

News Highlights.

- Vacuum packed teas from a bought –leaf factory are ready to make appearance at the Guwahati Tea Auction Centre (GTAC). Monkhood Tea Company, based in Tinsukia, is offering the teas at the auction centre's sale number 26 on July 1, 2015. The advantage of vacuum packing is that it enhances the shelf life of tea, which helps to get better prices.
- Small tea growers, who contribute nearly 35 per cent of India's output, are dissatisfied with the issue of pricing of the teas grown by them. The Small Tea Growers sell their produce as green tea leaves to the Bought Leaf Factories (BLF) at around Rs.2 to Rs.3 per kg.
- The Small Tea Growers are feeling of the opinion that they are not getting a fair price for their labour and the Bought Leaf Factories are resentful of the recent directives on buying teas from the sector. It usually takes 4.5 kg of green leaves to make 1 kg of made tea. Around two lakh growers are affected if the prices are not right.
- During the last 100 years, the average temperature has increased by 1.3 degrees Celsius in Assam and annual rainfall has declined by 7.87 inches. Over the last 30 years, rainfall has become unpredictable. Higher temperature helps pests to infest the plant shoots. The farmers in turn have to use pesticides, which increases production costs and health. According to the research done by Tea Research Association, the solution lies in better water management according to the research done by Tea Research Association.
- According to the Federation of All India Tea Traders Association, excessive heat in May and early June has affected tea consumption in western India. In Maharashtra, consumption has declined amid dryness in the weather. However industry sources are hopeful of increase in consumption in the coming days with the onset of monsoon. Tea prices are likely to increase by 10% in the coming months following increase in service tax, crude oil prices and packaging cost.
- According to the state Labour Minister of West Bengal, the state government will set up a board to be known as the West Bengal Tea Plantation Employees Welfare Board to look after the wellbeing of the employees. The wages of the employees have gone up and steps are on to re-open seven closed tea gardens.
- The small tea growers in Assam are happy as the Tea Board of India has accepted their long-standing demand to sell the organic tea varieties including the green tea manufactured by them

through Guwahati Tea Auction Centre (GTAC). This will help in getting over the monopoly of big-time tea companies in the tea auction chain in the country.

- There are over 1.18 lakh small tea producers in Assam who used to produce an average of over 82 million kgs of organic tea per year that accounts for about 31 per cent of the total tea produced in Assam, the biggest producer in the country. Since the year 2009 these small tea growers have been selling the organic tea manufactured by them in the domestic as well as the international markets in Australia, Canada, Spain, Switzerland etc., on their own, outside the official tea auction chain in the country.
- Kenyan tea firms like Williamson Tea and Kapchorua Tea reported loss for the year to March 2015, following weak tone of the prices. Prices have declined during the year amid supply glut. Tea earnings, one of Kenya's main sources of foreign exchange has declined amid glut in the global market. According to official sources, prices have been weak through the year as large unsold tea stocks from other producers within Kenya have provided buyers with the unwelcome luxury of too much tea.
- The government of Vietnam has sanctioned a plan to privatise/privatize the country's biggest tea exporter, state-owned Vietnam Tea Corporation (Vinatea). According to official sources, strategic investors will be offered a stake of 63.74 percent, other investors will be offered 31.86 per cent and employees will hold around 4.4 per cent. An initial public offering of \$17 million is likely to be carried out by September.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 24 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	158.50	20,52,000	13,03,000
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	179.53	5,89,000	4,13,000

(Source: CTTA, Parcon)

Prices continued positive tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Select Best Assam and Good quality Liquoring Sorts. Buying interest from Hindustan Unilever Limited and Tata Global lent support to the market. Prices are likely to notice firm tone amid good demand in the coming days.

Guwahati Tea Auction: Sale No: 24 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	149.84	24,18,000	16,62,000
Dust	156.25	11,38,000	8,08,000

(Source: CTTA, Parcon)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was demand for Good Sorts and demand was irregular for other varieties. There was buying interest from Tata Global and Hindustan Unilever Limited for Dust variety. Prices are likely to notice firm tone in the near -term.

Siliguri Tea Auction: Sale No: 24 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	121.49	3,98,000	3,13,000
CTC Leaf	131.95	27,27,000	20,43,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Clean and Bright Liquoring Sorts noticed good demand around current levels. Other varieties noticed mixed tone in line with quality. Dust variety tea noticed steady tone. There was good demand from internal buyers and local packers. Buying interest was noticed from Tata Global and Hindustan Unilever Ltd.

Jalpaiguri Tea Auction: Sale No: 24 (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: 25 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	87.70	1315191.40	1036740.60
CTC Leaf	70.51	76067.00	44659.00
Orthodox Dust	62.64	13507.00	8314.00
Orthodox Leaf	125.71	217290.00	148131.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrivals have picked up during the last few days amid favourable weather in the tea growing regions. There was some demand from the exporters for Orthodox Leaf variety. Buying interest was noticed from Kerala State Civil Supplies and Tata Global. Prices are likely to notice range –bound to firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 25 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	74.73	361668.00	264554.00
CTC Leaf	66.17	167932.00	121443.00
Orthodox Dust	67.42	8012.00	4874.00
Orthodox Leaf	78.21	3391.00	2135.00

(Source: Paramount Marketing, Coimbatore)

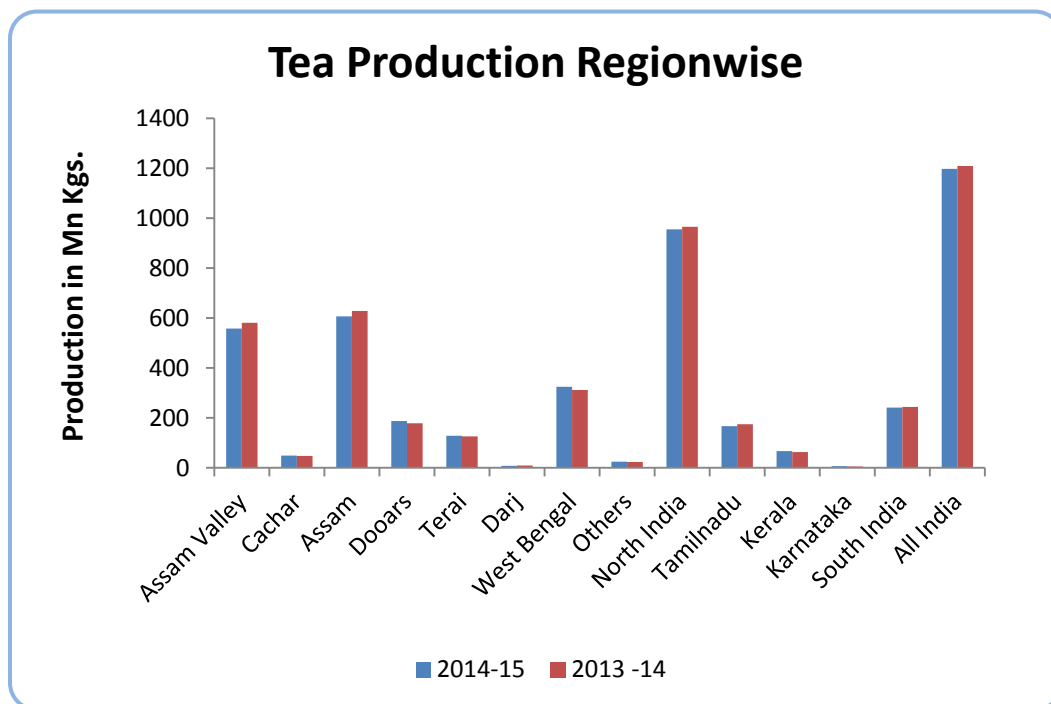
Prices noticed weak tone during the week except slight firmness in CTC Dust variety. Quantity offered on sale increased during the week compared to previous week. There was good demand for CTC Dust variety from blenders. Demand for Nilgiri Broken variety added to the positive tone of the market. Prices are likely to notice weak tone in the coming days.

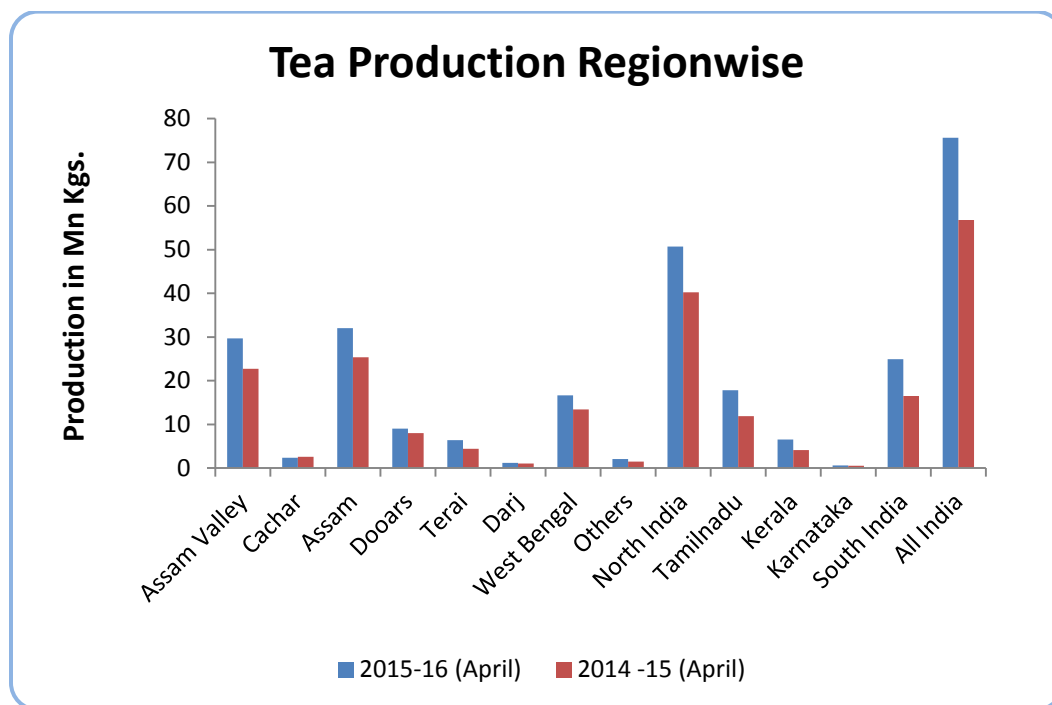
Coonoor Tea Auction: Sale No: 25 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	72.37	432783.00	392047.50
CTC Leaf	62.00	1270921.50	1018525.00
Orthodox Dust	92.81	47003.00	31756.00
Orthodox Leaf	90.16	69822.10	65827.60

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand from exporters for Orthodox variety lent support to the market. Blenders and internal buyers were active in the market. Prices are likely to continue firm tone in the near –term.





(Source: Tea Board)

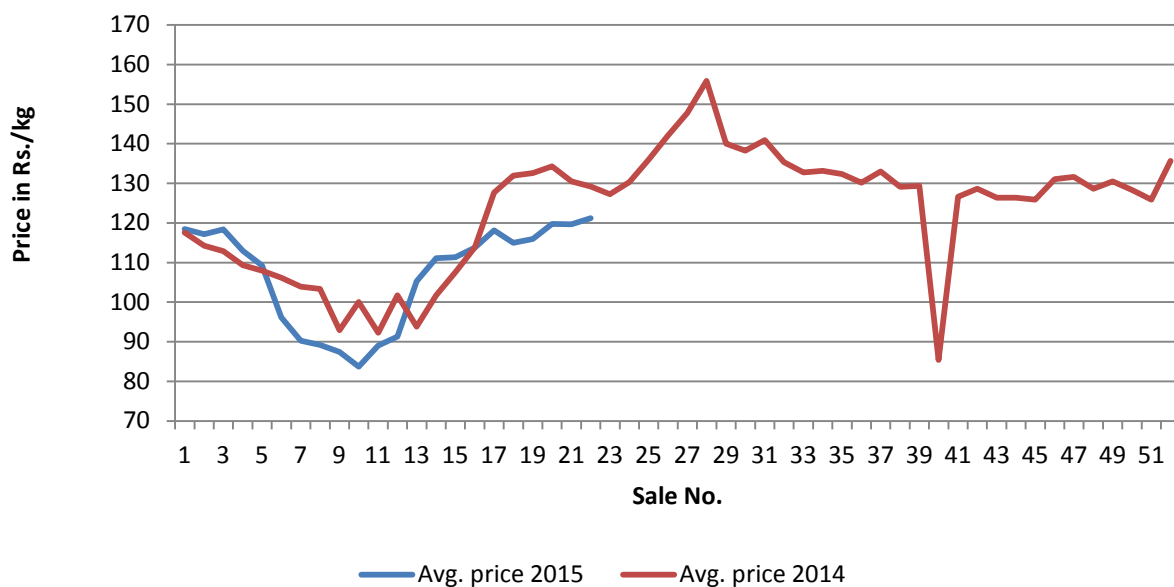
The above graph shows region wise production comparison, during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the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

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 declined slightly during the week compared to previous week.

Weekly Average Prices at Indian Auction Centers for week ending 2014-06-13

Varie ty	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	153.25(1 66.56)	150.95(171 .58)	130.49(151.22)	NS(NS)	87.56(9 2.13)	63.10(75. 26)	69.07(82.77)	52.76(58. 71)
Total Tea	168.20(1 70.82)	151.34(171 .56)	130.51(151.22)	NS(NS)	92.73(9 4.66)	64.05(75. 68)	69.16(82.77)	52.76(58. 71)

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

Variety	North India	South India	All India
CTC All Dust	143.53 (162.76)	70.44 (82.10)	116.09 (128.45)
Total Tea	149.25 (164.63)	73.19 (83.74)	121.21 (130.32)

(Source: Tea Board)

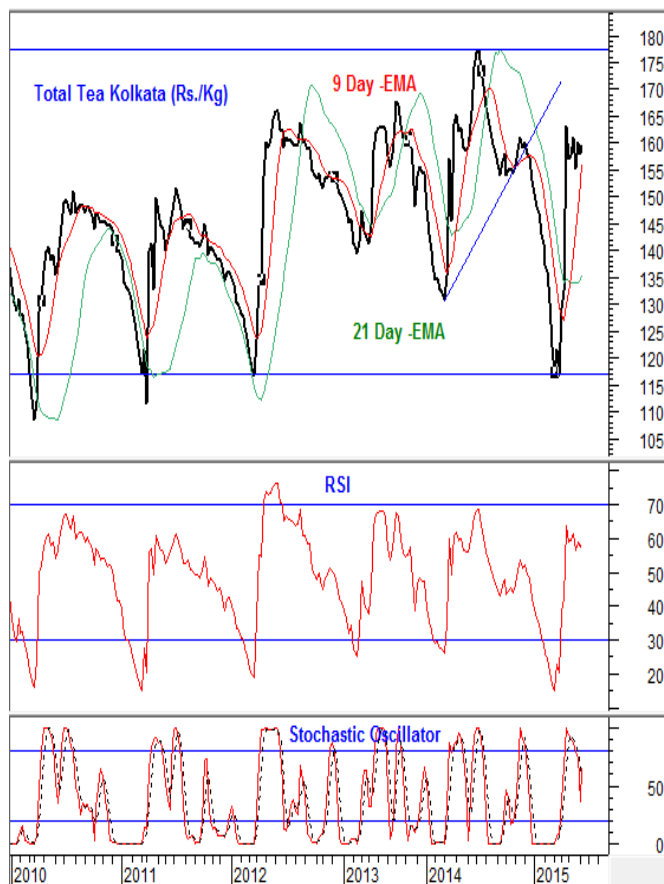
Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:

Tea prices increased during the week. Prices are likely to continue positive tone in the near –term and are holding above 9 –Day and 21 –Day EMA supporting the positive tone of the market. RSI is increasing in the neutral region denoting firm tone in the near –term. Traders can consider buying around current levels for their near –term requirement.

The tea prices are likely to continue firm tone in the coming days. Traders can consider purchasing 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	168.20	180.00	200.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 23 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	380 - 420	400 - 480
Average Westerns	330 - 375	350 - 395
Plainer Westerns	290 - 325	320 - 345
Western Mediums	325 - 560	340 - 360
Uva Teas	320 - 360	350 - 445
Nuwara Eliya Teas	330 - 340	320 - 325
Udapussellawa Teas	290 - 340	355 - 430
CTC (BP1 and PF1)	320 - 410	300 - 500

In this week's auction, 7.88 million kgs of tea was offered for sale compared to 7.97 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 firm tone and Low Grown CTC's noticed mixed 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 Russia and Iran. There was some demand from Iraq, Libya, Jordon, Syria and Saudi Arabia.

DETAILS OF TEAS AWAITING SALE

	25		24		23	
AUCTION NO.						
	29 th / 30 th June 2015		23 rd /24 th June 2015		16 th /17 th June 2015	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,041	1,174,064 kg	1,077	1,195,419 kg	1,091	1,238,368 kg
Main Sale Total	11,430	6,560,448 kg	10,818	6,222,453 kg	11,348	6,644,756 kg
High & Medium	1,610	930,703 kg	1,568	947,618 kg	1,504	881,681 kg
Low Grown Leafy	3,991	2,013,327 kg	3,621	1,770,975 kg	3,967	2,000,867 kg
	2,624	1,634,798 kg	2,244	1,380,968 kg	2,494	1,545,358 kg
Tippy						
Premium/Flowery	640	164,289 kg	535	141,849 kg	463	117,658 kg
Off Grades	1,986	1,202,544 kg	2,194	1,286,917 kg	2,144	1,283,225 kg
Dust	579	614,787 kg	656	694,126 kg	776	815,967 kg
Grand Total	12,471	7,734,512 kg	11,895	7,417,872 kg	12,439	7,883,124 kg
Reprints	909	627,408 kg	863	630,070 kg	664	466,620 kg
Scheduled to Close (Ex)		11.06.15		04.06.15		28.05.15
Dates (Ms)		12.06.15		05.06.15		29.05.15

Scheduled Closing Dates

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

Auction No. 26 : 07th/08th July 2015

Ex Estate : 18.06.2015

Main Sale : 19.06.2015

Auction No. 27 : 14th/15th July 2015

Ex Estate : 25.06.2015

Main Sale : 26.06.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 24

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2014	2015	2014	2015
22	\$1.96	\$3.07	\$1.86	\$2.86
23	\$2.01	\$3.23	\$1.92	\$2.95
24	\$2.10	\$3.30	\$1.97	\$3.01

QUOTATIONS	BROKENS	FANNINGS
Best	435 - 490	551 - 558
Good	422 - 458	543 - 574
Good Medium	423 - 459	545 - 569
Medium	344 - 435	503 - 540
Lower Medium	194 - 386	254 - 431
Plain	119 - 365	166 - 365 (SL RUPEES)

During the week good demand noticed for 8,542,152 kilos of tea on offer. Brighter DUST1s were higher USC10 to USC28, with mediums ranging between USC12 to USC34 higher and prices of lower mediums were USC14 to USC36 above last week's levels to lower. Prices of Brighter BP1's were higher up to USC18, prices of mediums were USC14 to USC30 higher and prices of lower mediums were firm up to USC20. 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 noticed firm tone and Dusts noticed positive tone during the week. Other Fannings noticed firm tone and BMF's noticed weak tone. There was good buying interest from Pakistan packers, Egyptian packers and Afghanistan. There was more interest from Yemen, other Middle – Eastern countries, Kazakhstan, other CIS countries and Sudan. There was good demand from UK, Kazakhstan and other CIS countries and less demand from Iran. There was some buying support from Russia and Somalia.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 24

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	7.060	371.340 Kg	6.320	330.900 Kg	89.11
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	7.060	371.340 Kg	6.320	330.900 Kg	89.11

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.420	136.920 Kg	2.280	128.140 Kg	93.59
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	2.420	136.920 Kg	2.280	128.140 Kg	93.59

GRAND TOTAL	9.480	508.260 Kg	8.600	459.040 Kg	90.32
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(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
158	141-190	131-202	131-208	117-190	117-137	328

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
116-190	119-134	115-125	172	112-118

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
153-200	177-229	145-233	150-240	130-149	138-176	---

Market offerings declined to 9,480 paper sacks from 9,620 paper sacks. There was good demand in the market. Average price increased to USDcts 153.11 instead of USDcts 150.63 during last week's auction. Average price of Orthodox variety increased to USDcts 146.72 and average price of CTC increased to USDcts 169.70. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 90.32% during the period compared to 83.67% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	24/06/15	1/07/15	24/06/15	1/07/15
PTPN. IV	1.600 S	1.600 S	-	-
PTPN. VI	360 S	360 S	1.000 S	1.000 S
PTPN. VII	1.260 S	1.260 S	180 S	180 S
PTPN. VIII	4.600 S	4.600 S	640 S	640 S
PTPN. IX	260 S	260 S	-	-
PTPN. XII	- S	- S	560 S	560 S
Total Estate	8.080 S	8.080 S	2.380 S	2.380 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	8.080 S	8.080 S	2.380 S	2.380 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 07

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	190-195	Best	193-197
Medium	190-199	Good	190-192
Small	190-198	Medium	184-189
Plain	175-180	Plain	170-180

Tea prices at Bangladesh tea auction declined during the week amid good supply of new leaf in the market. The average price of tea during this week's auction was around USD 2.50/kg. Around 1.23 million kgs of tea was offered for sale and nearly 11 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers. 17,523 packages and 234 packages of CTC Leaf of old season noticed good demand. 4,696 packages and 1 package of old season on offer of CTC Dust noticed fair buying interest. In CTC Dust, good liquoring varieties noticed easy tone and medium levels noticed steady tone. Good liquoring Broken varieties noticed demand at lower prices. Good liquoring varieties in fannings noticed weak 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>	<u>MONTH</u>	<u>2015</u>	<u>2014</u>	<u>CUMULATIVE</u>	<u>2015</u>	<u>2014</u>	<u>CUMULATIVE</u> <u>+ INC./-DEC.</u>
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	20-06-2015	13-06-2015
USD	63.48	64.09
Srilankan Rupee	0.4756	0.4785
Indonesian Rupiah	0.0048	0.0048
Kenyan Shilling	0.6445	0.6592
Bangladeshi Taka	0.8206	0.8248

Overall Outlook and Recommendation:

In the domestic market, prices noticed firm tone except slight weakness at Cochin and Coimbatore auction centres. Quantity offered on sale increased during the week compared to previous week. Arrivals are increasing during the last few days amid favourable weather in the tea growing regions. The third flush of tea is expected in the market by next month onwards. Good demand from exporters and loose tea buyers supported the market. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, prices noticed firm tone except at Bangladesh tea auction centre. Tea prices declined at Bangladesh tea auction centre amid ample supply of the new leaf. Quantity offered on sale increased during the week compared to previous week. In Kenya, prices have declined amid supply glut in the market. Future offering of tea will decline in Srilanka and Indonesia. Prices are likely to notice firm tone in the near –term.

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