News Highlights.

- Indian tea exports declined both by volume and value between January –November 2014 compared to the same period in 2013 according to Union Commerce Ministry Statistics.

- Exports declined by 4.1 percent to 185.68 million kgs during the period and earnings declined by 6.6 per cent to Rs.3612.8 crores. Exports declined amid increase in output in Srilanka and Kenya and decline in output in India.

- According to Tea Board, retailers and boutique owners are required to obtain licence for selling the premium 'Darjeeling tea' in the market. This is amid concerns by the domestic industry regarding cheaper Nepalese tea flooding the Indian market.

- According to Tea Board, the output of Indian tea declined by 1.3 per cent to 1,185 million kgs in 2014 compared to previous year following lower production in the north-eastern region of the country.

- 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.

- 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: 07 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	109.07	30,42,549	16,23,700
ORTHODOX	148.98	64,235	61,676
DARJEELING	172.33	21,947	9,736
DUST	113.48	14,59,966	9,18,459

(Source: CTTA, Parcon India)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was not much demand from exporters in the market. Production of first flush of tea is likely to be lower in the coming days amid cold and frost conditions in the month of January. Buying interest from Tata Global and Hindustan Unilever Ltd. lend some support to the market. Prices are likely to notice weak tone in the coming days.

Guwahati Tea Auction: Sale No: 07 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	104.736	16,48,373	8,61,220
Dust	97.70	4,80,416	2,95,523

(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 some demand for Good Assams from the exporters. Arrivals are likely to be lower in the coming days. Prices are likely to continue weak tone in the near -term.

Siliguri Tea Auction: Sale No: 07 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	87.69	4,95,996	3,63,392
CTC Leaf	88.81	35,67,212	23,72,176

(Source: CTTA)

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

Jalpaiguri Tea Auction: Sale No: 07 (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: 08 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	102.23	966810.20	874455.20
CTC Leaf	74.18	99593.50	76599.00
Orthodox Dust	71.05	11768.00	9575.00
Orthodox Leaf	126.67	119911.00	108034.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed recovery during the week. Quantity offered on sale declined during the week compared to previous week. Arrivals were lower following dry weather in the tea growing regions. There was buying interest for good liquoring teas. Demand from AVT, Kerala State Civil Supplies and Tata Global lent support to the market. There was good demand for Select Best Nilgiri Brokens and Fannings from the exporters. Prices are likely to notice firm tone in the coming days.

Coimbatore Tea Auction: Sale No: 08 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	83.35	305793.00	248417.00
CTC Leaf	73.87	114126.00	92613.00
Orthodox Dust	69.55	28518.00	24476.00
Orthodox Leaf	82.54	5796.00	3188.00

(Source: Paramount Marketing, Coimbatore)

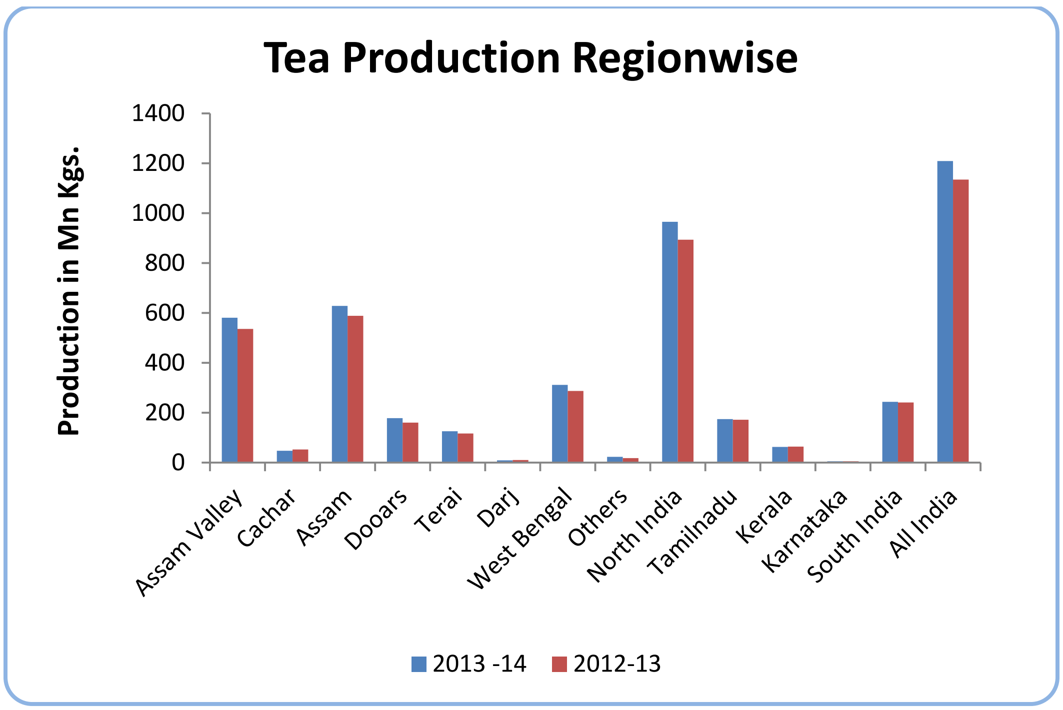
Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for orthodox tea in the market. Withdrawals were noticed in plainer varieties. Prices are likely to range –bound to weak tone in the coming days.

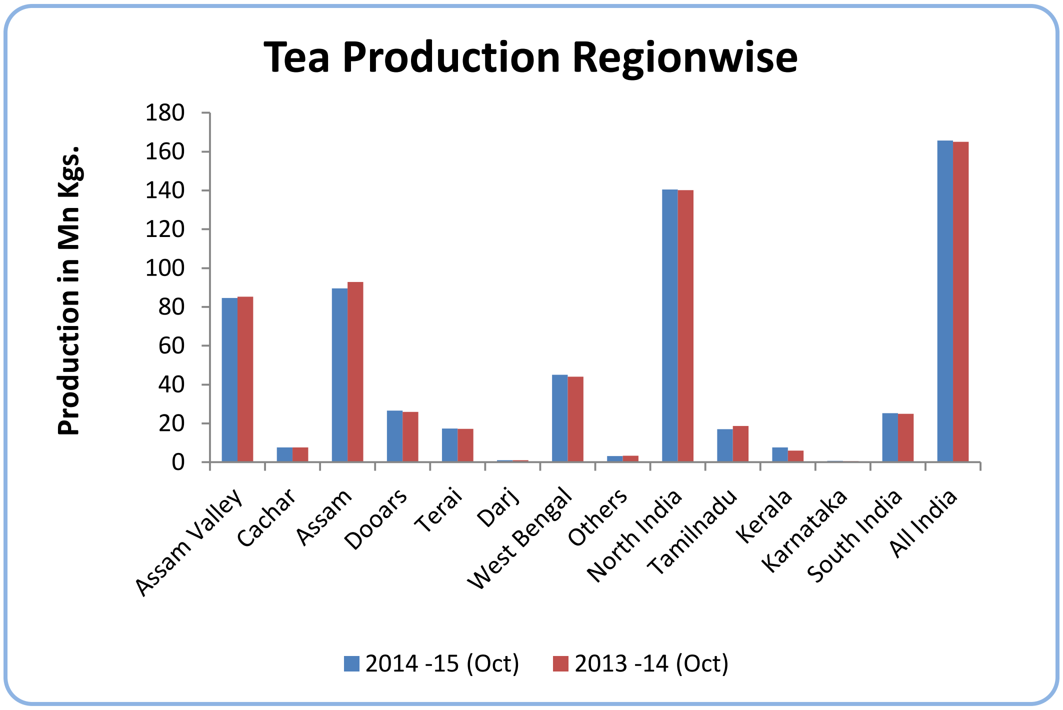
Coonoor Tea Auction: Sale No: 08 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	81.20	358227.00	304415.00
CTC Leaf	76.72	757098.00	581178.00
Orthodox Dust	95.06	48108.00	39109.00
Orthodox Leaf	85.73	44833.40	39565.60

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone at Coonoor tea auction during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for orthodox dust tea in the market. There was buying interest from loose tea buyers in the market. Prices are likely to notice weak tone in the coming days.





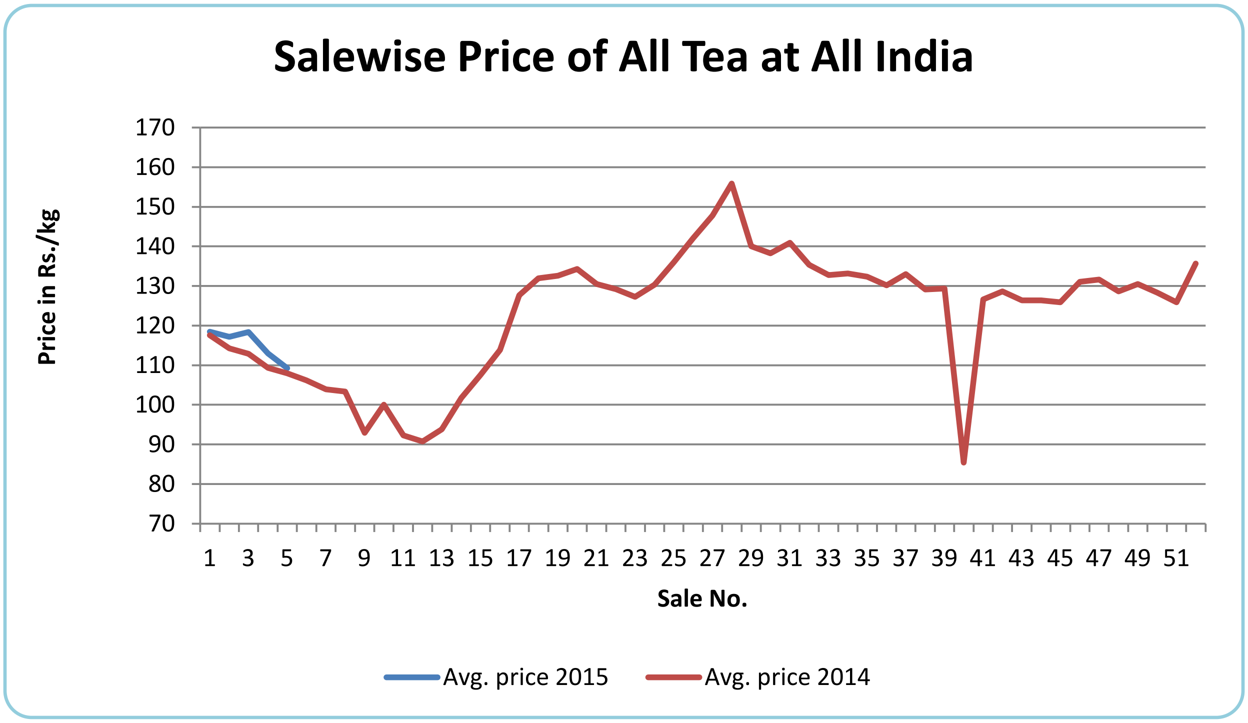
(Source: Tea Board)

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.

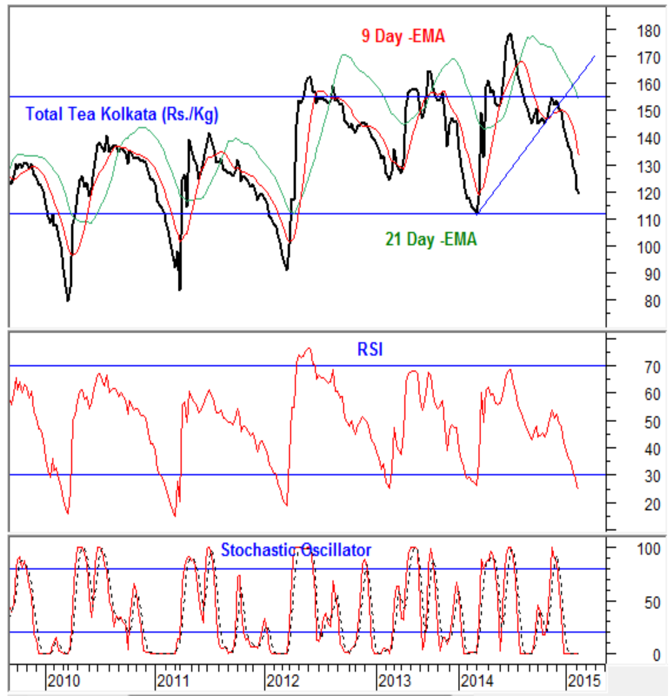
Weekly Average Prices at Indian Auction Centers for week ending 2014-02-14

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	121.37(116.41)	101.07(110.58)	97.65(98.58)	NS(NS)	99.95(111.91)	78.95(85.79)	80.87(89.69)	60.67(73.82)
Total Tea	122.72(116.50)	101.03(110.58)	97.65(98.58)	NS(NS)	103.51(112.37)	79.29(86.16)	80.83(89.72)	60.67(73.82)

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

Variety	North India	South India	All India
CTC All Dust	107.33(106.97)	84.20(95.14)	101.48(103.60)
Total Tea	(111.030	(93.21)	(106.16)

(Source: Tea Board)

Tea – Technical Outlook	**Total Tea -Kolkata**
Technical Commentary: Tea prices noticed weak tone during the week. Prices are holding below the support levels of 125. MACD is declining in the negative territory supporting weakness in the medium –term. Stochastic oscillator is steady in the oversold region supporting some recovery in the near –term. ***The tea prices are likely to continue weak tone in the coming days. Buyers can purchase on any near –term weakness towards 110 levels.***	

Strategy: Wait for Better Buying Levels

Weekly Supports & Resistances		**S1**	**S2**	**PCP**	**R1**	**R2**
Total Tea	Kolkata	112.80	85.30	122.72	150.00	170.90

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 07 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	450 - 550	460 - 580
Average Westerns	430 - 440	420 - 450
Plainer Westerns	410 - 420	380 - 410
Western Mediums	380 - 630	380 - 450
Uva Teas	320 - 440	320 - 445
Nuwara Eliya Teas	400 - 610	520 - 550
Udapussellawa Teas	370 - 430	340 - 410
CTC (BP1 and PF1)	360 - 470	335 - 550

In this week's auction, 7.50 million kgs of tea was offered for sale compared to 7.00 million kgs of tea during the previous week. There was steady demand for Select Best teas during the week. Better western BOP's noticed firm tone and BOPF's noticed mixed tone during the week. High Grown and Mid Grown CTC's noticed easy 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 good buying from Libya, Iraq, Turkey and Syria and not much demand from Russia.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	09		08		07	
Dates	02nd / 3rd March 2015 No. of Lots	No. of Kgs	24th/25th February 2015 No. of Lots	No. of Kgs	17th/18th February 2015 No. of Lots	No. of Kgs
Ex Estate	934	1,086,945 kg	934	1,088,470 kg	908	1,058,026 kg
Main Sale Total	11,186	6,164,298 kg	9,994	5,429,534 kg	11,737	6,479,137 kg
High & Medium	1,267	700,939 kg	1,148	639,451 kg	1,288	705,278 kg
Low Growns Leafy Tippy	3,916 2,683	1,861,431 kg 1,667,785 kg	3,667 2,445	1,749,690 kg 1,500,160 kg	4,150 2,881	1,953,526 kg 1,819,266 kg
Premium/Flowery	415	111,494 kg	500	120,043 kg	553	142,415 kg
Off Grades	2,327	1,282,727 kg	1,747	954,387 kg	2,250	1,257,698 kg
Dust	578	539,922 kg	487	465,803 kg	615	600,954 kg
Grand Total	12,120	7,251,243 kg	10,928	6,518,004 kg	12,645	7,537,163 kg
Reprints	1,389	767,446 kg	701	396,199 kg	1,247	702,407 kg
Scheduled to Close (Ex) Dates (Ms)		12.02.15 13.02.15		06.02.15 06.02.15		29.01.15 30.01.15

Scheduled Closing Dates

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

Auction No. 10: 10th/11th March 2015

Ex Estate : 19.02.2015

Main Sale : 20.02.2015

Auction No. 11: 17h/18h March 2015

Ex Estate : 26.02.2015

Main Sale : 27.02.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 07

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

AUCTION	KENYA 2014	KENYA 2015	TOTAL 2014	TOTAL 2015
05	$2.49	$2.33	$2.36	$2.18
06	$2.31	$2.37	$2.20	$2.21
07	$2.27	$2.44	$2.18	$2.29

QUOTATIONS	BROKENS	FANNINGS
Best	293 – 529	438 - 470
Good	293 – 318	427 - 447
Good Medium	295 – 337	406 – 457
Medium	302 – 422	373 – 411
Lower Medium	151 - 349	181 – 309
Plain	99 – 155	112 – 260 (SL RUPEES)

During the week improved demand noticed for 9,054,005 kilos of tea on offer. Brighter DUST1s were USC8 to USC20 higher with mediums USC5 to USC20 higher and prices of lower mediums were firm to USC16 higher during the week. Prices of Brighter BP1's noticed firm tone and increased up to USC2 higher, prices of mediums were USC8 to USC38 higher and prices of lower mediums were firm to USC36 higher. 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 easy 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, Yemen and other Middle –Eastern countries. There was less demand from Russia and Afghanistan and Iran. There was good demand from Egyptian packers, Bazaar, Kazakhstan, U.K., Sudan and other CIS countries. There was some buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 07

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	9.560	514.620 Kg	6.340	334.040 Kg	64.91
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	9.560	514.620 Kg	6.340	334.040 Kg	64.91
C.T.C	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	1.660	94.540 Kg	1.400	81.000 Kg	85.68
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	1.660	94.540 Kg	1.400	81.000 Kg	85.68
TOTAL	11.220	609.160 Kg	7.740	415.040 Kg	68.13

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
153-221	115-206	100-116	100-202	100-196	90-143	245-330

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
90-198	105-132	94-113	151-288	105-123

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
148-150	154-203	155-196	148-229	103-199	136-190	---

Market offerings declined to 11,220 paper sacks from 11,800 paper sacks. There was less demand in the market around current levels. Average price declined to USDcts 147.56 instead of USDcts 158.87 during last week’s auction. Average price of Orthodox variety declined to USDcts 141.6 and average price of CTC increased to USDcts 170.10. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 68.13% during the period compared to 70.25% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	25/02/15	04/03/15	25/02/15	04/03/15
PTPN. IV	1.400 S	1.400 S	-	-
PTPN. VI	600 S	600 S	320 S	320 S
PTPN. VII	820 S	820 S	160 S	160 S
PTPN. VIII	6.540 S	6.540 S	560 S	560 S
PTPN. IX	420 S	420 S	-	-
PTPN. XII	- S	- S	680 S	680 S
Total Estate	9.780 S	9.780 S	1.720 S	1.720 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.780 S	9.780 S	1.720 S	1.720 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 39
(In US$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	210-225
Medium	155-170	Good	195-205
Small	175-185	Medium	165-180
Plain	90-100	Plain	90-100

Tea prices at Bangladesh tea auction declined during the week amid lower political unrest in the country. The average price of tea during this week's auction was around USD 2.40/kg. Around 1.70 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. 27,686 packages of CTC Leaf noticed good demand. 4,544 packages on offer of CTC Dust noticed good buying interest. 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	Dec.	24.3	30.2	Up to Dec.	338.0	340.0	- 2.0
North India	Dec.	40.1(E)	39.3	Up to Dec.	943.6(E)	958.6	- 15.0
South India	Dec.	17.5(E)	17.9	Up to Dec.	241.2(E)	241.8	- 0.6
Kenya	Dec.	45.07	41.72	Up to Dec.	445.10	432.45	+ 12.65
Bangladesh	Dec.	3.8	5.3	Up to Dec.	64.5	66.3	- 1.8
Malawi	Dec.	1.8	4.0	Up to Dec.	45.9	46.5	+ 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	21-02-2015	14-02-2015
USD	62.13	62.13
Srilankan Rupee	0.4679	0.4698
Indonesian Rupiah	0.0048	0.0049
Kenyan Shilling	0.6798	0.6779
Bangladeshi Taka	0.7987	0.8032

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone during the week. Arrivals have increased at the auction centers during the week compared to previous week in South India following favourable weather condition in the growing regions. There will be likely decline in output of first flush of tea expected in the market by third week of March to April in North India. 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. Quantity offered on sale increased during the week compared to previous week. There was not much demand from exporters in the market. Future offering of tea is likely to decline in Srilanka and Indonesia in the coming week. Prices are likely to notice weak tone in the coming days.