

News Highlights.

- According to Tea Board, Indian tea exports are declining in volume and value in the current year. Though prices have been declining, there are not adequate takers for different varieties of Indian tea. In the months of January and February, India reduced the average export price to Rs.167.78 from Rs.181.86 during the previous year.
- In the months of January and February 2015, India exported 32.32 million kg compared to 38.76 million kg. during the same period in 2014. The overall earnings have declined by 23.07 per cent to Rs.542.28 crore from Rs. 704.87 crore.
- Assam's so called Tea Tribes are not happy with the changing weather pattern in the tea growing regions, which is affecting the economics of the industry. Yields have reduced and cost of production has increased during the recent times.
- Volume of tea on offer at Coonoor Tea Trade Association has been increasing for the last few weeks. This week for Sale No: 19 to be held on Thursday and Friday, highest volume of 19.02 lakh kgs. of tea for the current year has been offered.
- Tea Output in Nilgiris has increased by 37% in the month of April 2015 to 1.93 million kg compared with the same period previous year. The seasonal showers received in the month of April helped in the production of the crop. The increase is sharper compared to the five –year average production of 1.31 million kg in April.
- 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: 18 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	151.11	11,20,000	7,31,000
ORTHODOX	196.75	3,40,000	2,41,000
DARJEELING	-	-	-
DUST	151.68	3,18,856	1,81,000

(Source: CTTA, Parcon)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was fair demand in the market around current levels. Good and Best Assams noticed easy tone. There was selective demand from exporters and fair demand from Western Indian and local buyers. In the Orthodox variety, there was good demand around lower levels. There was some demand from exporters and North Indian buyers. Prices are likely to notice weak tone in the coming days.

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

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	147.55	13,56,000	9,28,000
Dust	153.21	6,35,000	2,73,000

(Source: CTTA, Parcon)

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

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	121.10	2,13,000	1,41,000
CTC Leaf	133.13	14,44,000	10,43,000

(Source: Associated Brokers)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There is good demand for Cleaner and Liquoring sorts and fair demand for other varieties. There was good demand from Hindustan Unilever Ltd., Goodriche and Tata Global. Prices are likely to notice firm 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: 19 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	93.52	1303945.10	975575.10
CTC Leaf	68.30	87584.00	45492.00
Orthodox Dust	71.65	14426.00	5989.00
Orthodox Leaf	129.91	169831.00	128771.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week except Orthodox Dust variety. Quantity offered on sale declined during the week compared to previous week. There was good demand for Orthodox Dust variety from blenders. Some buying was noticed from AVT and Kerala Civil State Supplies. There was not much enquiry from exporters. Prices are likely to notice weak tone in the coming days.

Coimbatore Tea Auction: Sale No: 19 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	80.27	322259.00	163683.00
CTC Leaf	75.62	175009.00	101251.00
Orthodox Dust	71.10	20775.00	6635.00
Orthodox Leaf	91.42	5198.00	3108.00

(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 from exporters for Nilgiris tea variety.

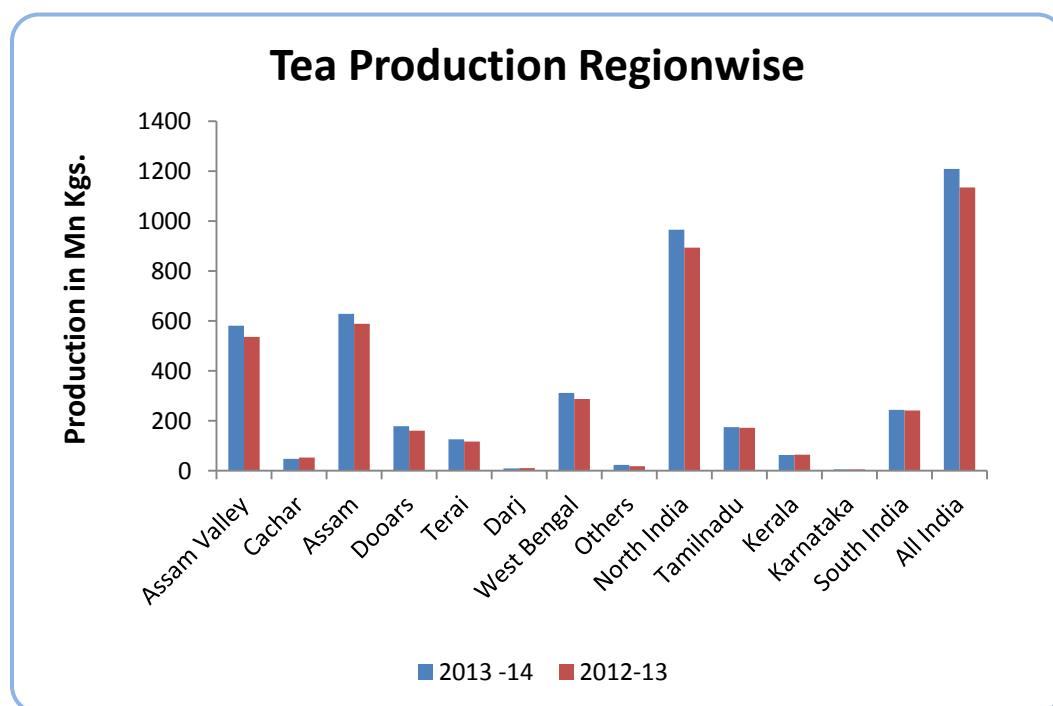
Good demand from loose tea buyers lent some support to the market. Prices are likely to notice range –bound to firm tone in the coming days.

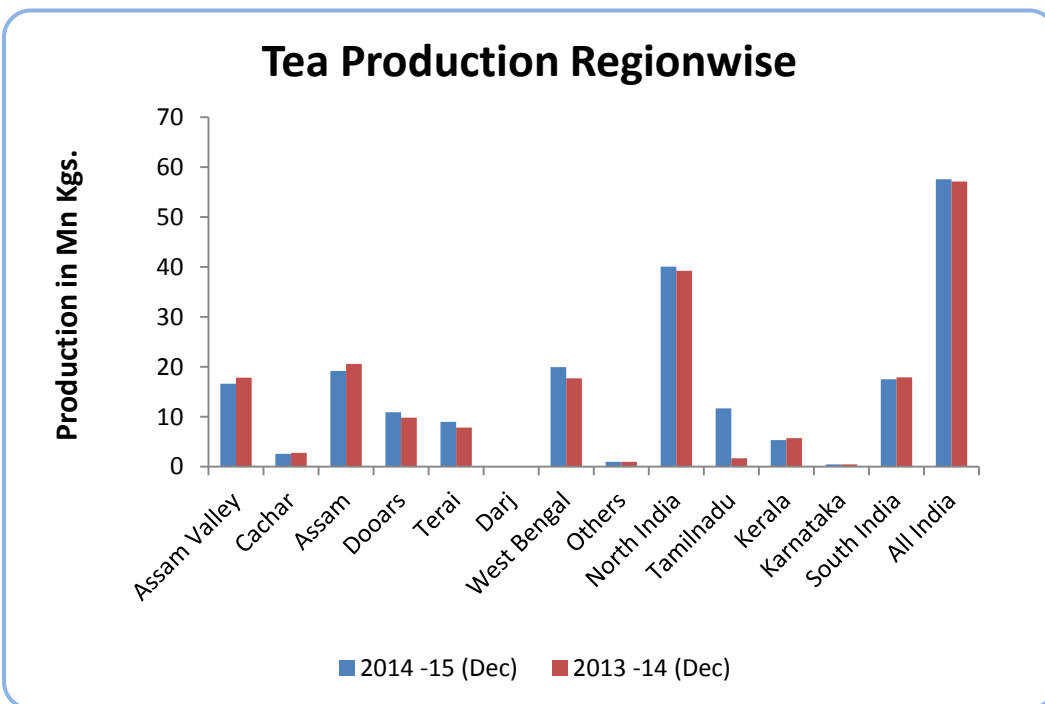
Coonoor Tea Auction: Sale No: 19 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	70.22	502041.00	366018.00
CTC Leaf	71.33	1260676.00	815492.00
Orthodox Dust	88.02	51622.00	27438.00
Orthodox Leaf	95.34	57493.60	50602.40

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week for CTC variety and decreased for Orthodox variety. There was some buying interest from exporters in the market. Prices are likely to notice range –bound to weak tone in the coming days.





(Source: Tea Board)

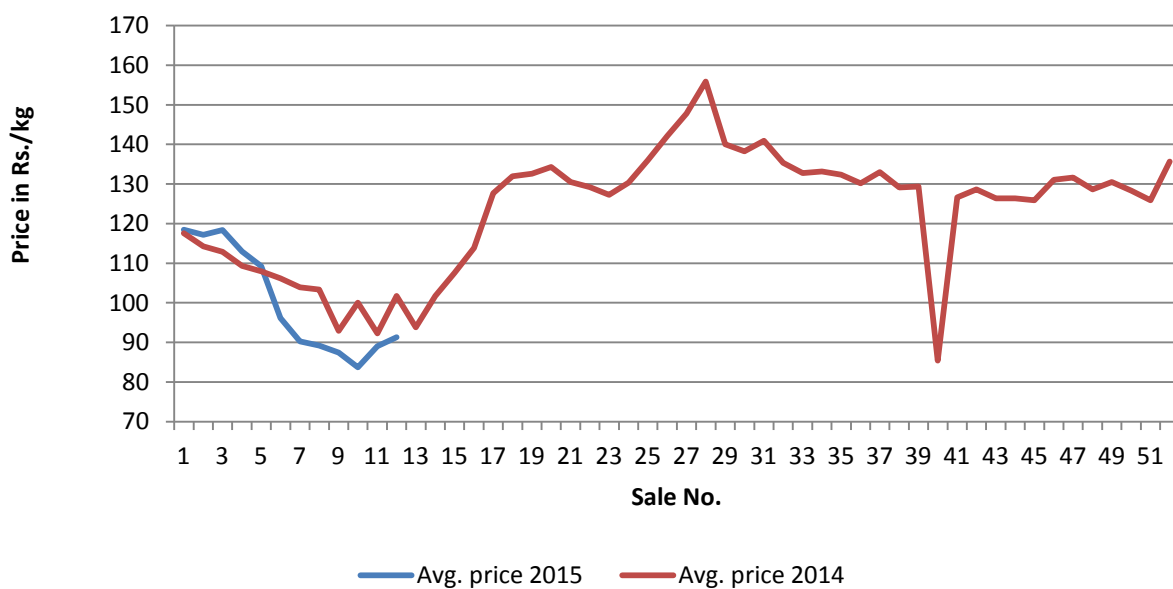
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the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

Salewise Price of All Tea at All 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.

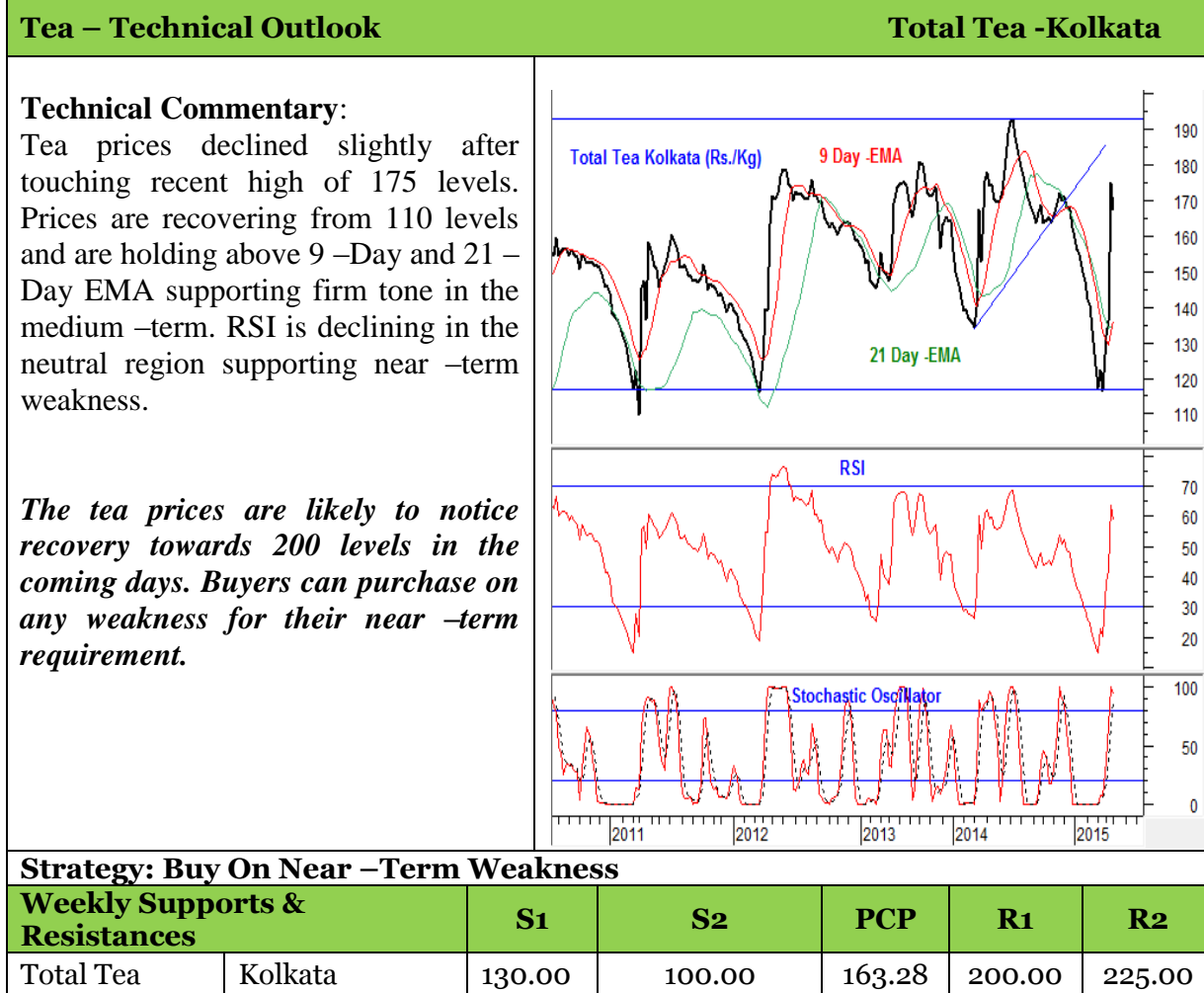
Weekly Average Prices at Indian Auction Centers for week ending 2014-05-02

Varie ty	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	154.19(167.02)	147.73(166.38)	133.22(146.69)	NS(NS)	94.76(111.32)	73.41(80.67)	77.54(88.58)	55.19(60.93)
Total Tea	163.28(179.27)	148.46(166.36)	133.22(146.69)	NS(NS)	97.86(112.87)	74.38(81.28)	77.80(88.60)	55.19(60.93)

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

Variety	North India	South India	All India
CTC All Dust	143.06 (157.38)	80.78 (89.57)	112.05 (129.11)
Total Tea	145.73 (161.24)	82.74 (90.80)	113.76 (131.93)

(Source: Tea Board)



International Trade Scenario:
Srilanka Tea Auction (Colombo): Sale No: 17 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	400 - 450	410 - 480
Average Westerns	380 - 390	370 - 400
Plainer Westerns	320 - 370	330 - 360
Western Mediums	340 - 630	290 - 380
Uva Teas	280 - 530	310 - 410
Nuwara Eliya Teas	460 - 520	370 - 375
Udapussellawa Teas	305 - 385	300 - 365
CTC (BP1 and PF1)	290 - 420	320 - 510

In this week's auction, 7.61 million kgs of tea was offered for sale compared to 7.39 million kgs of tea during the previous week. There was fair demand for Select Best teas during the week. Better western BOP's noticed firm tone and BOPF's noticed easy tone during the week. High Grown and Mid Grown CTC's noticed firm 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 easy tone during the week. The below best and plainer variety noticed firm tone during the week. There was less demand from Iran. There was fair demand from Russia, Iran, Libya and Saudi Arabia.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	19		18		17	
	19 th /20 th May 2015		12 th /13 th May 2015		05 th /06 th May 2015	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,327	1,624,914 kg	1,226	1,478,614 kg	1,059	1,221,497 kg
Main Sale Total	11,343	6,834,416 kg	11,107	6,606,093 kg	11,374	6,394,345 kg
High & Medium	1,540	959,171 kg	1,669	1,030,539 kg	1,602	915,559 kg
Low Growns Leafy	3,994	2,053,920 kg	3,676	1,842,663 kg	3,900	1,876,954 kg
	2,539	1,642,987 kg	2,436	1,549,958 kg	2,479	1,553,095 kg
Tippy						
Premium/Flowery	431	116,879 kg	402	105,432 kg	391	97,764 kg
Off Grades	2,184	1,364,521 kg	2,246	1,371,402 kg	2,366	1,352,859 kg
Dust	655	696,938 kg	678	706,099 kg	636	598,114 kg
Grand Total	12,670	8,459,330 kg	12,333	8,084,707 kg	12,433	7,615,842 kg
Reprints	1,250	878,908 kg	694	473,131 kg	575	394,408 kg
Scheduled to Close (Ex)		30.04.15		23.04.15		09.04.15
Dates (Ms)		30.04.15		24.04.15		10.04.15

Scheduled Closing Dates

Auction No. 18 : 12th/13th May 2015

Ex Estate : 23.04.2015

Main Sale : 24.04.2015

Auction No. 20 : 26th/27th May 2015

Ex Estate : 07.05.2015

Main Sale : 08.05.2015

Auction No. 19 : 19th/20th May 2015

Ex Estate : 30.04.2015

Main Sale : 30.04.2015

Auction No. 21 : 01st/ 03rd June 2015

Ex Estate : 14.05.2015

Main Sale : 15.05.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 18

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2014	2015	2014	2015
16	\$2.08	\$2.76	\$1.99	\$2.58
17	\$2.06	\$2.93	\$1.97	\$2.64
18	\$2.04	\$3.01	\$1.94	\$2.77

QUOTATIONS	BROKENS	FANNINGS	
Best	400 - 491	469 - 474	
Good	400 - 423	469 - 480	
Good Medium	385 - 413	458 - 477	
Medium	542 - 599	444 - 454	
Lower Medium	176 - 230	217 - 379	
Plain	123 - 325	122 - 284	(SL RUPEES)

During the week good demand noticed for 5,793,234 kilos of tea on offer. Brighter DUST1s were USC10 to UCS20 higher, with mediums USC2 to USC38 higher and prices of lower mediums were USC2 to USC24 lower during the week. Prices of Brighter BP1's noticed higher tone and were lower up to USC14, prices of mediums were up to USC10 higher and prices of lower mediums were USC4 to USC32 higher. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed easy 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 steady to firm tone during the week. Other Fannings and BMF's noticed good demand around lower levels. There was good buying interest from Pakistan packers, Yemen, Egyptian packers and other middle –eastern countries. There was good buying from UK and Sudan. 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: 18

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	9.940	525.020 Kg	6.580	352.280 Kg	67.10
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	9.940	525.020 Kg	6.580	352.280 Kg	67.10
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.800	159.480 Kg	2.280	127.260 Kg	79.80
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.800	159.480 Kg	2.280	127.260 Kg	79.80
TOTAL	12.740	684.500 Kg	8.860	479.540 Kg	70.06

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
156-192	130-196	109-195	111-192	108-182	100-132	322

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
112-190	106-119	91-118	155	100-109

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
125-167	163-192	157-198	159-226	117-180	135-185	---

Market offerings increased to 12,740 paper sacks from 10,300 paper sacks. There was good demand in the market. Average price increased to USDcts 140.72 instead of USDcts 140.23 during last week's auction. Average price of Orthodox variety increased to USDcts 137.80 and average price of CTC declined to USDcts 148.05. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 70.06% during the period compared to 62.58% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	13/05/15	20/05/15	13/05/15	20/05/15
PTPN. IV	1.760 S	1.160 S	-	-
PTPN. VI	400 S	440 S	580 S	700 S
PTPN. VII	880 S	1.140 S	120 S	300 S
PTPN. VIII	5.120 S	3.680 S	580 S	240 S
PTPN. IX	240 S	360 S	-	-
PTPN. XII	- S	- S	540 S	520 S
Total Estate	8.400 S	6.780 S	1.820 S	1.760 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	8.400 S	6.780 S	1.820 S	1.760 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)

<u>Country</u>	MONTH	2015	2014	CUMULATIVE	2015	2014	CUMULATIVE + INC./-DEC.
Sri Lanka	Mar.	30.27	25.76	Up to Mar.	79.08 3.95(E)	73.87	+ 5.21
North India	Jan.	3.95 (E)	4.96 (E)	Up to Jan.	17.17 (E)	4.96 (E)	- 1.01
South India	Jan.	17.17 (E)	17.10 (E)	Up to Jan.	65.93	17.10 (E)	+ 0.07
Kenya	Feb.	24.28	33.77	Up to Feb.	0.16	78.74	- 12.81
Bangladesh	Jan.	0.16	0.23	Up to Jan.	11.6	0.23	- 0.07
Malawi	Feb.	5.1	6.1	Up to Feb.		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	09-05-2015	02-05-2015
USD	63.70	63.72
Srilankan Rupee	0.4778	0.4781
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6681	0.6729
Bangladeshi Taka	0.8192	0.8191

Overall Outlook and Recommendation:

In the domestic market prices noticed firm tone during the week. Rains during the last few days have helped crop production and arrival has increased compared to previous week. There is demand for good quality first flush of tea coming in the market. Arrivals are expected to increase in the coming days. Price are likely to notice range –bound to firm tone in the near –term.

In the international market prices noticed range –bound to firm tone. Offerings have increased during the week compared to previous week. Weather remains conducive in the tea growing regions. Production is likely to pick up in India and Africa. Future offering of tea is likely to increase in Srilanka and decline in Indonesia in the coming week. Prices are likely to notice firm tone in the coming days.

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