News Highlights.

- The Central Government is planning to amend the Tea Act, 1953 in order to monitor cultivation, research, development, promotion and regulation of the tea industry and tea trade. The Tea Board is likely to be referred as the Tea Board of India and the new Act will offer protection to intellectual property rights of tea of Indian origin and can help to take legal action against those violating it.

- Currently the Tea Board does not have much power to regulate either the industry or the trade. The new Act proposes for the Board to formulate policies for raising production and productivity besides monitoring tea estates.

- 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.

- Dry weather prevailing in the tea growing regions of Africa is likely to affect production in the current year. This is good news for the Indian tea producers as tea exports from India declined in 2014 following flooding of Kenyan tea in the market at cheaper price. During last month, Kenyan tea prices have increased by around 60% to around $4 per kg.

- 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.

Domestic Trade Scenario:

Indian Tea Auctions

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	120.87	29,09,000	18,72,000
ORTHODOX	151.89	92,000	86,000
DUST	130.67	11,43,000	8,66,000

(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. There was good buying from exporters in the market. 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: 05 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.10	5,57,000	4,06,000
CTC Leaf	102.37	36,41,000	24,60,000

(Source: CTTA)

Prices declined during the week. Quantity offered on sale increased during the week compared to previous week. There was some buying interest from internal buyers and lenders. There was not much demand from the exporters. Quality of tea coming into the market is not good following unfavourable weather condition in the growing regions. Prices are likely to notice weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 05 (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: 06 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	98.37	1040380.20	930860.70
CTC Leaf	73.95	92628.50	88203.50
Orthodox Dust	59.67	11723.00	6995.00
Orthodox Leaf	85.19	144326.00	122949.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. Arrivals are lower amid frost conditions in the growing regions during the month of January. Good Liquoring teas noticed firm tone during the week. There was buying support for Fannings from AVT, Kerala State Civil Supplies and Tata Global. Withdrawals were noticed in Medium and Plainer varieties. Prices are likely to notice range – bound to weak tone in the coming days.

Coimbatore Tea Auction: Sale No: 06 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	84.35	296077.00	230361.00
CTC Leaf	77.84	122205.00	112368.00
Orthodox Dust	68.96	31977.00	22052.00
Orthodox Leaf	60.01	8783.00	5271.00

(Source: Paramount Marketing, Coimbatore)

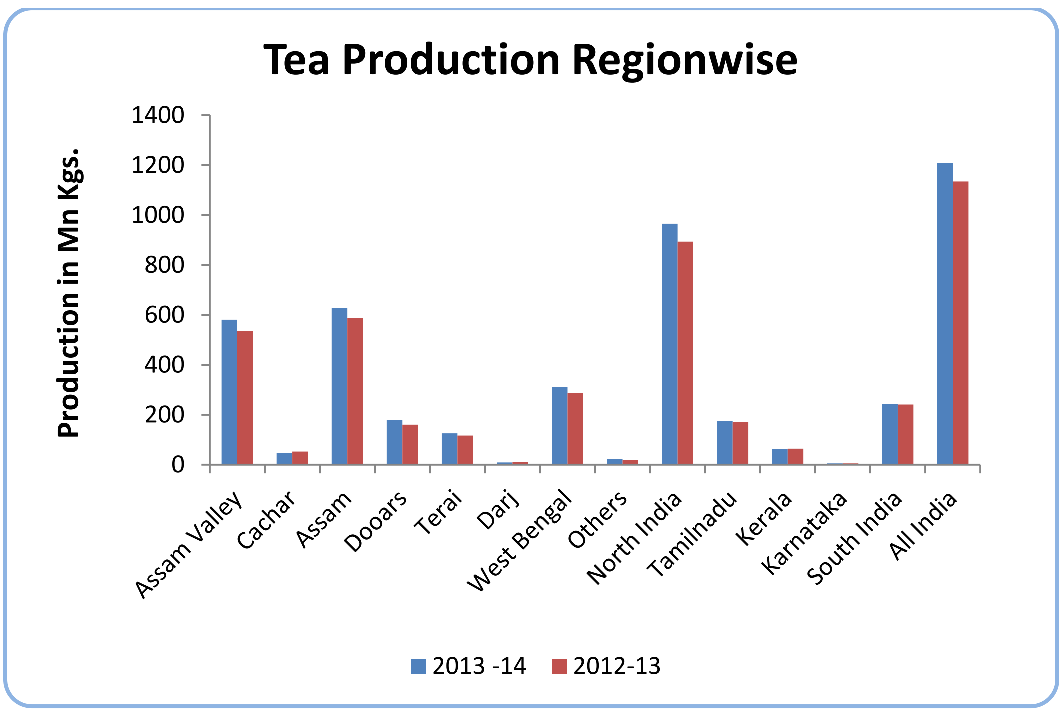
Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There is not much demand from the exporters in the market. Quality of tea arriving in the market is not good. Prices are likely to notice weak tone in the coming days.

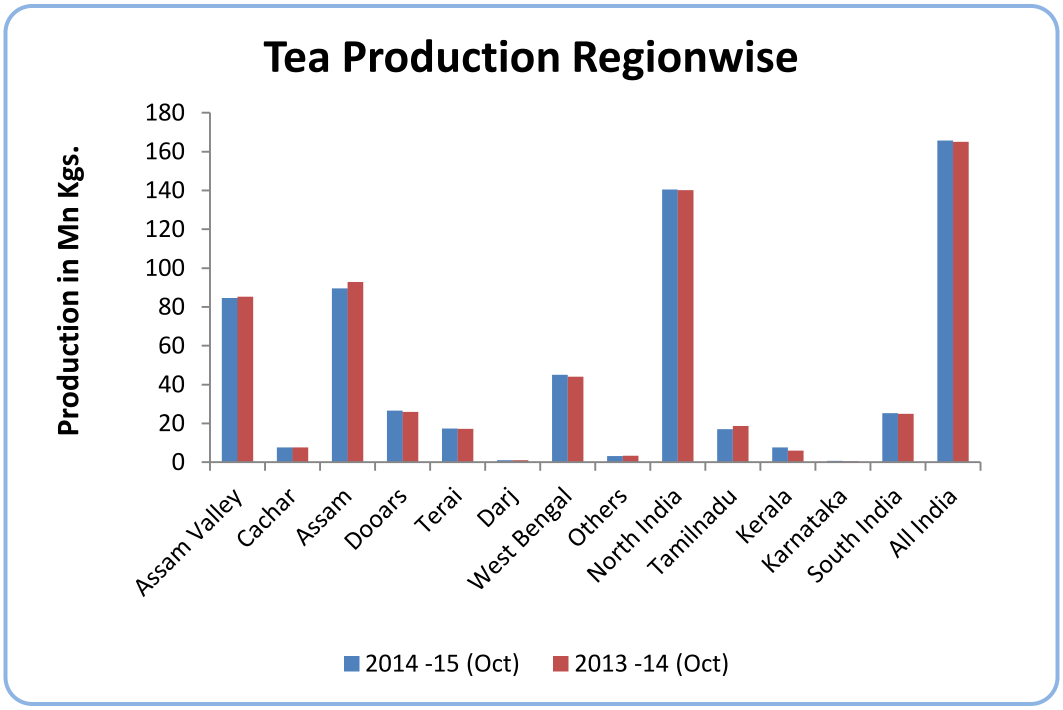
Coonoor Tea Auction: Sale No: 06 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	81.26	323979.00	278774.00
CTC Leaf	78.77	757242.00	626515.00
Orthodox Dust	74.12	41440.00	30716.00
Orthodox Leaf	94.01	45464.60	42740.60

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone at Coonoor tea auction during the week. Prices noticed firm tone in CTC variety amid good demand. Quantity offered on sale increased during the week compared to previous week. There was some buying support from internal buyers in the market. Prices are likely to notice range –bound to firm tone in the near –term.





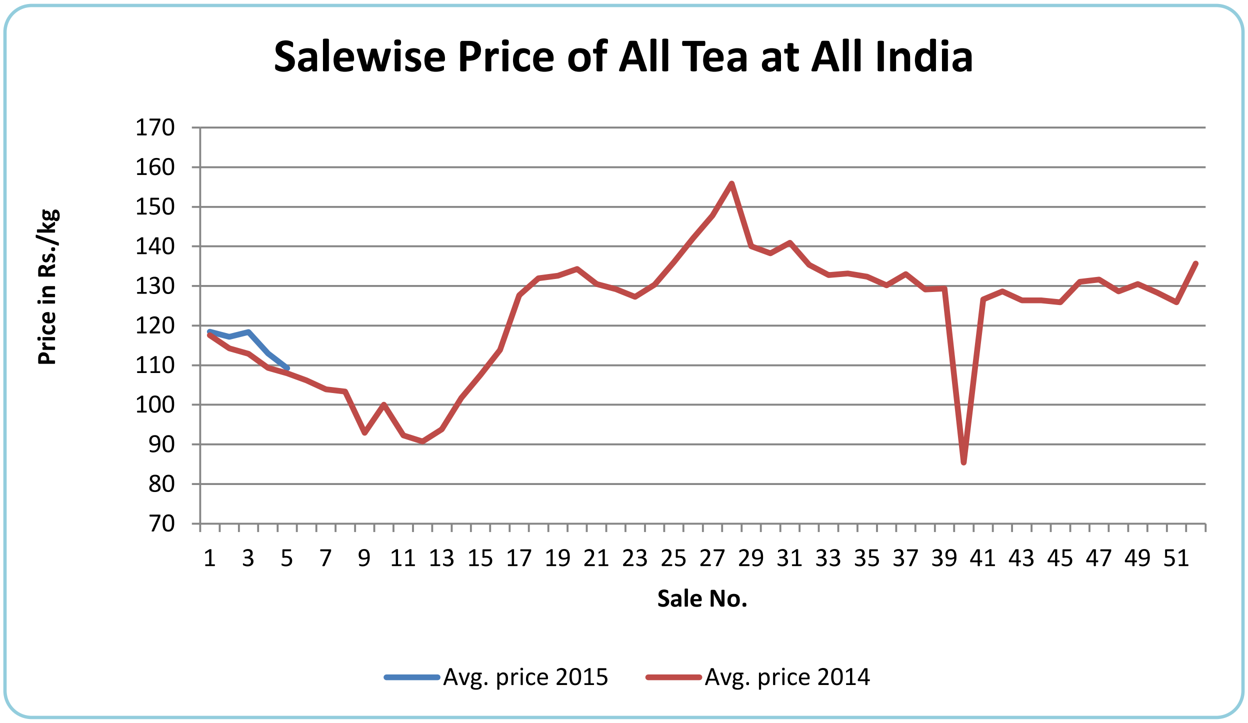
(Source: Tea Board)

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 2014-01-31

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	131.11(120.33)	105.45(107.47)	111.52(106.67)	NS(NS)	96.43(109.07)	78.93(84.47)	81.06(92.61)	56.67(74.80)
Total Tea	132.84(120.14)	105.45(107.47)	111.52(106.67)	NS(NS)	99.69(109.32)	79.35(84.88)	81.07(92.59)	56.67(74.80)

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

Variety	North India	South India	All India
CTC All Dust	117.49(112.06)	83.52(93.30)	109.26(107.57)
Total Tea	118.51(112.37)	85.61(94.02)	110.32(107.98)

(Source: Tea Board)

Tea – Technical Outlook — Total Tea -Kolkata

Technical Commentary:
Tea prices noticed weak tone during the week. Prices are holding below 9-Day and 12 –Day EMA supporting the overall weak tone of the market. RSI is declining in the oversold region supporting some 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	125.00	112.80	132.84	150.00	170.90

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 05 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	450 - 540	480 - 700
Average Westerns	420 - 440	430 - 460
Plainer Westerns	400 - 410	380 - 410
Western Mediums	380 - 560	350 - 400
Uva Teas	360 - 450	360 - 420
Nuwara Eliya Teas	470 - 480	450 - 460
Udapussellawa Teas	385 - 410	350 - 380
CTC (BP1 and PF1)	400 - 445	350 - 560

In this week’s auction, 4.29 million kgs of tea was offered for sale compared to 6.93 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 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 the buyers.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	07		06		05	
Dates	17th /18th February 2015		10th /11th February 2015		02nd February 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	908	1,058,026 kg	808	952,526 kg	733	848,974 kg
Main Sale Total	11,737	6,479,137 kg	11,431	6,053,440 kg	6,747	3,438,045 kg
High & Medium	1,288	705,278 kg	1,006	492,052 kg	658	340,947 kg
Low Growns Leafy	4,150	1,953,526 kg	4,138	1,891,635 kg	2,589	1,140,893 kg
Tippy	2,881	1,819,266 kg	2,852	1,755,163 kg	1,561	891,989 kg
Premium/Flowery	553	142,415 kg	632	165,003 kg	340	93,213 kg
Off Grades	2,250	1,257,698 kg	2,218	1,191,631 kg	1,273	668,713 kg
Dust	615	600,954 kg	585	557,956 kg	326	302,290 kg
Grand Total	12,645	7,537,163 kg	12,239	7,005,966 kg	7,480	4,287,019 kg
Reprints	1,247	702,407 kg	989	531,173 kg	1,277	694,015 kg
Scheduled to Close (Ex)		29.01.15		22.01.15		16.01.15
Dates (Ms)		30.01.15		23.01.15		16.01.15

Scheduled Closing Dates

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

Auction No. 09: 02nd / 03rd March 2015

Ex Estate : 12.02.2015

Main Sale : 13.02.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 05

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

	SALE 05 HELD ON 02 & 03/02/2015			SALE 05 HELD ON 03 & 04/02/2014		

(in US$ per kg)

COUNTRY	PRIMARY	SECONDARY	TOTAL	PRIMARY	SECONDARY	TOTAL
Kenya	2.43	1.09	2.32	2.55	1.89	2.49
Uganda	1.41	0.76	1.18	1.82	1.75	1.79
Rwanda	2.62	1.84	2.47	2.61	2.25	2.55
Burundi	2.46	1.79	2.38	2.54	2.08	2.45
Zambia	-	-	-	-	-	-
Tanzania	1.02	0.71	0.94	1.64	1.68	1.65
D R of Congo	1.75	0.55	0.77	-	-	-
Mozambique	-	-	-	1.84	1.67	1.77
Madagascar	-	-	-	-	-	-
Malawi	-	-	-	1.79	1.70	1.77
Zimbabwe	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	-
Total	**2.34**	**1.02**	**2.17**	**2.45**	**1.84**	**2.36**

Offerings this week totaled 138,215 packages (8,882,666.00 kilos) against 125,207 packages (7,953,117.50 kilos) for the same period last year, made up as follows:-

	O F F E R E D		S O L D*	
Year 2015	*Packages*	*Kilos*	**Packages**	**Kilos**
Kenya	103,040	6,857,491.50	92,000	6,136,978.00
Uganda	22,182	1,236,160.00	16,540	899,290.00
Rwanda	6,240	404,438.00	4,500	291,900.00
Burundi	3,760	231,116.00	3,340	202,329.00
Zambia	-	-	-	-
Tanzania	2,480	126,807.50	1,920	91,896.50
Dem Rep of Congo	473	24,002.00	473	24,002.00
Mozambique	40	2,651.00	-	-
Madagascar	-	-	-	-
Malawi	-	-	-	-
TOTAL	**138,215**	**8,882,666.00**	**118,773**	**7,646,395.50**

CTC QUOTATIONS	BP1 – USC	PF1 – USC	PD – USC	D1 - USC
Best	212 – 376	310 – 325	244 – 330	250 – 302
Good	208 – 234	300 – 310	241 – 252	245 – 264
Good Medium	212 – 252	290 – 316	230 – 252	240 – 262
Medium	220 – 280	250 – 284	225 – 234	213 – 238
Lower Medium	118 – 205	145 – 220	180 – 216	113 – 214
Plainer	080 – 184	085 – 196	082 – 197	090 – 178

During the week god demand noticed for 8,882,666 kilos of tea on offer. Brighter DUST1s were USC2 to USC10 lower with mediums USC8 to USC12 hugher 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 up to USC18 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BPs noticed firm tone and PF's noticed mixed tone during the week. Well sorted clean coloury Fannings and Dusts prices noticed steady 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 less demand from Egyptian packers, Bazaar, Kazakhstan and other CIS countries. Russia, other middle –eastern countries, Yemen and CIS countries. There was some buying support from Somalia and Iran.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 05

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	12.080	637.040 Kg	8.160	525.640 Kg	66.82
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	12.080	637.040 Kg	8.160	525.640 Kg	66.82
C.T.C	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	2.560	144.900 Kg	1.720	101.200 Kg	69.84
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.560	144.900 Kg	1.720	101.200 Kg	69.84
TOTAL	14.640	881.940 Kg	9.880	526.840 Kg	67.38

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
146-220	135-207	105-188	105-207	104-205	100-150	255

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
100-192	104-132	96-125	220	117-119

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
-	152-190	150-197	146-212	106-139	134-186	---

Market offerings declined to 14,600 paper sacks from 14,780 paper sacks. There was less demand in the market around current levels. Average price declined to USDcts 154.24 instead of USDcts 155.22 during last week's auction. Average price of Orthodox variety declined to USDcts 153.40 and average price of CTC increased to USDcts 157.67. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 67.38% during the period compared to 63.74% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox 11/02/15	Orthodox 18/02/15	C.T.C 11/02/15	C.T.C 18/02/15
PTPN. IV	1.320 S	1.320 S	-	-
PTPN. VI	900 S	900 S	920 S	920 S
PTPN. VII	620 S	620 S	120 S	120 S
PTPN. VIII	6.000 S	6.000 S	1.200 S	1.200 S
PTPN. IX	460 S	460 S	-	-
PTPN. XII	- S	- S	600 S	600 S
Total Estate	9.300 S	9.300 S	2.840 S	2.840 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.300 S	9.300 S	2.840 S	2.840 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 37
(In US$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	195-200
Medium	166-180	Good	188-195
Small	185-195	Medium	172-185
Plain	110-120	Plain	110-120

Tea prices at Bangladesh tea auction declined during the week amid lower demand from the local buyers. The average price of tea during this week's auction was around USD 2.40/kg. Around 1.73 million kgs of tea was offered for sale and nearly 37 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	Nov.	81.2	85.4	Up to Nov.	903.6	919.2	- 15.6
South India	Nov.	20.1	27.0	Up to Nov.	223.6	224.2	- 0.6
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	Oct.	2.3	3.2	Up to Oct.	42.9	39.6	+ 3.3

(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	07-02-2015	31-01-2015
USD	62.04	62.13
Srilankan Rupee	0.4669	0.4698
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6792	0.6779
Bangladeshi Taka	0.7981	0.8032

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone during the week. Arrival of leaf in the market is not of good quality following unfavourable weather condition in the growing regions during the months of December and January. Quantity offered on sale increased during the week compared to previous week. There was some enquiry from the exporters 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 weak tone. There was not much in the market from internal buyers. Weather remains favourable in the tea growing regions. Future offering of tea is likely to increase in Srilanka and decline in Indonesia in the coming week. Prices are likely to notice range –bound to firm tone in the coming days.