News Highlights.

- West Bengal government has auctioned five tea gardens under the West Bengal Tea Development Corporation. The three tea gardens in Darjeeling has been bought by Sanjay Bansal –controlled Ambootia group and the wo tea gardens in Dooars has been bought by the Garg family. The area across the five tea gardens is around 2000 hectares and the total number of workers is around 3500 workers.

- According to sources at Indian Tea Association, steps are taken to promote tea as a hot and cold drink. It has a huge demand in the cold form in North India. The tea industry is planning to organize workshops with chefs from leading hotels and restaurants to promote tea mocktails. There is a need for growth in Indian tea consumption to keep pace with increase in production.

- Per capita tea consumption in India is around 730 gm annually, which is far below in many countries like Ireland (1.90kg), Russia (1kg), Chile (1.24kg), Turkey (2 kg), Egypt (1.15kg) and Pakistan (1.1kg), thereby underscoring the potential which could be tapped to grow tea consumption.

- According to Tea Board, Indian tea exports declined by 25.07 million kg to 180.05 million kg during the April –February period of fiscal year 2014 -15 compared with the same period previous year.

- Indian tea output declined by 2.27% in the months of January and February 2015 to 36.94 million kg. compared with the same period in 2014. Production is lower amid lower output in North India. A spell of cold weather has lowered tea output in North India.

- Labour demographics in the tea estates producing the globally famous Darjeeling tea have begun to rapidly change with local workers migrating to other areas and states and those from Nepal and Bhutan rushing in to fill the vacuum.

- Typhoo, the Indian arm of the over 100 year old iconic British brand announced the launch of the first globally certified environmentally sustainable teas to be marketed across India. It is the second largest manufacturer by volume in UK.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 17 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	142.83	7,88,362	5,26,501
ORTHODOX	216.43	1,23,557	98,989
DARJEELING	569.25	32,276	16,623
DUST	151.16	1,67,856	1,02,521

(Source: CTTA, Parcon)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Best Assam and Dooars noticed good demand. Plainer varieties noticed withdrawal. There was some demand from local traders and western India buyers and selective demand from Hindustan Unilever Limited. In the Orthodox variety, well made sorts noticed firm tone. There was some enquiry from exporters. Prices are likely to notice weak tone in the coming days.

Guwahati Tea Auction: Sale No: 17 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	146.06	10,11,366	6,40,246
Dust	154.19	4,64,549	2,68,535

(Source: CTTA, Parcon)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Best quality tea noticed good demand and fair demand for other varieties. Withdrawals were noticed in the market. Buying interest was noticed from internal buyers. There was selective demand from exporters and blenders in the market. Prices are likely to notice weak tone in the near –term.

Siliguri Tea Auction: Sale No: 17 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	127.99	1,96,558	1,26,832
CTC Leaf	140.88	14,56,156	9,00,608

(Source: Associated Brokers)

Prices increased slightly during the week. Quantity offered on sale increased during the week compared to previous week. Internal buyers were active in the market. Rain during the last few days is supporting the crop development and arrival is expected to increase in the coming weeks. Prices are likely to notice range –bound to weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 17 (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: 18 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	97.08	1373975.40	1054451.30
CTC Leaf	69.71	122280.00	83342.50
Orthodox Dust	66.14	21958.00	12636.00
Orthodox Leaf	139.22	118367.00	86309.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Orthodox Leaf variety from exporters. Buying interest was noticed from AVT and Kerala Civil State Supply. Prices are likely to notice weak tone in the coming days.

Coimbatore Tea Auction: Sale No: 18 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	80.94	273216.00	166721.00
CTC Leaf	72.63	143466.00	105634.00
Orthodox Dust	69.97	13603.00	6404.00
Orthodox Leaf	91.42	9320.00	5282.00

(Source: Paramount Marketing, Coimbatore)

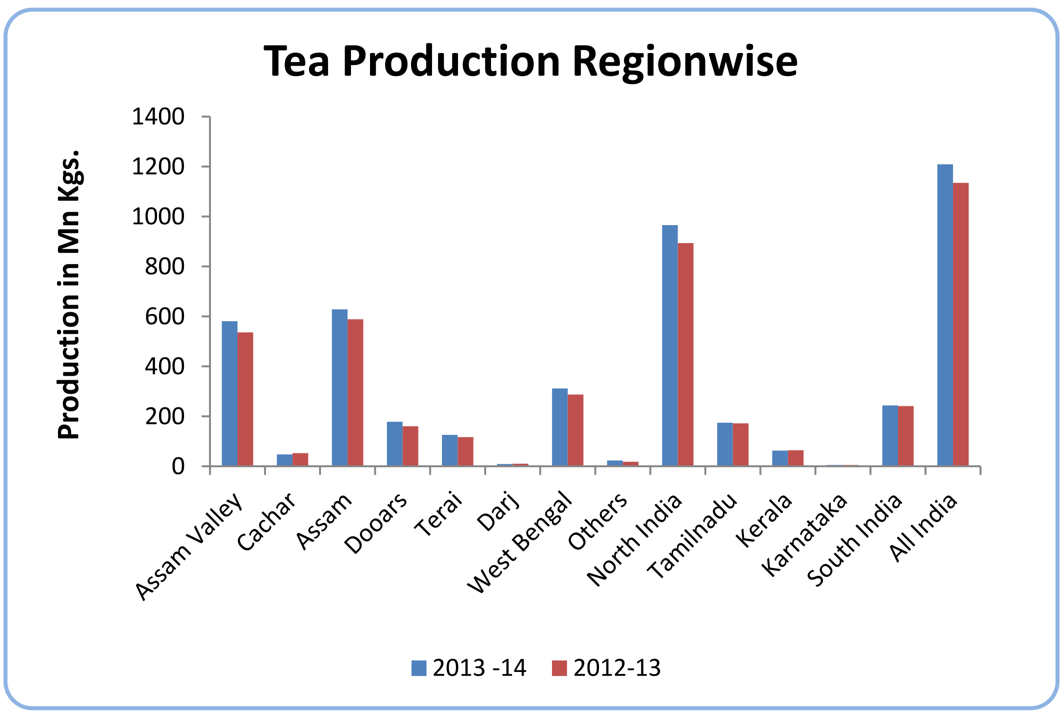
Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand from loose tea buyers in the market. Exporters were not much active during the period. Prices are likely to notice range –bound to weak tone in the near –term.

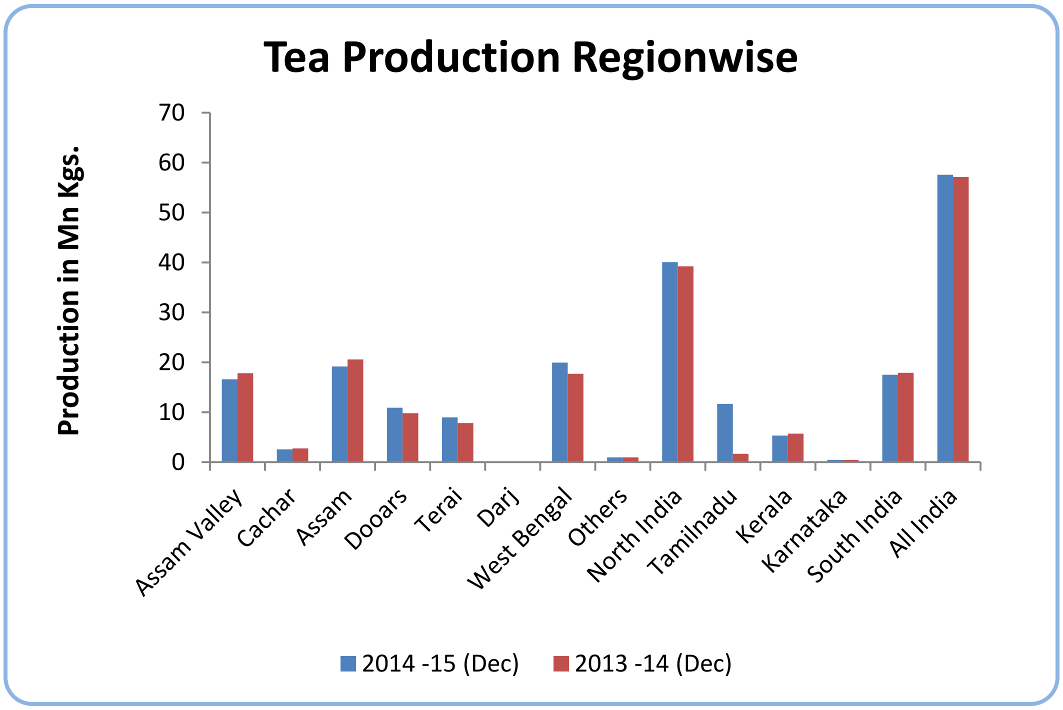
Coonoor Tea Auction: Sale No: 18 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	74.42	470052.00	304985.00
CTC Leaf	72.50	1104873.00	802379.00
Orthodox Dust	83.20	55586.00	36553.00
Orthodox Leaf	93.83	66505.00	56785.60

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Buying interest was noticed from blenders. There is not much demand in the market around current levels. Prices are likely to notice weak tone in the coming days.





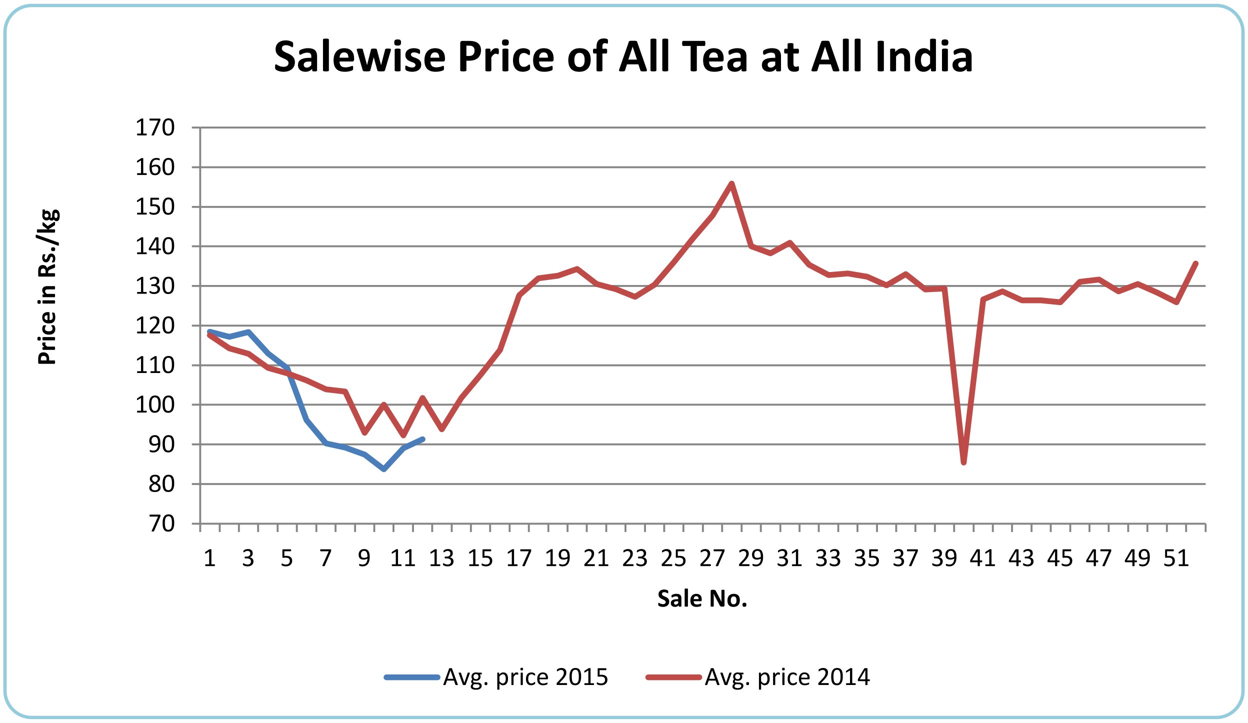
(Source: Tea Board)

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		
	Qty	Value	Unit Price	Qty	Value	Unit Price	Qty	Value	Unit Price
Apr-Dec 2014 (P)	80.42	1996.9	248.3	61.41	835.17	136	141.83	2832.02	199.68
Apr-Dec 2013	97.41	2424.9	248.93	68.95	987.32	143.19	166.36	3412.17	205.11
Inc/Dec in %	-17.44	-17.65	-0.25	-10.94	-15.41	-5.02	-14.75	-17	-2.65
Jan-Dec 2014 (P)	116.29	2777.31	238.83	84.94	1151.63	135.58	201.23	3928.94	195.25
Jan-Dec 2013	128.08	3075.87	240.15	90.98	1279.36	140.62	219.06	4355.23	198.81
Inc/Dec in %	-9.21	-9.71	-0.55	-6.64	-9.98	-3.58	-8.14	-9.79	-1.79

Source: Tea Board Of India



The above graph shows the price comparison of All Tea at All India in 2014 and 2015. Currently the average prices of all tea are slightly lower compared to previous year amid lack of availability of good quality tea in the market. Prices have increased during the week compared to previous week.

Weekly Average Prices at Indian Auction Centers for week ending 2014-04-04

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	NS(113.96)	91.70(131.47)	122.70(148.92)	NS(NS)	NS(109.34)	77.58(72.24)	80.03(82.89)	61.85(64.64)
Total Tea	NS(121.38)	91.65(132.04)	122.70(148.92)	NS(NS)	NS(110.58)	78.46(73.07)	80.07(82.89)	61.85(64.64)

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

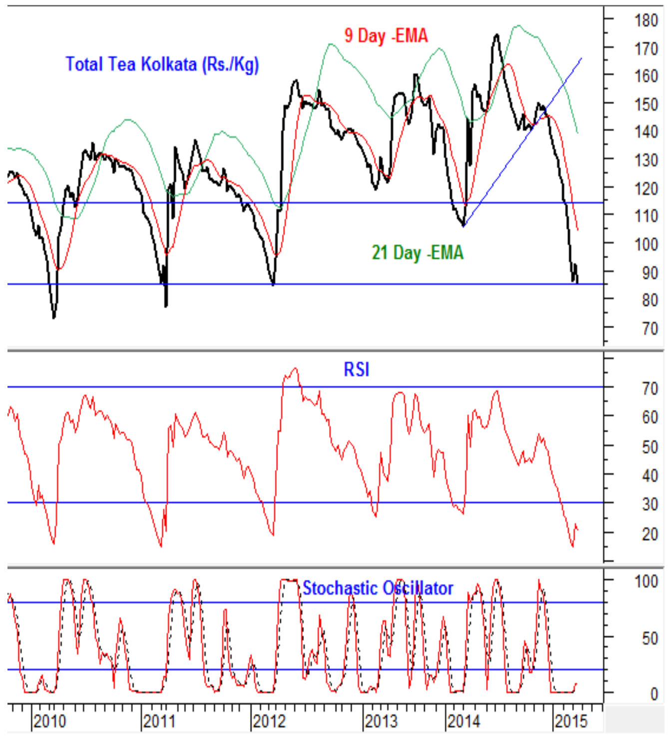
Variety	North India	South India	All India
CTC All Dust	102.20 (135.85)	74.65 (85.52)	91.27 (100.43)
Total Tea	102.15 (137.07)	75.24 (86.59)	91.31 (101.73)

(Source: Tea Board)

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

Technical Commentary:
Tea prices declined during the week. Prices are likely to move towards 70 levels in the coming days. 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 notice recovery towards 100 levels in the coming days. Buyers can purchase on any weakness for their near –term requirement.



Strategy: Buy On Near –Term Weakness

Weekly Supports & Resistances		**S1**	**S2**	**PCP**	**R1**	**R2**
Total Tea	Kolkata	75.10	60.00	85.53	100.00	150.10

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 16 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	420 - 500	420 - 550
Average Westerns	370 - 410	370 - 410
Plainer Westerns	330 - 360	325 - 360
Western Mediums	370 - 610	310 - 370
Uva Teas	290 - 430	305 - 400
Nuwara Eliya Teas	480 - 500	375 - 460
Udapussellawa Teas	305 - 400	310 - 360
CTC (BP1 and PF1)	280 - 425	330 - 520

In this week's auction, 7.39 million kgs of tea was offered for sale compared to 7.36 million kgs of tea during the previous week. There was fair 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 easy tone during the week. There was fair demand for liquoring leafy teas.

In the leaf category, Better PEK/PEK1's and a few bolder types noticed easy tone. In the Tippy catalogues, better made FBOP and FF1's noticed firm tone during the week. The below best and plainer variety noticed easy tone during the week. There was good demand from Saudi Arabia. There was fair demand from Russia, Iraq, Iran, Libya and Turkey.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	18		17		16	
Dates	12th/13th May 2015		05th/06th May 2015		27th/ 28th April 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,226	1,478,614 kg	1,059	1,221,497 kg	1,141	1,344,765 kg
Main Sale Total	11,107	6,606,093 kg	11,374	6,394,345 kg	10,554	6,044,752 kg
High & Medium	1,669	1,030,539 kg	1,602	915,559 kg	1,364	791,917 kg
Low Growns Leafy	3,676	1,842,663 kg	3,900	1,876,954 kg	3,670	1,784,510 kg
Tippy	2,436	1,549,958 kg	2,479	1,553,095 kg	2,456	1,537,754 kg
Premium/Flowery	402	105,432 kg	391	97,764 kg	383	89,202 kg
Off Grades	2,246	1,371,402 kg	2,366	1,352,859 kg	2,054	1,210,273 kg
Dust	678	706,099 kg	636	598,114 kg	627	631,096 kg
Grand Total	12,333	8,084,707 kg	12,433	7,615,842 kg	11,695	7,389,517 kg
Reprints	694	473,131 kg	575	394,408 kg	886	615,971 kg
Scheduled to Close Dates (Ex)		23.04.15		09.04.15		02.04.15
(Ms)		24.04.15		10.04.15		02.04.15

Scheduled Closing Dates

Auction No. 17	:	05th/06th May 2015
Ex Estate	:	09.04.2015
Main Sale	:	10.04.2015
Auction No. 18	:	12th/13th May 2015
Ex Estate	:	23.04.2015
Main Sale	:	24.04.2015
Auction No. 19	:	19th/20th May 2015
Ex Estate	:	30.04.2015
Main Sale	:	30.04.2015
Auction No. 20	:	26th/27th May 2015
Ex Estate	:	07.05.2015
Main Sale	:	08.05.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 17

(in US$ per kg)

	SALE 17 HELD ON 27 & 28/04/2015			SALE 17 HELD ON 05 & 06/05/2014		
COUNTRY	**PRIMARY**	**SECONDARY**	**TOTAL**	**PRIMARY**	**SECONDARY**	**TOTAL**
Kenya	2.99	1.26	2.92	2.11	1.35	2.06
Uganda	1.60	0.93	1.39	1.58	1.24	1.46
Rwanda	2.88	1.88	2.71	2.19	1.75	2.10
Burundi	3.03	1.55	2.91	2.05	1.47	1.98
Zambia	-	-	-	-	-	-
Tanzania	1.89	0.87	1.15	1.42	1.21	1.31
D R of Congo	1.51	-	1.51	-	-	-
Mozambique	-	-	-	1.29	0.93	1.05
Madagascar	-	0.90	0.90	1.13	-	1.13
Malawi	-	-	-	1.41	1.16	1.22
Zimbabwe	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	-
Total	**2.84**	**1.09**	**2.62**	**2.06**	**1.31**	**1.97**

	OFFERED		SOLD*	
Year 2015	*Packages*	*Kilos*	**Packages**	**Kilos**
Kenya	61,920	4,235,664.00	55,560	3,794,501.00
Uganda	11,759	644,552.00	10,539	583,128.00
Rwanda	6,740	441,247.00	6,320	413,862.50
Burundi	2,320	146,337.00	2,220	139,553.00
Tanzania	8,420	435,436.00	6,340	326,668.00
Dem Rep of Congo	120	6,580.00	120	6,580.00
Mozambique	-	-	-	-
Madagascar	80	3,824.00	40	1,912.00
Malawi	-	-	-	-
TOTAL	**91,359**	**5,913,640.00**	**81,139**	**5,266,204.50**

During the week good demand noticed for 5,913,640 kilos of tea on offer. Brighter DUST1s were USC12 to UCS30 higher, with mediums USC30 to USC60 higher and prices of lower mediums were up to USC10 higher during the week. Prices of Brighter BP1's noticed higher tone and were higher up to USC60, prices of mediums were up to USC10 higher and prices of lower mediums were USC2 to USC20 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's and PF's noticed firm tone during the week. Well sorted clean coloury Fannings and Dusts noticed easy tone during the week. Other Fannings and BMF's noticed firm tone. There was good buying interest from Pakistan packers, Yemen, Egyptian packers and other middle –eastern countries. There was good buying from Afghanistan, UK, Sudan, Kazakhstan and other CIS countries. There was less demand from Iran and Russia. There was some buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 17

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	8.280	438.260 Kg	4.860	259.020 Kg	59.10
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	8.280	438.260 Kg	4.860	259.020 Kg	59.10
C.T.C	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	2.020	115.100 Kg	1.520	87.280Kg	75.83
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.020	115.100 Kg	1.520	87.280Kg	75.83
TOTAL	10.300	553.360 Kg	6.380	346.300 Kg	62.58

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
-	129-195	110-150	105-195	108-111	98-128	321

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
101-187	107-117	97-116	287	96-119

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
133-166	158-171	153-200	158-220	110-208	143-189	---

Market offerings increased to 10,300 paper sacks from 9,260 paper sacks. There was less demand in the market. Average price declined to USDcts 140.23 instead of USDcts 145.52 during last week's auction. Average price of Orthodox variety declined to USDcts 130.59 and average price of CTC increased to USDcts 167.08. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 62.58% during the period compared to 73.22% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox 06/05/15	Orthodox 13/05/15	C.T.C 06/05/15	C.T.C 13/05/15
PTPN. IV	1.580 S	1.760 S	-	-
PTPN. VI	440 S	400 S	1.100 S	580 S
PTPN. VII	660 S	880 S	260 S	120 S
PTPN. VIII	6.860 S	5.120 S	820 S	580 S
PTPN. IX	400 S	240 S	-	-
PTPN. XII	- S	- S	620 S	540 S
Total Estate	9.940 S	8.400 S	2.800 S	1.820 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.940 S	8.400 S	2.800 S	1.820 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 45

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	150-170 nom
Medium	110-135 nom	Good	140-150 nom
Small	125-140 nom	Medium	120-130
Plain	65-110	Plain	70-110

Tea prices at Bangladesh tea auction declined during the week following lower demand from local buyers amid lower supply of tea in the market and political unrest in the country. The average price of tea during this week's auction was around USD 1.60/kg. Around 565,522 kgs of tea was offered for sale and nearly 25 percent remained unsold.

There was good demand from loose tea buyers and blenders. 6,631 packages and 1.968 packages of CTC Leaf of new season noticed good demand. 1,405 packages, 10 packages of old season and 335 packages of new season 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 easy tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

Country	MONTH	2015	2014	CUMULATIVE	2015	2014	CUMULATIVE + INC./-DEC.
Sri Lanka	Feb.	25.4	22.5	Up to Feb.	48.7	48.1	+ 0.6
North India	Jan.	3.95 (E)	4.96 (E)	Up to Jan.	3.95(E)	4.96 (E)	- 1.01
South India	Jan.	17.17 (E)	17.10 (E)	Up to Jan.	17.17 (E)	17.10 (E)	+ 0.07
Kenya	Feb.	24.28	33.77	Up to Feb.	65.93	78.74	- 12.81
Bangladesh	Jan.	0.16	0.23	Up to Jan.	0.16	0.23	- 0.07
Malawi	Feb.	5.1	6.1	Up to Feb.	11.6	14.3	- 2.7

(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	02-05-2015	25-04-2015
USD	63.72	63.49
Srilankan Rupee	0.4781	0.4766
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6729	0.6724
Bangladeshi Taka	0.8191	0.8160

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone. Quantity offered on sale increased during the week compared to previous week. There is not much demand from the exporters in the market. Arrivals have increased and first flush of tea is coming in the market. Prices are likely to notice range –bound to weak tone in the near –term.

In the international market, prices noticed weak tone. Rains in the tea growing regions of India and Africa will support crop development and will help to make up for crop loss during the last few months to certain extent. 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 weak tone in the near –term.