

News Highlights.

- Tea industry in West Bengal is likely to get some relief from the West Bengal Tea Plantation Employees' Welfare Fund Bill 2015, where the State is willing to partner the industry to promote the welfare of the workers. The Act envisages the setting up of a Rs.100-crore fund. The fund would be utilized in three ways. Firstly it could be used for providing interest subvention and /or matching grants to employers as soft loans which the tea gardens would have to invest in social welfare schemes. Secondly provide scholarship to the children of tea garden employees and thirdly pertain to sick or closed gardens.
- Tea is a favourite pastime in the US. Black tea is the favourite of the Americans followed by fruit and herbal tea. The fastest growing teas are artisanal and green teas. The medicinal value of green tea is driving the demand for it. Americans consume more than 40 percent more green tea compared to 2000. The sale of tea in various outlets and tea shops have increased and many varieties of tea are being introduced.
- At Sale No: 25 of Coonoor Tea Trade Association auction, record volume of 85 per cent of the 18.74 lakh kg on offer was sold. For the first time in the calendar year 2015, prices crossed Rs.300/kg. Broken Orange Pekoe Fannings of Vigneshwar Speciality topped CTC market when Jay Kay Enterprises bought it for `306 a kg.
- Till May 2015, tea companies in Nilgiris have reported 6.35 mkg production against 5.63 mkg in the same period of 2014, registering a growth of 12.79 per cent. This was 10.63 per cent higher than the five-year average production of 5.74 mkg for the period.
- Production is on the rise this month. However with the prediction forecast of less normal monsoon this season, have has forecasted predicted lower production between July and September and average production between October and December. According to the information received by the Tea Board from the tea companies, the overall production this year will be around 14.5 mkg – almost the same level of 14.7 mkg of last year. The five-year average production is 14.2 mkg.
- Output of Kenyan tea declined by 27 per cent in the first quarter of 2015 compared to previous year amid dry weather conditions in the tea growing regions according to data from the industry regulator. Output of black tea declined to 81.7 million kg between January and March 2015 compared to 111.9 million kg in 2014. Exports were higher than output due to left over stocks and declined by 5 per cent during the period to 119.2 million kg compared to same period previous year.

- Sri Lankan Tea Exports for the month of May is recorded at 27.6 Mkgs at an approximate average unit F.O.B. value per kilogram of Rs.597.39. This is a shortfall of 0.59 Mkgs at a negative variance of Rs.52.96, thus recording a loss of Rs.1.8 billion of export earnings for the month when compared to May 2014 as reported by John and Keells Brokers, Srilanka.

Domestic Trade Scenario:

Indian Tea Auctions

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	159.34	21,26,000	13,82,000
ORTHODOX	246.86	5,53,000	4,79,000
DARJEELING	288.62	1,32,734	78,940
DUST	172.73	8,54,842	6,32,403

(Source: CTTA, Parcon)

Prices noticed firm tone during the week except slight weakness in Dust variety. Quantity offered on sale increased during the week compared to previous week. There was demand for Good liquoring teas and Good/Best Assams. Select Good Dooars noticed firm tone. Demand was noticed from exporters for Tippy sorts. Western India buyers were active in the market. Prices are likely to notice range –bound to firm tone in the near –term.

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

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	149.86	26,28,000	17,13,000
Dust	159.91	13,90,000	9,51,000

(Source: CTTA, Parcon)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There is good demand for quality tea and fair for other varieties. Good sorts noticed firm tone. Buying interest was noticed from Tata Global and Hindustan Unilever Limited. Prices are likely to notice positive tone in the coming days.

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	120.91	4,28,000	3,20,000
CTC Leaf	129.14	27,57,000	20,17,000

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Good and Best Sort prices noticed mixed tone. Cleaner and Well Made Medium varieties noticed steady tone and other varieties noticed easy tone. Good demand from the local blenders and buyers lent support to the market to certain extent. Prices are likely to notice range – bound to weak tone in the near –term.

Jalpaiguri Tea Auction: Sale No: 25 (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: 26 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	87.18	1312168.90	1035666.40
CTC Leaf	75.14	67983.00	49230.00
Orthodox Dust	64.48	10075.00	6569.00
Orthodox Leaf	131.53	200431.00	136726.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except slight weakness in CTC Dust variety. Quantity offered on sale increased during the week compared to previous week. There is demand for good quality tea in the market. Enquiry from exporters for orthodox variety tea added to the positive tone of the market. Tata Global and Kerala State Civil Supplies were active in the market. Prices are likely to continue positive tone in the coming days.

Coimbatore Tea Auction: Sale No: 26 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	75.14	338263.00	256255.00
CTC Leaf	68.79	190651.00	139139.00
Orthodox Dust	75.05	3132.00	2434.00
Orthodox Leaf	93.40	9203.00	2083.00

(Source: Paramount Marketing, Coimbatore)

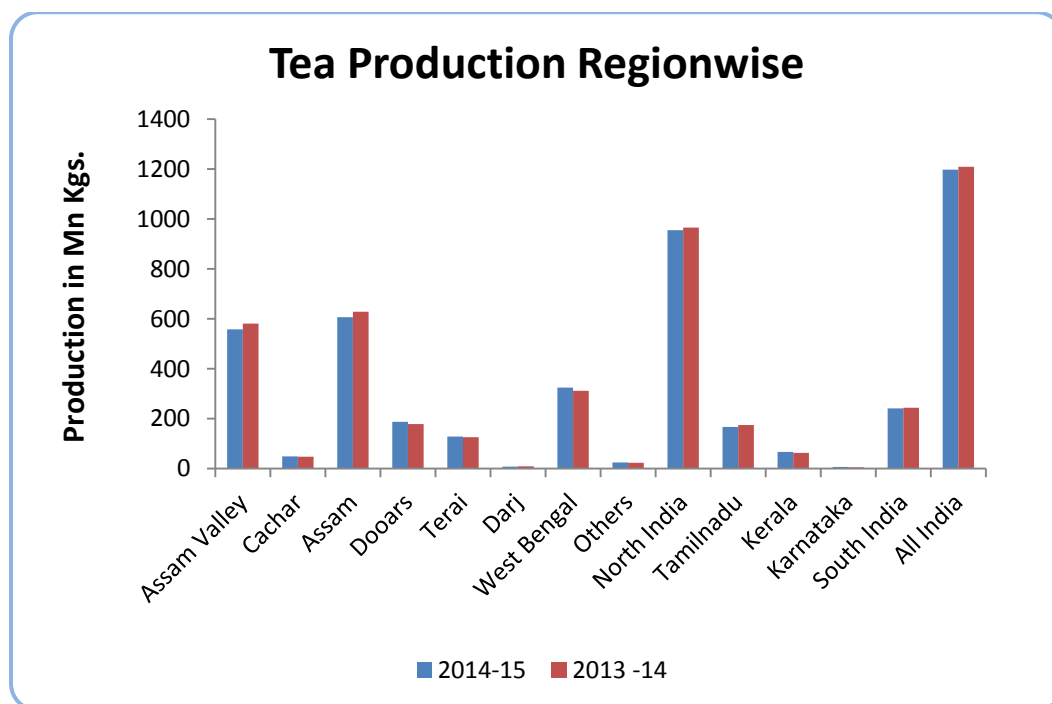
Prices noticed recovery during the week. Quantity offered on sale increased during the week compared to previous week. Rains during the last few days are supporting the crop and good quality arrivals are reported in the market. In the current season, the production of Nilgiris tea is likely to be steady compared to previous year. There is good demand for Nilgiris variety tea in the market. Prices are likely to notice firm tone in the near –term.

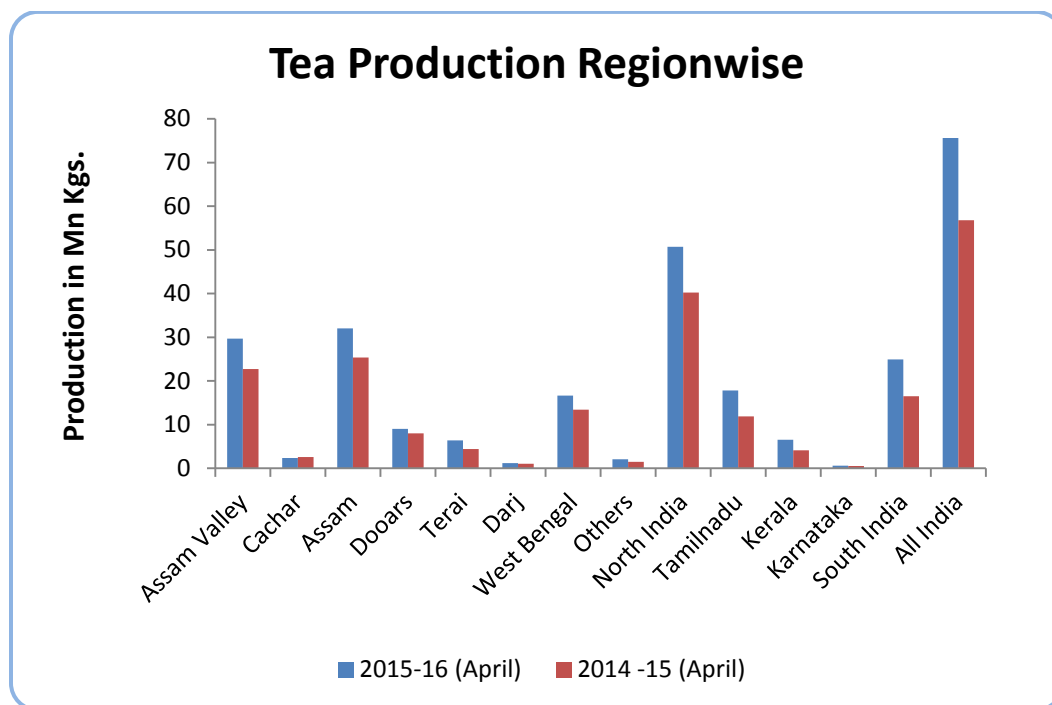
Coonoor Tea Auction: Sale No: 26 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	72.68	471571.50	408916.00
CTC Leaf	65.01	1235236.00	1043856.00
Orthodox Dust	93.95	51613.00	35256.00
Orthodox Leaf	92.63	69461.10	63464.60

(Source: Paramount Marketing, Coimbatore)

Prices continued firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There is good demand from blenders and local buyers in the market. Buyers from Iran showed interest for orthodox variety tea. Last year buyers from Iran purchased less amid over supply in their domestic market. Prices are likely to notice range –bound to firm tone in the coming days.





(Source: Tea Board)

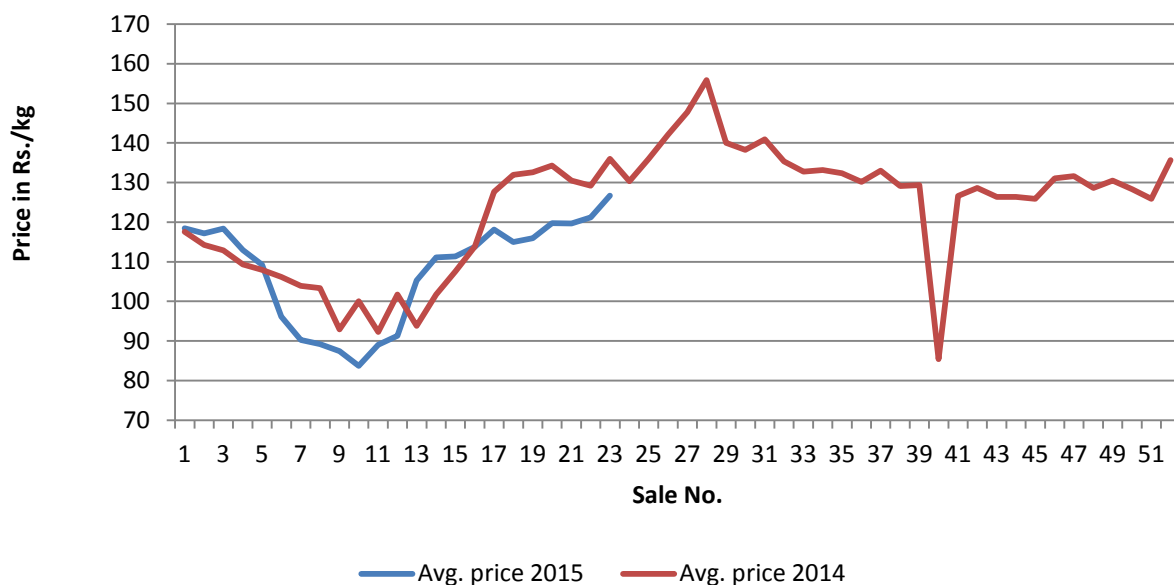
The above graph shows region wise production comparison, during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the 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
Jan-Apr 2015 (P)	33.34	676.04	202.77	28.90	376.43	130.25	62.24	1052.47	169.10
Jan-Apr 2014	42.07	934.73	222.18	29.83	407.19	136.50	71.90	1341.92	186.64
Inc/Dec in %	-20.75	-27.68	-8.74	-3.12	-7.55	-4.58	-13.44	-21.57	-9.40
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 2014-06-20

Varie ty	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	161.95(1 74.66)	151.82(176 .29)	130.34(158.51)	NS(124.43)	86.80(9 2.98)	65.29(76. 38)	71.98(78.74)	56.72(59. 46)
Total Tea	176.61(1 80.30)	152.29(176 .22)	130.35(158.51)	NS(124.43)	91.46(9 5.05)	66.38(76. 80)	72.01(78.77)	56.72(59. 46)

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

Variety	North India	South India	All India
CTC All Dust	147.04 (169.35)	71.92 (81.44)	121.91 (133.85)
Total Tea	152.83 (171.59)	74.48 (82.94)	126.71 (135.96)

(Source: Tea Board)

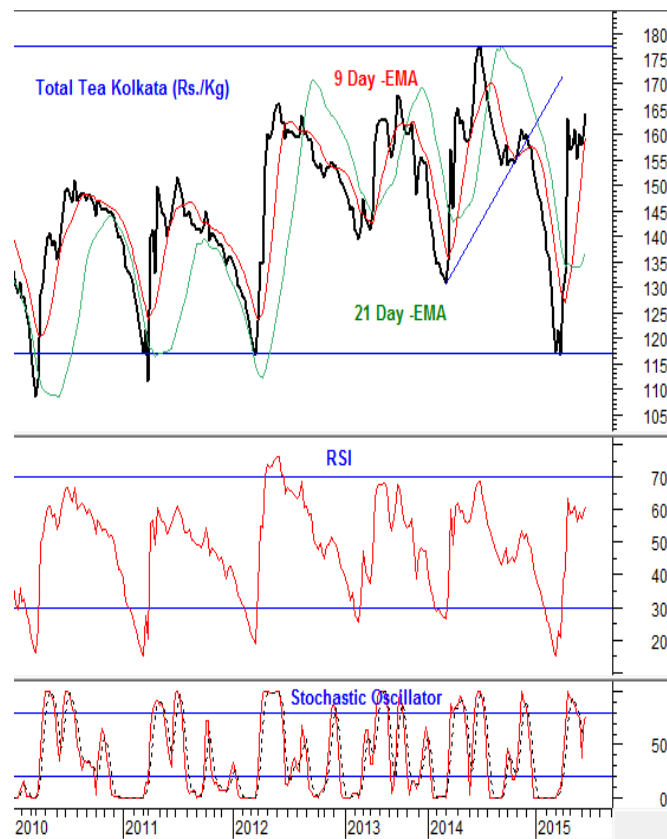
Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:

Tea prices noticed firm tone during the week. Prices are likely to continue the positive tone towards 200 levels in the coming days. MACD is increasing in the positive territory supporting the overall firm tone of the market. Stochastic oscillator is increasing in the neutral region denoting positive tone in the near –term.

The tea prices are likely to continue firm tone towards 200 levels in the coming days. Traders can consider purchasing around current levels for their near –term requirement.



Strategy: Buy Around Current Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	130.00	176.61	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 24 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	380 - 420	410 - 540
Average Westerns	340 - 375	360 - 400
Plainer Westerns	320 - 335	330 - 350
Western Mediums	320 - 550	350 - 425
Uva Teas	300 - 375	340 - 445
Nuwara Eliya Teas	330 - 360	330 - 345
Udapussellawa Teas	280 - 400	330 - 450
CTC (BP1 and PF1)	310 - 425	350 - 570

In this week's auction, 7.42 million kgs of tea was offered for sale compared to 7.88 million kgs of tea during the previous week. There was fair demand for Select Best teas during the week. Better western BOP's noticed mixed tone and BOPF's noticed firm tone during the week. High Grown and Mid Grown CTC's noticed weak 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 selective demand from middle –east countries.

DETAILS OF TEAS AWAITING SALE

	26		25		24	
AUCTION NO.						
	07 th /08 th July 2015		29 th / 30 th June 2015		23 rd /24 th June 2015	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,042	1,177,589 kg	1,041	1,174,064 kg	1,077	1,195,419 kg
Main Sale Total	11,365	6,429,707 kg	11,430	6,560,448 kg	10,818	6,222,453 kg
High & Medium	1,526	892,169 kg	1,610	930,703 kg	1,568	947,618 kg
Low Grown Leafy	4,088	2,030,947 kg	3,991	2,013,327 kg	3,621	1,770,975 kg
	2,481	1,531,619 kg	2,624	1,634,798 kg	2,244	1,380,968 kg
Tippy						
Premium/Flowery	541	145,099 kg	640	164,289 kg	535	141,849 kg
Off Grades	2,125	1,226,335 kg	1,986	1,202,544 kg	2,194	1,286,917 kg
Dust	604	603,538 kg	579	614,787 kg	656	694,126 kg
Grand Total	12,407	7,607,296 kg	12,471	7,734,512 kg	11,895	7,417,872 kg
Reprints	827	549,912 kg	909	627,408 kg	863	630,070 kg
Scheduled to Close (Ex)		18.06.15		11.06.15		04.06.15
Dates (Ms)		19.06.15		12.06.15		05.06.15

Scheduled Closing Dates

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

Auction No. 28 : 21st/22nd July 2015

Ex Estate : 02.07.2015

Main Sale : 03.07.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 25

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2014	2015	2014	2015
23	\$2.01	\$3.23	\$1.92	\$2.95
24	\$2.10	\$3.30	\$1.97	\$3.01
25	\$2.07	\$3.41	\$1.91	\$3.11

QUOTATIONS	BROKENS	FANNINGS
Best	436 - 509	562 - 579
Good	443 - 479	564 - 582
Good Medium	397 - 471	529 - 582
Medium	397 - 450	529 - 569
Lower Medium	198 - 377	233 - 452
Plain	132 - 357	156 - 368 (SL RUPEES)

During the week good demand noticed for 7,885,358 kilos of tea on offer. Brighter DUST1s were higher up to USC22, with mediums ranging between USC10 to USC44 higher and prices of lower mediums were higher up to USC20. Prices of Brighter BP1's were higher up to USC20, prices of mediums were USC8 to USC34 higher and prices of lower mediums noticed mixed tone and were firm up to USC10 and sometimes lower till USC10. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed firm 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, Middle –eastern countries and Sudan. There was good demand from Afghanistan, Bazaar, Kazakhstan and other CIS countries. Russia and UK showed some selective buying. Good demand was noticed from Somalia.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 25

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	8.040	331.760 Kg	6.340	337.700 Kg	78.21
PRIVATE	---	--- Kg	---	--- Kg	---,--
ESTATE					
TOTAL	8.040	331.760 Kg	6.340	337.700 Kg	78.21

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.380	136.320 Kg	2.120	121.860Kg	89.39
PRIVATE	---	--- Kg	---	--- Kg	--,--
ESTATE					
TOTAL	2.380	136.320 Kg	2.120	121.860 Kg	89.39

GRAND	10.420	568.080 Kg	8.460	459.560 Kg	80.90
TOTAL					

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
158	140-183	134-190	132-208	126-205	117-137	-

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
120-194	120-131	110-137	-	111-120

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
173-200	180-229	160-229	150-226	131-178	146-173	---

Market offerings increased to 10,420 paper sacks from 9,480 paper sacks. There was fair demand in the market. Average price declined to USDcts 149.57 instead of USDcts 153.11 during last week's auction. Average price of Orthodox variety declined to USDcts 143.63 and average price of CTC declined to USDcts 165.45. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 80.90% during the period compared to 90.32% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	1/07/15	8/07/15	1/07/15	8/07/15
PTPN. IV	860 S	860 S	-	-
PTPN. VI	340 S	340 S	460 S	460 S
PTPN. VII	1.220 S	1.220 S	160 S	160 S
PTPN. VIII	4.280 S	4.580 S	880 S	580 S
PTPN. IX	380 S	380 S	-	-
PTPN. XII	- S	- S	500 S	500 S
Total Estate	7.080 S	7.380 S	2.000 S	1.700 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.080 S	7.380 S	2.000 S	1.700 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 08

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	185-195	Best	192-196
Medium	187-195	Good	188-191
Small	188-196	Medium	181-186
Plain	170-175	Plain	165-175

Tea prices at Bangladesh tea auction declined during the week amid less demand from the local buyers during the Muslim fasting month of 'Ramadan'. 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 7 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers. 17,471 packages and 343 packages of CTC Leaf of old season noticed good demand. 4,607 packages and 45 packages of old season on offer of CTC Dust noticed fair buying interest. In CTC Dust, good liquoring varieties noticed firm tone and medium levels noticed easy 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 in line with quality 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	Apr.	50.7 (E)	42.1	Up to Apr.	84.2 (E)	84.9	- 0.7
South India	Apr.	24.9 (E)	16.5	Up to Apr.	72.7 (E)	65.1	+ 7.6
Kenya	Apr.	23.84	39.97	Up to Apr.	105.45	152.05	- 30.65
Bangladesh	Apr.	3.1	2.7	Up to Apr.	3.6	3.5	+ 0.1
Malawi	Apr.	6.4	6.4	Up to Apr.	24.8	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	27-06-2015	20-06-2015
USD	63.45	63.48
Srilankan Rupee	0.4743	0.4756
Indonesian Rupiah	0.0048	0.0048
Kenyan Shilling	0.6443	0.6445
Bangladeshi Taka	0.8164	0.8206

Overall Outlook and Recommendation:

In the domestic market, prices noticed firm tone except slight weakness at Siliguri auction centre. Quantity offered on sale increased during the week compared to previous week. Quality of tea arriving in the market is improving. There is good demand from the blenders in the market. Enquiry from exporters added to the positive tone of the market. Favourable weather during the last few days is supporting the crop production. Prices are likely to notice firm tone in the near -term.

In the global market, prices noticed positive tone except weakness at Bangladesh tea auction centre. Lower consumption during the Muslim fasting month of 'Ramadan' added to the weak tone of the prices. Weather remains conducive in the tea growing regions and there were heavy rains in North and South India. Future offering of tea will Increase in Srilanka and decline in Indonesia. Prices are likely to notice firm tone in the coming days.

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