million kgs of tea was offered for sale and nearly 24 percent remained unsold.

There was good demand from blenders and some buying support from loose tea buyers. 29,448 packages and 10 packages CTC Leaf of previous season noticed selective demand. 5,165 packages on offer of CTC Dust noticed fairly good demand around lower levels. In CTC Dust, good liquoring varieties were firm and medium levels noticed steady 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	Nov.	38.61	35.46	Up to Nov.	400.03	390.73	+ 9.30
Bangladesh	Nov.	5.8	7.2	Up to Nov.	60.6	60.9	- 0.3
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 previous year, global black tea output declined to 2019.13 mkg compared to 2027.5 mkg in 2013. India's production declined by 16.06 mkg to 1127.21 mkg. 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 is likely to be affected in the coming months following cold and frost weather conditions in the tea growing regions in the months of December and January.

Currency	31-01-2015	24-01-2015
USD	62.13	61.40
Srilankan Rupee	0.4698	0.4656
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6779	0.6684
Bangladeshi Taka	0.8032	0.7897

Overall Outlook and Recommendation:

In the domestic market, prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week at most centers. There is not much demand for the quality of tea arriving in the market. Arrivals are likely to decline in the coming days amid unfavourable weather in the tea growing regions. There was good demand for Select Best tea in the market. Prices are likely to notice range –bound to weak tone in the near –term.

In the global market, prices noticed range –bound to firm tone. Quantity offered on sale declined during the week compared to previous week. Demand is likely to improve in the coming days amid wet weather condition. Future offering of tea is likely to decline in Srilanka and Indonesia in the coming week. Prices are likely to notice firm tone in the coming days.