

News Highlights.

- Small tea growers that contribute 37% of total tea output have placed suggestions in front of Union Minister of Commerce and Industry Minister during her recent visit to West Bengal. The small tea grower's have asked for fixed floor price of green tea leaf to ensure 'acceptable' returns and mandatory minimum 70% sale of made tea through auction for all to impart transparency in green tea leaf pricing formula.
- Harrisons Malayalam, Woodbriar, Chamraj, Kanan Devan Hills and a couple of other plantations have returned year after year with the The Golden Leaf India Award (TGLIA).
- In the current week, highest volume of tea of this calendar year is on offer at Coonoor Tea Trade Association auction. A volume of 20.70 lakh kg for Sale No: 21 this week is the highest till date of the current calendar year. Of this, 14.64 lakh kg belongs to leaf grades and 6.06 lakh kg, dust grade As much as 19.49 lakh kg belongs to CTC variety and only 1.12 lakh kg, orthodox variety.
- Tea traders in the north –east mainly Assam and Bengal are worried of changing weather pattern, which is likely to affect the crop. Increasing temperatures and erratic rainfall are likely to affect the crop in the current season.
- Output of Indian tea declined by 19 percent in March to 43.69 million kg amid lower output in the north –eastern region of the country compared to same period previous year. Output in Assam, the largest tea producing state in India declined by 25% to 11.87 million kg. compared to previous year amid dry weather in the tea producing regions.
- Tea prices at the recent Kenya tea auction increased to a more than two –year high and might increase further amid hailstorms damaging the crop. The average price increased to \$2.77 a kilogram at last week's sale which is the highest since March 2013. According to industry sources, rains are forecast in May, but it will not be sufficient to improve production significantly.
- Tea is gaining importance in the U.S. Imports have increased by 40 percent in the last ten years. Much of it is imported from China, where tea was first discovered thousands of years ago. The sales growth of loose tea exports has taken place with the emergence of global consumers who are health conscious. The prosperity of tea exporting business is in pace with the economic strength of the country.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 20 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	143.28	9,08,424	6,75,966
ORTHODOX	185.47	2,17,067	1,80,802
DARJEELING	370.60	54,678	40,552
DUST	150.86	3,17,538	2,07,921

(Source: CTTA, Parcon)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Good/Best Assams noticed good demand during the week. Other varieties declined in line with quality. There was some demand from the local tea buyers and blenders. Buying interest was noticed from Hindustan Unilever Ltd. and Western India buyers. In the Orthodox variety, broken varieties noticed firm tone. There was not much demand from the exporters around current levels. Prices are likely to notice range –bound to weak tone in the near –term.

Guwahati Tea Auction: Sale No: 20 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	147.53	16,77,180	10,70,628
Dust	142.70	9,07,971	4,62,959

(Source: CTTA, Parcon)

Prices noticed mixed tone at Guwahati tea auction. Quantity offered on sale increased during the week compared to previous week. CTC variety tea prices firmed up amid good demand in the local market. The quality of tea coming in the market is not up to the mark amid rains during the last few days. Production is likely to pick up in the coming weeks. Buying interest was seen from Hindustan Unilever Limited and Tata Global. Prices are likely to notice firm tone in the coming days.

Siliguri Tea Auction: Sale No: 20 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	118.95	1,99,584	1,31,348
CTC Leaf	131.13	12,96,942	9,96,314

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for CTC Dust variety tea and fair for other varieties. Lack of demand from exporters weighed on prices. Second Flush of tea has started arriving in the market and sold at firm prices. There was good demand Hindustan Unilever Ltd. and the internal buyers. Prices are likely to notice range –bound to weak tone in the near –term.

Jalpaiguri Tea Auction: Sale No: 20 (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: 21 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	92.83	1208900.9	997409.4
CTC Leaf	68.96	74574.5	38979.5
Orthodox Dust	71.90	14414	3966
Orthodox Leaf	132.37	138770	103094

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except Orthodox Leaf variety. Quantity offered on sale declined during the week compared to previous week. Lack of demand from the exporters for Orthodox Leaf variety weighed on prices. Select Best varieties and Fannings noticed firm tone. Prices are likely to notice firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 21 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	73.08	342341	218694
CTC Leaf	65.61	181585	71846
Orthodox Dust	65.04	15890	15171
Orthodox Leaf	99.77	7502	5014

(Source: Paramount Marketing, Coimbatore)

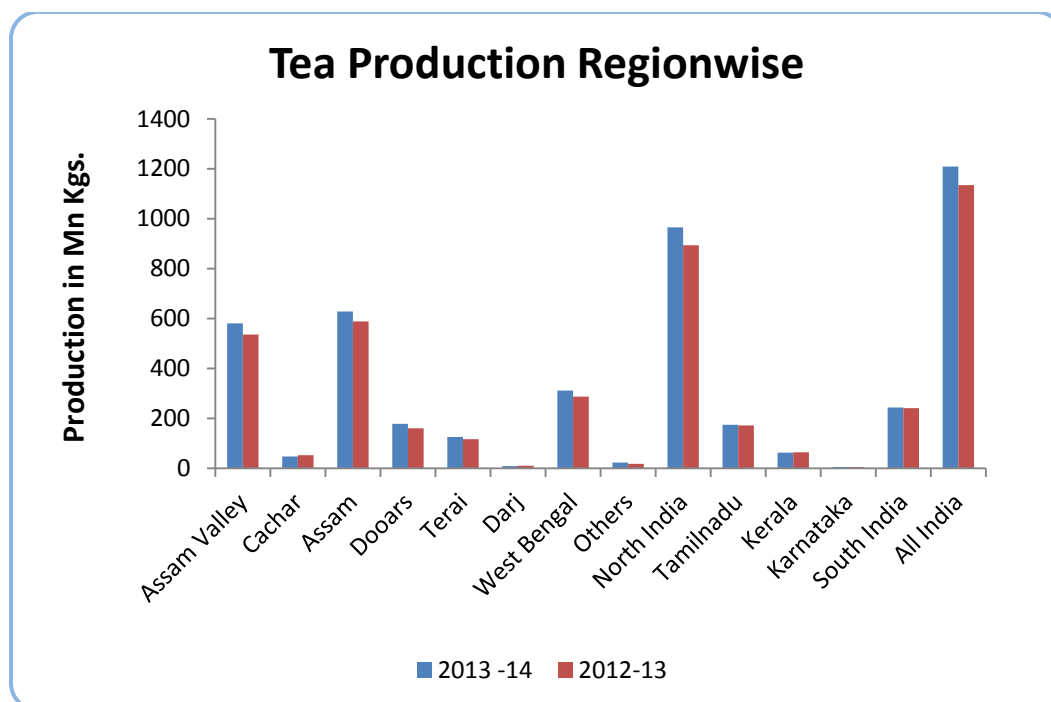
Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Quality of leaf arriving in the market is not up to the mark. Production of Nilgiris tea is likely to increase in the coming weeks amid good rains in the tea growing regions. There was not much demand from local buyers in the market. Prices are likely to notice steady to weak tone in the coming days.

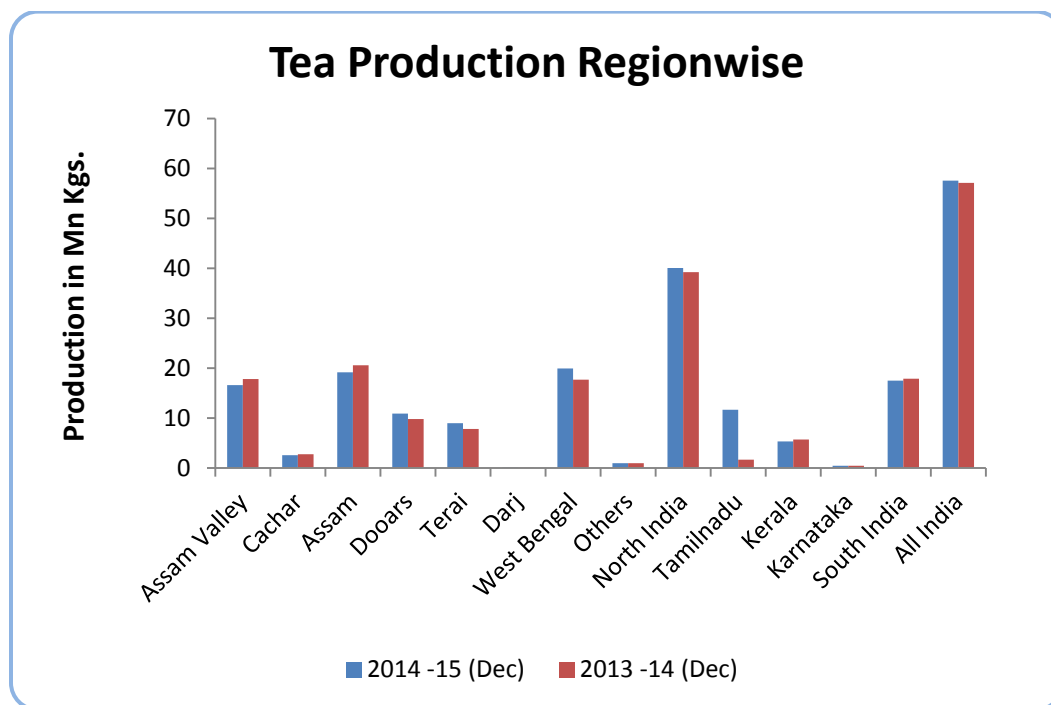
Coonoor Tea Auction: Sale No: 21 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	64.76	546349	363923
CTC Leaf	64.14	1380720	917746
Orthodox Dust	81.98	53909	42736
Orthodox Leaf	91.13	66921.5	59109.2

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Rains during the last few days have affected the quality of the crop. According to market sources, around 25 -30% of the quantity remains unsold in the market. Lack of demand from exporters and blenders weighed on prices.





(Source: Tea Board)

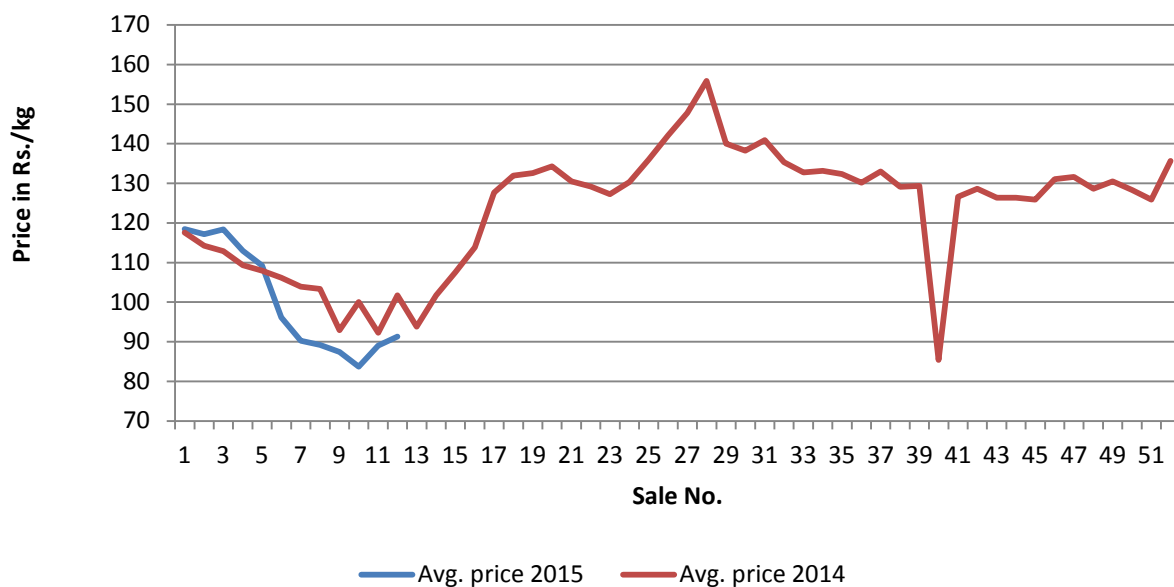
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the 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 2014-05-16

Varie ty	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	153.55(1 64.01)	143.06(158 .48)	129.71(138.38)	NS(NS)	90.86(1 07.17)	68.19(79. 62)	73.59(91.43)	56.37(62. 40)
Total Tea	171.11(1 74.58)	143.62(158 .44)	129.71(138.38)	NS(NS)	94.59(1 08.52)	69.31(80. 07)	73.60(91.44)	56.37(62. 40)

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

Variety	North India	South India	All India
CTC All Dust	140.71 (154.72)	76.64 (89.62)	110.52 (130.13)
Total Tea	146.37 (159.81)	78.96 (90.65)	114.97 (134.26)

(Source: Tea Board)

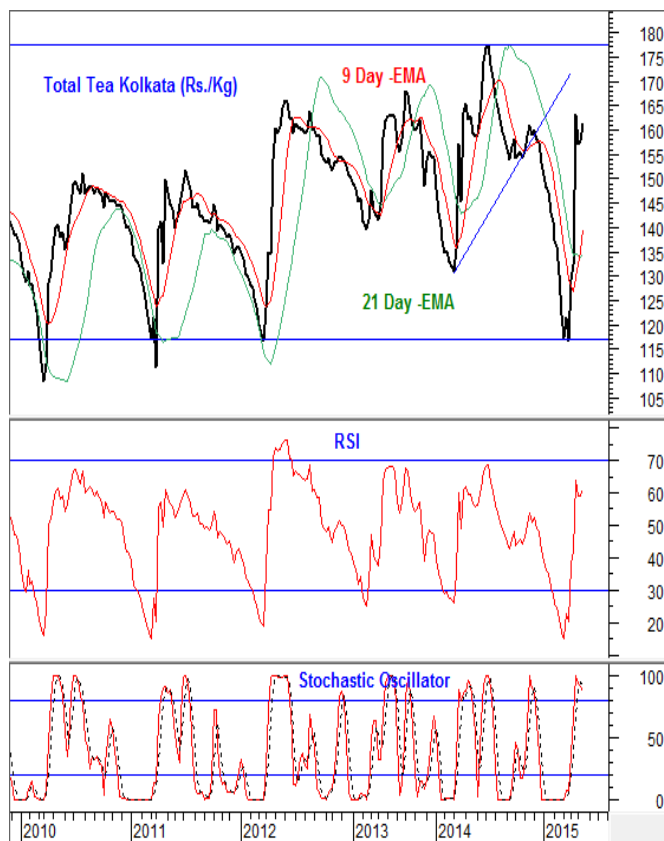
Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:

Tea prices noticed firm tone during the week. Prices are holding above 9 –Day and 21 –Day EMA supporting further recovery in the medium –term. Any near –term weakness should be considered as good buying opportunity. RSI is increasing in the neutral region supporting firm tone in the coming days.

The tea prices are likely to notice recovery towards 200 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	150.00	130.00	174.11	200.00	225.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 19 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	400 - 470	400 - 610
Average Westerns	370 - 390	360 - 390
Plainer Westerns	300 - 360	320 - 350
Western Mediums	330 - 590	320 - 380
Uva Teas	280 - 360	305 - 400
Nuwara Eliya Teas	450 - 490	340 - 470
Udapussellawa Teas	290 - 340	290 - 350
CTC (BP1 and PF1)	300 - 425	305 - 490

In this week's auction, 8.46 million kgs of tea was offered for sale compared to 8.08 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 easy tone and Low Grown CTC's noticed weak 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 weak 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 Russia and Iran. There was some demand from Iraq, Libya and Saudi Arabia.

DETAILS OF TEAS AWAITING SALE

	21		20		19	
AUCTION NO.						
	01 st / 03 rd June 2015		26 th /27 th May 2015		19 th /20 th May 2015	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,114	1,304,168 kg	1,170	1,385,072 kg	1,327	1,624,914 kg
Main Sale Total	11,436	6,804,904 kg	10,607	6,263,526 kg	11,343	6,834,416 kg
High & Medium	1,603	959,237 kg	1,602	1,000,122 kg	1,540	959,171 kg
Low Grown Leafy	3,944	2,015,981 kg	3,595	1,786,904 kg	3,994	2,053,920 kg
	2,501	1,638,493 kg	2,214	1,381,676 kg	2,539	1,642,987 kg
Tippy						
Premium/Flowery	451	122,005 kg	416	105,757 kg	431	116,879 kg
Off Grades	2,321	1,406,880 kg	2,163	1,348,797 kg	2,184	1,364,521 kg
Dust	616	662,308 kg	617	640,270 kg	655	696,938 kg
Grand Total	12,550	8,109,072 kg	11,777	7,648,598 kg	12,670	8,459,330 kg
Reprints	800	571,043 kg	907	621,191 kg	1,250	878,908 kg
Scheduled to Close (Ex)		14.05.15		07.05.15		30.04.15
Dates (Ms)		15.05.15		08.05.15		30.04.15

Scheduled Closing Dates

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

Ex Estate : 07.05.2015

Main Sale : 08.05.2015

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

Ex Estate : 14.05.2015

Main Sale : 15.05.2015

Auction No. 22 : 09th/10th June 2015

Ex Estate : 21.05.2015

Main Sale : 22.05.2015

Auction No. 23 : 16th/17th June 2015

Ex Estate : 28.05.2015

Main Sale : 29.05.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 20

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2014	2015	2014	2015
18	\$2.04	\$3.01	\$1.94	\$2.77
19	\$2.08	\$3.06	\$1.98	\$2.82
20	\$2.04	\$3.17	\$1.95	\$2.91

QUOTATIONS	BROKENS	FANNINGS
Best	421 - 539	486 - 493
Good	387 - 432	455 - 504
Good Medium	394 - 440	462 - 496
Medium	543 - 689	428 - 495
Lower Medium	169 - 397	199 - 369
Plain	149 - 339	169 - 304 (SL RUPEES)

During the week good demand noticed for 6,255,414 kilos of tea on offer. Brighter DUST1s were USC6 to UCS14 higher, with mediums higher up to USC60 higher and prices of lower mediums were USC4 to USC80 higher during the week. Prices of Brighter BP1's noticed higher tone up to USC5, prices of mediums were USC5 to USC28 higher and prices of lower mediums were USC2 to USC22 higher. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed easy tone during the week.

In the secondary catalogues, BP's noticed steady tone 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, Afghanistan, Yemen, other middle –eastern countries, Kazakhstan, other CIS countries, Bazaar and Sudan. There was some demand from Afghanistan, Yemen, other Middle –eastern countries and Bazaar. There was less demand from UK, Egyptian Packers, Iran and Russia. There was some buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 20

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	6.740	356.780 Kg	5.020	265.580 Kg	74.44
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	6.740	356.780 Kg	5.020	265.580 Kg	74.44
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.760	102.360 Kg	1.680	97.400 Kg	95.15
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	1.760	102.360 Kg	1.680	97.400 Kg	95.15
TOTAL	8.500	459.140 Kg	6.700	362.980 Kg	79.06

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
155	129-149	108-195	109-195	107-190	100-129	240-324

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
105-186	107-125	106-112	159	107-117

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
132-170	162-193	162-202	163-223	124-174	138-189	---

Market offerings declined to 8,500 paper sacks from 10,220 paper sacks. There was good demand in the market. Average price declined to USDcts 140.86 instead of USDcts 142.39 during last week's auction. Average price of Orthodox variety declined to USDcts 132.13 and average price of CTC declined to USDcts 162.50. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 79.06% during the period compared to 75.37% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	27/05/15	3/06/15	27/05/15	3/06/15
PTPN. IV	1.060 S	1.140 S	-	-
PTPN. VI	220 S	280 S	620 S	660 S
PTPN. VII	1.160 S	560 S	360 S	440 S
PTPN. VIII	4.500 S	3.680 S	1.200 S	900 S
PTPN. IX	360 S	340 S	-	-
PTPN. XII	- S	- S	500 S	540 S
Total Estate	7.300 S	6.000 S	2.680 S	2.540 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.300 S	6.000 S	2.680 S	2.540 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 03

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	207-215	Best	208-215
Medium	207-212	Good	203-206
Small	195-200	Medium	197-202
Plain	160-170	Plain	170-180

Tea prices at Bangladesh tea auction increased during the week amid arrival of fresh leaf of the new marketing season. The average price of tea during this week's auction was around USD 2.60/kg. More than 1 million kgs of tea was offered for sale and nearly 3 percent remained unsold.

There was good demand from loose tea buyers and blenders. 14,865 packages and 630 packages of CTC Leaf of old season noticed good demand. 2,826 packages and 80 packages of old season on offer of CTC Dust noticed fair buying interest. In CTC Dust, good liquoring varieties were firm and medium levels noticed steady tone. Good liquoring Broken varieties noticed demand around previous week's 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)

					Todate	Todate	Todate	Difference +/-	
		2013	2014	2015	2013	2014	2015	2013 vs 2014	2014 vs 2015
Sri Lanka	Mar	32.7	25.7	30.2	81.6	73.8	79.08	-7.8	5.28
Malawi	Mar	6.6	7.4	6.9	17.7	21.8	18.5	4.1	-3.3
Kenya	Mar	33.3	33.3	15.7	117.2	112.1	81.6	-5.1	-30.5
Bangladesh	Mar	0.45	0.56	0.36	0.79	0.84	0.53	0.05	-0.31
North India	Mar	32.1	36.1	27.1	36.5	42.8	33.2	6.3	-9.6
South India	Mar	15.2	17.5	16.6	46.7	48.6	47.4	1.9	-1.2
					Todate	Todate	Todate	Difference +/-	
		2012	2013	2014	2012	2013	2014	2012 vs 2013	2013 vs 2014
Indonesia	May	-	5.3	5.2	-	24.1	24.8	-	0.7

(Source: Forbes And Walker 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 more in the coming months following good rains in the tea growing regions in the months of April and May.

Currency	23-05-2015	16-05-2015
USD	63.49	63.44
Srilankan Rupee	0.4752	0.4756
Indonesian Rupiah	0.0048	0.0049
Kenyan Shilling	0.6534	0.6622
Bangladeshi Taka	0.8166	0.8191

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone. Arrivals are increasing amid good rains in the tea –growing regions. Second flush of tea has started arriving in the market in North India and is selling at firm rates. In South India, rains during the last few days have affected the quality of tea. There is not much demand for lower quality tea varieties in Coimbatore and Coonoor. Expected good demand in the coming days is likely to lent some support to the market.

In the global market prices noticed weak tone. Quantity offered on sale increased during the week compared to previous week. There is not much demand in the market around current levels. Future offering of tea is likely to decline in Srilanka and Indonesia in the coming week. Prices are likely to notice range –bound to weak tone in the near –term.

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