News Highlights.

- Tea Board is targeting replantation of ageing bushes in about 40,000 hectares for the 12th Plan ending 2016 -17 to boost productivity. The government has recently approved an outlay of 1425 crore for the plan period, around double of the previous plan. The Tea Board has recently announced the modalities and guideline for implementing the 12th Plan Scheme with effect from April 1, 2015.

- Tea planters in Siliguri are facing losses following pest-linked lower production and lower quality. Pests have damaged around one-third of the crop. Lack of sufficient rainfall amid changing weather pattern has lowered yields and increased the cost for tea firms.

- The Tea Board Of India is promoting organic tea production in India for the first time by giving 25 percent more subsidy than the normal subsidy of 30 per cent. Green tea is a premium market abroad commanding higher prices. In the Twelfth Plan, the board incorporated this subsidy for the first time to give a boost to organic tea.

- According to the Tea Board of India, a total of Rs. 20.58 crore has been allocated for small tea growers in non-traditional areas of the state. The scheme is a first of its kind in the country. The total outlay for the Tea Board of India in the 12th Plan is Rs 1,425 crore, of which Rs 200 crore is for small growers according to sources. Apart from Assam, Tea Board of India is also going to extend similar financial support for small-scale tea growers in other states of Northeast India.

- According to the Association of Planters of Kerala (APK), the tea industry in the state is going through one of the worst crisis faced in the past 100 years of its existence. The average auction price realized by tea produced from Kerala in the current financial year is Rs.95.59/kg and the cost of production is above Rs.120/kg.

- Global output of black tea has declined by 11.12% to 303.98 million kg so far this calendar year compared to the same period previous year. Kenya's production has declined by 30.51 million kg, India's by 10.80 million kg and Malawi's output declined by 3.24 million kg to 24.90 million kg. Srilanka is the only major producer recording a higher output by 8.35 million kg to 110.77 million kg till April 2015.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 22 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	151.02	13,17,080	8,54,284
ORTHODOX	189.32	3,49,051	3,09,737
DARJEELING	310.67	67,452	43,842
DUST	159.34	5,12,410	3,57,516

(Source: CTTA, Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand for Orthodox variety tea from exporters supported prices. Good and Better Medium Assam and Dooars noticed firm tone and others sold in line with quality. There was some demand from local traders and western India buyers. There was good demand from Tata Global and Hindustan Unilever Ltd. In the Orthodox category, well made tippy teas, noticed firm tone during the week. Well Made Tippy Sorts sold in line with quality. Prices are likely to notice range –bound to weak tone in the near –term.

Guwahati Tea Auction: Sale No: 22 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	148.92	18,70,272	12,23,535
Dust	150.01	9,43,658	5,57,016

(Source: CTTA, Parcon)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrivals are increasing amid some rains in the tea growing regions. There was good demand from exporters for quality tea and withdrawal was noticed for plainer varieties. There was some demand from Tata Global and internal buyers. Prices are likely to notice firm tone in the coming days.

Siliguri Tea Auction: Sale No: 22 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)

CTC Dust	126.78	2,05,017	1,67,963
CTC Leaf	136.85	16,34,335	12,08,278

(Source: Associated Brokers)

Prices noticed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. The second flush of tea coming in the market sold in with quality and other plainer varieties noticed easy tone. There was some demand for Clean and Bright Liquoring varieties from local buyers in the market. There was not much demand from the exporters. Hindustan Unilever Ltd. and Tata Global lent buying support to the market. Prices are likely to notice weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 22 (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: 23 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	89.85	1278331.00	1125885.20
CTC Leaf	69.81	65648.50	39558.50
Orthodox Dust	67.02	18378.00	15529.00
Orthodox Leaf	130.43	173830.50	150881.50

(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 for Orthodox Leaf from exporters. There was not much demand from internal buyers in the market. Select best varieties noticed firm tone and other plainer varieties noticed withdrawal. Prices are likely to notice range –bound to weak tone in the near –term.

Coimbatore Tea Auction: Sale No: 23 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	72.56	343345.00	226619.00
CTC Leaf	66.79	180241.00	112948.00
Orthodox Dust	61.79	12970.00	6431.00
Orthodox Leaf	87.07	5478.00	4780.00

(Source: Paramount Marketing, Coimbatore)

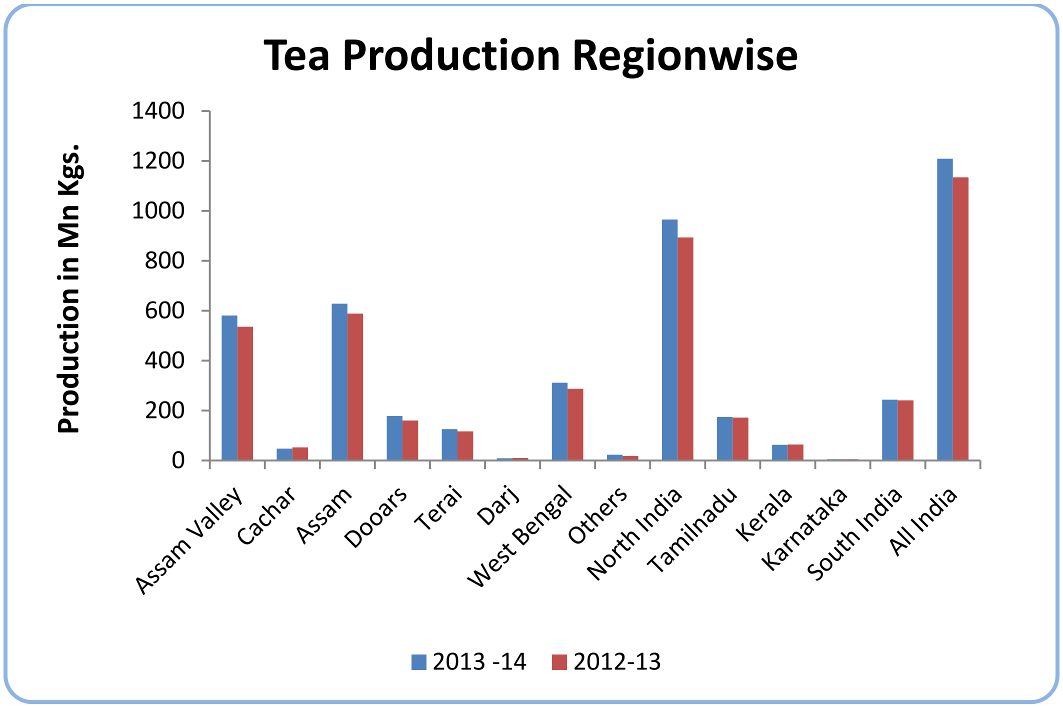
Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was some demand from loose tea buyers in the market. Nilgiri Broken variety noticed firm tone. Prices are likely to notice weak tone in the coming days.

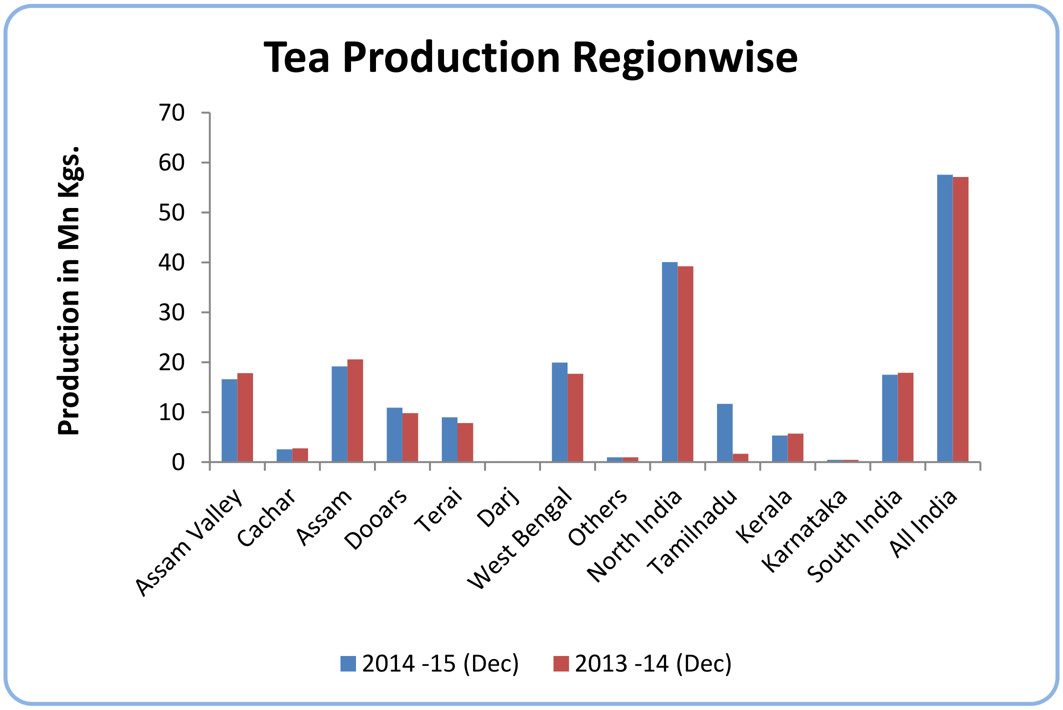
Coonoor Tea Auction: Sale No: 23 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	64.52	529933.50	429691.50
CTC Leaf	60.69	1278750.90	791954.00
Orthodox Dust	83.50	49551.00	41819.00
Orthodox Leaf	89.00	64156.20	58132.10

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. CTC Dust variety noticed firm tone amid good demand from loose tea buyers. There was not much demand from exporters for Orthodox variety. Prices are likely to notice range –bound to weak tone in the coming days.





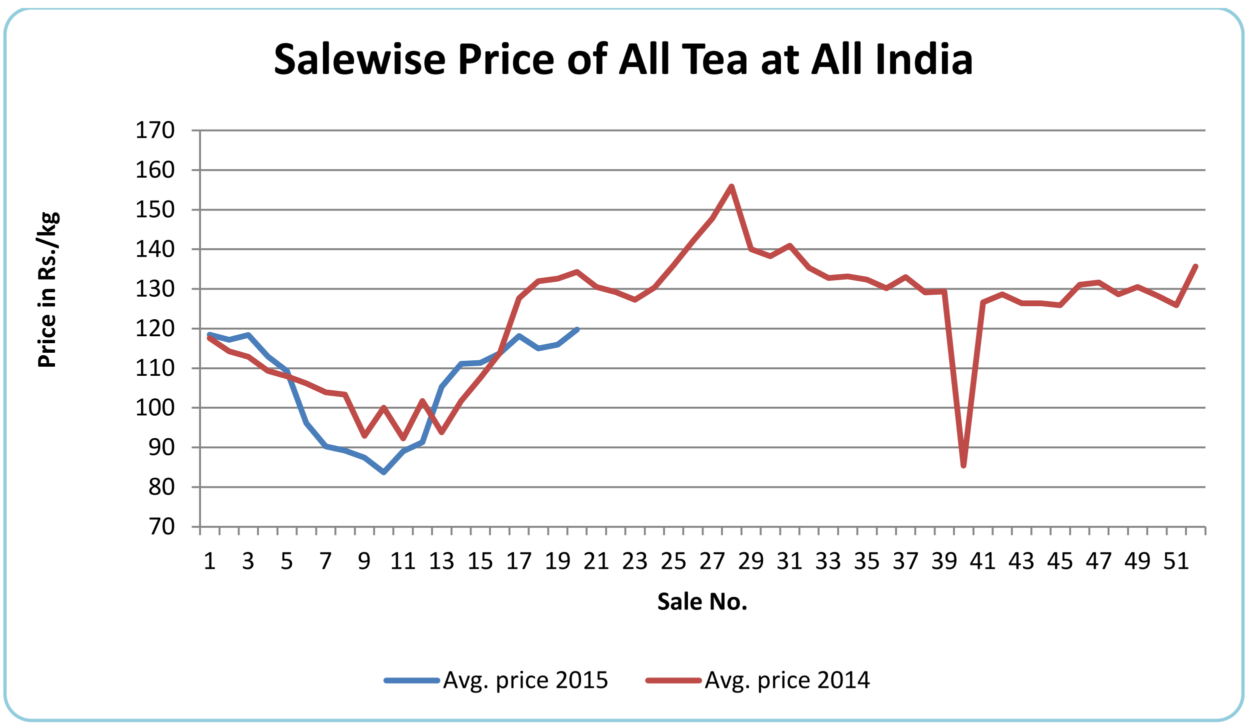
(Source: Tea Board)

The above graph shows region wise production comparison, 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 to 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 2014-05-230

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	157.29(160.14)	143.73(163.76)	135.62(137.38)	NS(NS)	91.02(99.06)	61.78(78.29)	69.99(86.53)	55.11(61.77)
Total Tea	168.90(166.37)	144.55(163.52)	135.62(137.38)	NS(NS)	95.78(100.74)	63.04(78.57)	70.54(86.53)	55.11(61.77)

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

Variety	North India	South India	All India
CTC All Dust	145.30 (154.17)	71.97 (86.25)	114.93 (126.09)
Total Tea	150.73 (157.54)	74.98 (87.55)	119.78 (129.19)

(Source: Tea Board)

Tea – Technical Outlook — Total Tea -Kolkata

Technical Commentary:
Tea prices noticed firm tone during the week. Prices are likely to notice recovery towards 200 levels in the coming days. It is holding above 9 –Day and 21 –Day EMA supporting firm tone of the market in the medium –term. RSI is increasing in the neutral region supporting positive tone in the near –term. Traders can consider buying on any near –term weakness.

The tea prices are likely to notice recovery towards 200 levels. Buyers can purchase around current levels 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	168.90	180.00	200.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 21 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	390 - 405	400 - 490
Average Westerns	340 - 380	370 - 390
Plainer Westerns	300 - 330	310 - 360
Western Mediums	320 - 570	320 - 375
Uva Teas	280 - 350	295 - 415
Nuwara Eliya Teas	400 - 430	340 - 355
Udapussellawa Teas	300 - 365	310 - 360
CTC (BP1 and PF1)	310 - 425	300 - 480

In this week's auction, 8.11 million kgs of tea was offered for sale compared to 7.65 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 steady to easy tone during the week. High Grown and Mid Grown CTC's noticed firm tone and Low Grown CTC's noticed steady 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 firm tone. In the Tippy catalogues, better made FBOP and FF1's noticed weak tone during the week. The below best and plainer variety noticed easy tone during the week. There was good demand from Russia. There was some demand from Iraq, Libya, Jordon, the U.A.E. and Iran.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	23		22		21	
Dates	16th/17th June 2015		09th/10th June 2015		01st/03rd June 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,091	1,238,368 kg	1,066	1,233,669 kg	1,114	1,304,168 kg
Main Sale Total	11,348	6,644,756 kg	11,421	6,738,289 kg	11,436	6,804,904 kg
High & Medium	1,504	881,681 kg	1,479	894,031 kg	1,603	959,237 kg
Low Growns Leafy	3,967	2,000,867 kg	4,056	2,099,350 kg	3,944	2,015,981 kg
Tippy	2,494	1,545,358 kg	2,591	1,662,437 kg	2,501	1,638,493 kg
Premium/Flowery	463	117,658 kg	504	130,592 kg	451	122,005 kg
Off Grades	2,144	1,283,225 kg	2,220	1,339,093 kg	2,321	1,406,880 kg
Dust	776	815,967 kg	571	612,786 kg	616	662,308 kg
Grand Total	12,439	7,883,124 kg	12,487	7,971,958 kg	12,550	8,109,072 kg
Reprints	664	466,620 kg	712	541,627 kg	800	571,043 kg
Scheduled to Close (Ex) Dates (Ms)		21.05.15 22.05.15		14.05.15 15.05.15		07.05.15 08.05.15

Scheduled Closing Dates

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

Auction No. 24 : 23rd/24th June 2015

Ex Estate : 04.06.2015

Main Sale : 05.06.2015

Auction No. 25 : 29th/30th June 2015

Ex Estate : 11.06.2015

Main Sale : 12.06.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 22

QUOTATIONS	BROKENS	FANNINGS
Best	406 - 494	454- 494
Good	406 - 441	467 - 502
Good Medium	400 - 438	457 - 499
Medium	387 - 420	434 - 459
Lower Medium	180 - 433	195 - 400
Plain	113 - 334	133 - 320 (SL RUPEES)

During the week good demand noticed for 8,271,169 kilos of tea on offer. Brighter DUST1s were higher up to USC6 to USC24 lower, with mediums ranging between USC2 to USC 12 higher to USC26 lower and prices of lower mediums lower up to USC10. Prices of Brighter BP1's were firm to USC24 easier, prices of mediums were lower up to USC100 and prices of lower mediums were USC3 to USC42 higher. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed 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 noticed firm tone and Dusts noticed easy tone during the week. Other Fannings noticed firm tone and BMF's noticed weak tone. There was good buying interest from Pakistan packers, Afghanistan, Yemen, other Middle –Eastern countries and Bazaar. There was some demand from Egyptian packers, Kazakhstan, other CIS countries, Sudan and Russia. There was some buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 22

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	5.860	300.580 Kg	4.620	238.080 Kg	79.21
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	5.860	300.580 Kg	4.620	238.080 Kg	79.21

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.520	144.480 Kg	2.080	118.900 Kg	82.30
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.520	144.480 Kg	2.080	118.900 Kg	82.30
GRAND TOTAL	8.380	445.060 Kg	6.700	356.980 Kg	80.21

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
165-182	112-179	119-182	119-206	116-191	110-129	329

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
112-190	117-128	114-118	-	109

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
125-142	160-195	159-200	148-225	126-170	151-188	---

Market offerings declined to 8,380 paper sacks from 9,980 paper sacks. There was good demand in the market. Average price declined to USDcts 142.48 instead of USDcts 144.12 during last week’s auction. Average price of Orthodox variety declined to USDcts 133.54 and average price of CTC declined to USDcts 159.76. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 80.21% during the period compared to 83.39% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	10/06/15	17/06/15	10/06/15	17/06/15
PTPN. IV	980 S	1.020 S	-	-
PTPN. VI	320 S	380 S	460 S	540 S
PTPN. VII	820 S	760 S	240 S	300 S
PTPN. VIII	4.840 S	4.800 S	1.040 S	1.080 S
PTPN. IX	440 S	640 S	-	-
PTPN. XII	- S	- S	480 S	560 S
Total Estate	7.400 S	7.600 S	2.220 S	2.480 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.400 S	7.600 S	2.220 S	2.480 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 05

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	208-215 nom	Best	210-214
Medium	211-215	Good	205-209
Small	205-212	Medium	202-204
Plain	170-180	Plain	180-190

Tea prices at Bangladesh tea auction declined during the week amid higher supply of new leaf in the market. The average price of tea during this week's auction was around USD 2.760/kg. More than 1 million kgs of tea was offered for sale and nearly 2 percent remained unsold.

There was good demand from blenders and some demand from packers and loose tea buyers. 16,931 packages and 616 packages of CTC Leaf of old season noticed good demand. 4,270 packages and 40 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 at higher prices. 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	2015	2014	CUMULATIVE	2015	2014	CUMULATIVE + INC./-DEC.
Sri Lanka	Apr.	31.77	29.52	Up to Apr.	111.06	103.39	+ 7.67
North India	Mar.	27.11 (E)	36.13	Up to Mar.	33.25 (E) 47.38 (E)	42.88	- 9.63
South India	Mar.	16.58 (E)	17.52	Up to Mar.	81.62	48.55	- 1.17
Kenya	Mar.	15.69	33.34	Up to Mar.	0.53	112.08	- 30.46
Bangladesh	Mar.	0.36	0.56	Up to Mar.	24.8	0.84	- 0.31
Malawi	Apr.	6.4	6.4	Up to Apr.		28.2	- 3.4

(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 more in the coming months following good rains in the tea growing regions in the months of April and May.

Currency	06-06-2015	30-05-2015
USD	64.11	63.75
Srilankan Rupee	0.4792	0.4764
Indonesian Rupiah	0.0048	0.0048
Kenyan Shilling	0.6619	0.6522
Bangladeshi Taka	0.8241	0.8194

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone. Quantity offered on sale declined during the week compared to previous week. There was not much demand from the exporters. Buying interest from blenders and loose tea buyers lend some support to the market. Well made Tippy Sorts noticed firm tone. Prices are likely to notice range –bound to weak tone in the coming days.

In the global market, prices noticed weak tone. Prices declined in Bangladesh amid comfortable supply of new leaf in the market. Quantity offered on sale declined during the week compared to previous week. Weather remains mostly favourable in the tea growing regions. Higher arrivals are expected in the coming days. 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 near –term.