News Highlights.

- Darjeeling tea is considered to be one of the finest teas grown amid the right amount of sunshine, rainfall, elevation and the mist that grazes the snow-capped mountains of the Himalayas. However the entry of cheap Nepal tea is weighing on the exports of Darjeeling tea. Exports of Darjeeling tea is declining and in the domestic market Tata Global and Hindustan Unilever Limited are not purchasing much Darjeeling tea. Till June-end, Darjeeling tea prices were at Rs 350.86 compared to Rs 373.66 last year. Tea from Nepal is available for half the price.

- According to Tea Board of India data, as of 2013-14, imports from Nepal were at 10.44 million kg versus total imports of 19.23 million kg. Apart from this, Darjeeling tea has a very high cost of production and the yields are low. It is mostly exported to European countries including Germany and depreciation of euro has affected exports to certain extent.

- Output of Darjeeling tea is likely to decline by 10% this year compared to previous year amid led by unfavourable weather conditions in the tea growing regions. Heavy rains and the recent landslides are likely to affect the crop output. According to early estimates, output is likely to be less than eight million kg level compared to 8.42 million kgs produced in 2014. A total of 17,500 hectares of land is under tea cultivation in 87 estates in and around Darjeeling. The high value teas are prized in the world market and account for a sizeable portion of the Rs.4,000 crore that India earns from tea exports.

- Madhu Jayanti, Kolkata based Rs.430 crore company is likely to increase its tea export share in Russian market. There is an atmosphere of friendship in Russia after recent visit of Prime Minister Mr. Narendra Modi and the company is working with the Tea Board Of India to increase exports in Russia through their brand Golden Victoria which has already a share of 33 per cent in Russia.

- The company, which has been selling packet teas and tea bags in 42 tea consuming countries across the world for close to 75 years now under as many as 10 brands, is also working on plans to restructure and re-align its brands and bring all of them under one or two umbrellas.

- Halmari Tea Estate in Assam made another record by selling CTC tea for Rs.441 per kg. at the Calcutta auction. The previous record of Rs. 426 per kg was set on July 7 2015 and the previous earlier record of Rs.402 was recorded at Guwahati auction centre last year. Halmari tea is exported to Switzerland, the UK, Germany, the Maldives and the US.

- The recent nuclear deal between Iran and world powers will lead to more demand for Sri Lankan tea in the coming days. This will ease the pressure on the balance of payments as resumption of Iranian oil exports will reduce crude oil prices.

- About 96% of Pure Ceylon Tea Production is exported and around 4% is consumed locally. In 2014, exports of Pure Ceylon Tea increased by 5.4% compared to previous year. Total Pure Ceylon Tea Production is at 325 million kgs. 50% of tea export revenues come from value addition and the remaining 50% from raw tea exports. Ceylon Tea packs, are have almost 150 yrs of history and is Sri Lanka's largest agricultural export commodity to the global market.

- Georgia is planning to revive its tea producing industry with the support of the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD). It is tackling challenges and encouraging development of tea production in the country. The Agriculture Ministry will establish a Commission to research the local tea industry. The aim is to assist the renewal of neglected tea plantations.

- According to traders, orthodox tea in Nepal has been given the collective trademark Nepal Tea. This will make it easier to market the product abroad. The logo has been registered and the National Tea and Coffee Development Board (NTCDB) will issue the collective trademark to traders after receiving the government's approval. This will allow the traders to print the logo on the packaging of their products.

- Sri Lankan Government has approved around four billion rupees to tea floor price scheme for small farmers. These farmers have been affected by the dip in global commodity prices. The extra funds were approved by the Cabinet of ministers to maintain a guaranteed price of 80 rupees for a kilo of green leaf produced by the farmers.

- Global tea production till date has declined to 566.55 million kg compared to 586.63 million kgs during the previous year. Output has declined following decline in production in Kenya, the largest producer of black tea in the world. It's production has declined to 105.42 million kg compared to 152.05 million kg during the previous year. Production has also declined in other African countries like Malawi and Uganda.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 27 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	158.25	21,17,160	14,36,280
ORTHODOX	230.64	3,23,767	2,86,856
DARJEELING	385.28	88,471	51,070
DUST	174.47	10,08,785	7,57,023

(Source: CTTA, Parcon)

Prices noticed firm tone during the week except slight weakness in orthodox variety. Quantity offered on sale declined during the week compared to previous week. Best/Good Liquoring teas continued positive tone during the week. Medium and Plainer varieties noticed easy tone. There was demand from Hindustan Unilever Limited and Tata Global around current levels. In the Orthodox category, there was not much demand for Tippy teas from the exporters. Prices are likely to notice range –bound to firm tone in the near –term.

Guwahati Tea Auction: Sale No: 28 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	149.59	28,12,000	19,65,000
Dust	155.75	14,58,00	10,43,000

(Source: CTTA, Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Good Quality high grown teas are expected in the coming weeks. There is some demand for Select Best Assams and Dooars variety. 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.

Siliguri Tea Auction: Sale No: 29 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	119.42	-	-
CTC Leaf	127.57	-	-

(Source: Contemporary Brokers)

Prices noticed mixed tone during the week. In the CTC variety, Good and Best Teas noticed firm tone and other varieties noticed mixed tone. There was good buying interest from local buyers and packeteers. In the Dust category, Good and Better Medium varieties noticed withdrawals. The plainer varieties noticed some demand. Good buying was noticed from blenders and Hindustan Unilever Ltd. Prices are likely to notice range –bound to firm tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 28 (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: 29 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	88.46	1212893.60	810583.70
CTC Leaf	68.63	70998.00	29659.00
Orthodox Dust	69.03	15820.00	1759.00
Orthodox Leaf	124.46	231221.90	168645.90

(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. There was good demand from loose tea buyers and blenders in the market for CTC variety. Orthodox leaf variety prices declined during the week amid due to higher supplies in the market and lack of export enquiry around current levels. There was some demand from Kerala State Civil Supplies. Prices are likely to notice range –bound to firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 29 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	75.89	307396.00	190774.00
CTC Leaf	67.20	148241.00	78796.00
Orthodox Dust	79.00	5648.00	5475.00
Orthodox Leaf	96.54	7024.00	4660.00

(Source: Paramount Marketing, Coimbatore)

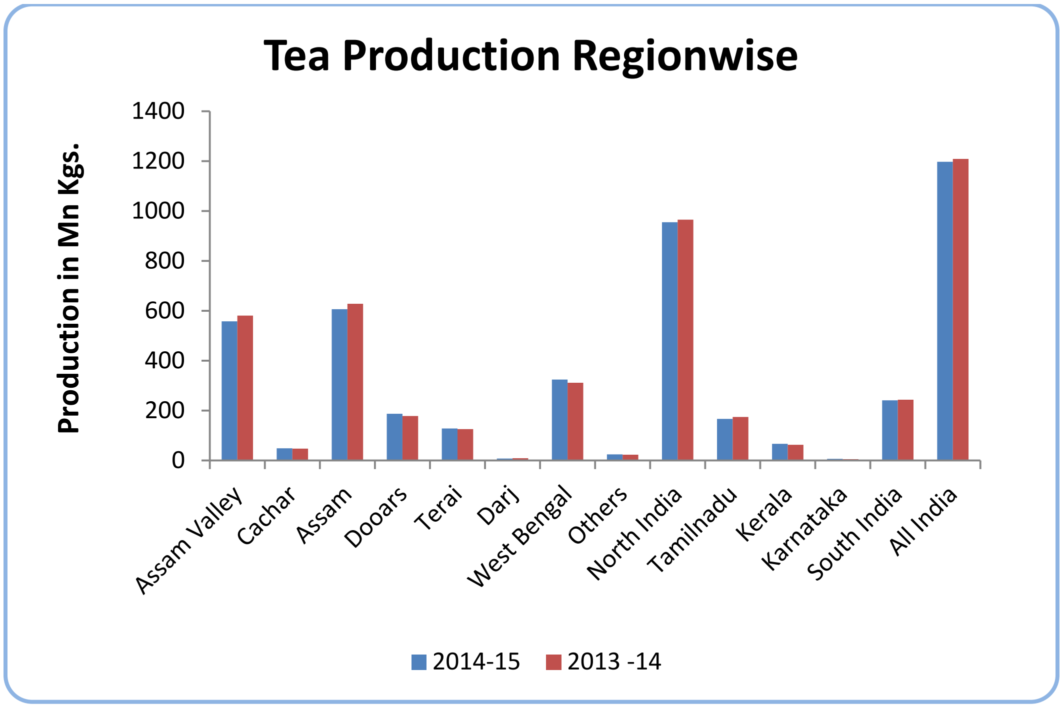
Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There is good demand for quality Dust tea in the market. In the Leaf variety, prices noticed weak tone amid lack of demand around current levels. Prices are likely to notice firm tone in the coming days.

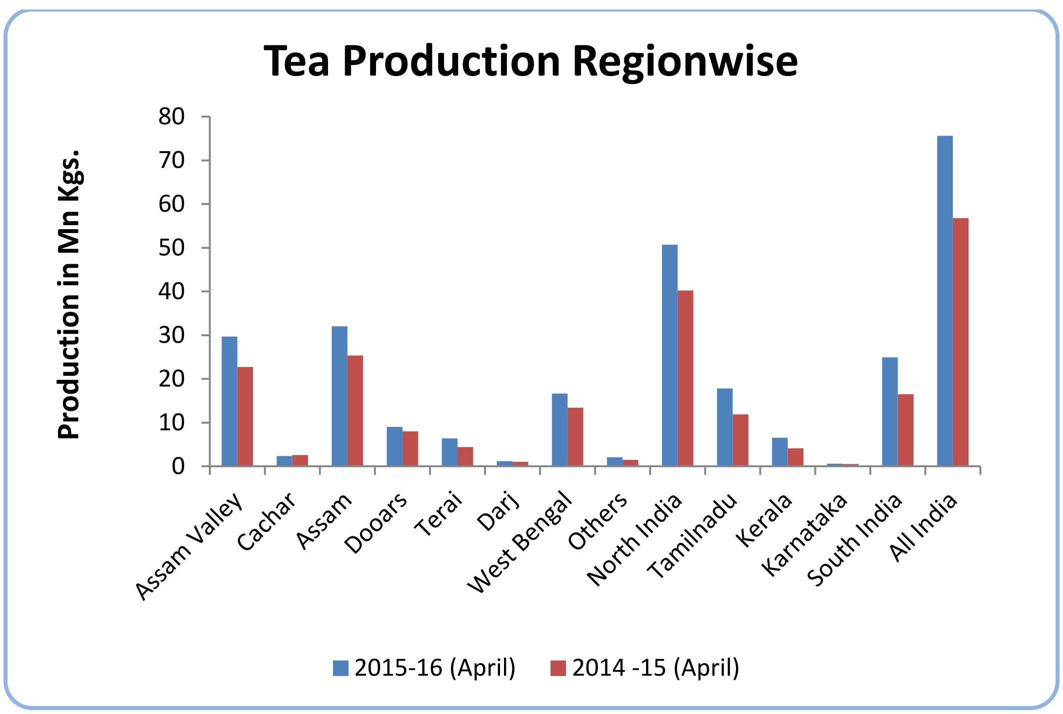
Coonoor Tea Auction: Sale No: 29 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	68.07	484447.50	310870.00
CTC Leaf	63.08	1280640.00	874599.00
Orthodox Dust	90.40	54587.00	30171.00
Orthodox Leaf	92.62	59580.50	56098.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Select/Best tea. Bright Liquoring teas continued positive tone during the week. Demand from exporters added to the positive tone of the market. Prices are likely to witness firm tone in the near –term.





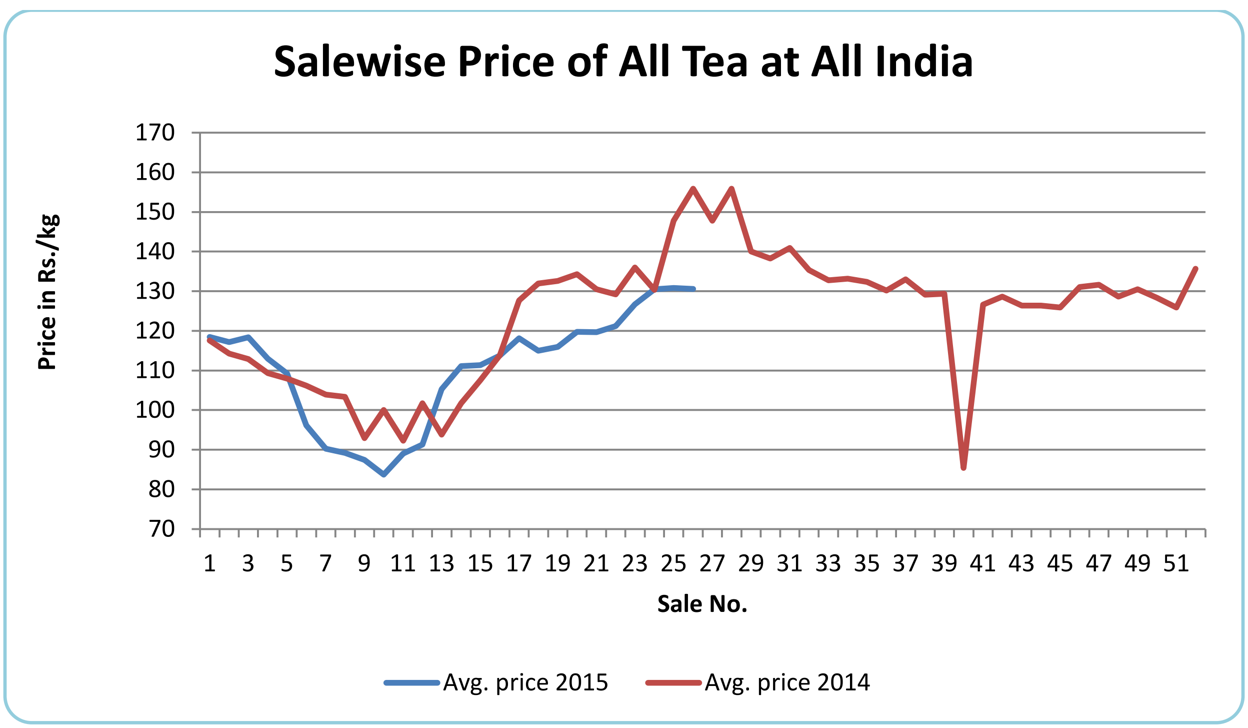
(Source: Tea Board)

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
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



The above graph shows the All India price comparison of All Teas at All India in 2014 and 2015. Currently the average prices of all tea are slightly lower compared to previous year amid due to 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 2014-07-11

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	163.85(189.38)	155.18(174.07)	124.03(144.10)	NS(114.19)	87.62(96.80)	67.88(74.71)	72.88(80.55)	59.77(55.22)
Total Tea	175.88(202.58)	155.38(174.09)	124.03(144.10)	NS(114.19)	91.99(98.38)	69.12(74.90)	73.98(80.55)	59.77(55.22)

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

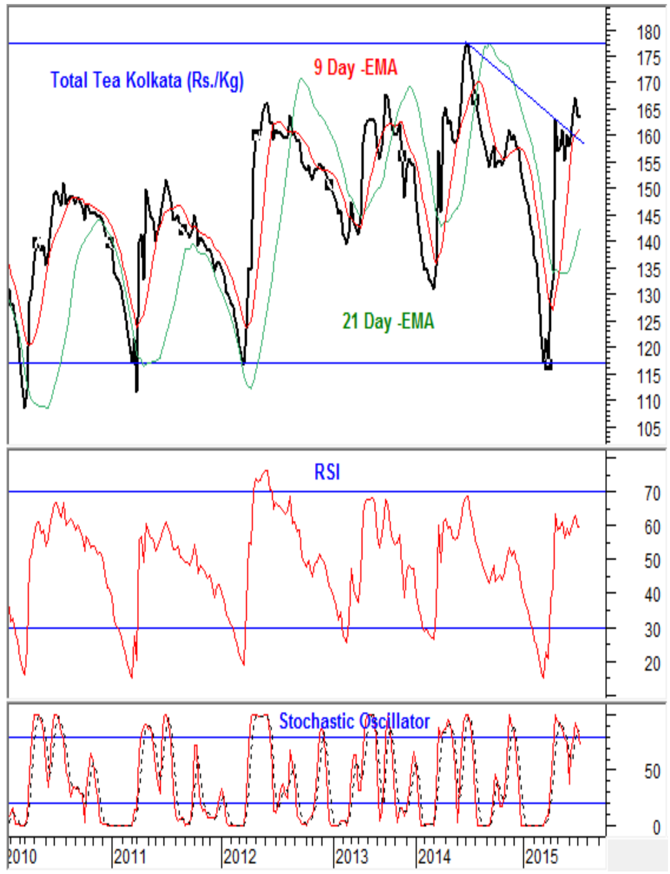
Variety	North India	South India	All India
CTC All Dust	146.99 (170.59)	75.55 (84.53)	126.70 (150.54)
Total Tea	151.86 (177.08)	78.35 (85.99)	130.61 (155.90)

(Source: Tea Board)

Tea – Technical Outlook	**Total Tea -Kolkata**

Technical Commentary:
Tea prices noticed steady to weak tone during the week. Prices are holding above 9 –Day and 21 –Day EMA supporting positive tone in the medium term. Prices are likely to move towards 200 levels in the coming days. RSI is declining in the neutral region supporting slight weakness in the near –term.

The tea prices are likely to continue firm tone towards 200 levels in the coming days. Traders should consider any near –term weakness as good buying opportunity within the overall positive scenario of the market.



Strategy: Buy Around Current Levels

Weekly Supports & Resistances		**S1**	**S2**	**PCP**	**R1**	**R2**
Total Tea	Kolkata	150.00	130.00	175.88	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 27 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	410 - 450	520 - 640
Average Westerns	370 - 390	470 - 500
Plainer Westerns	330 - 350	450 - 460
Western Mediums	350 - 550	390 - 510
Uva Teas	325 - 415	350 - 525
Nuwara Eliya Teas	340 - 400	NQ - 405
Udapussellawa Teas	NQ - 415	410 - 480
CTC (BP1 and PF1)	315 - 400	320 - 695

In this week's auction, 7.73 million kgs of tea was offered for sale compared to 7.61 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's and BOPF's noticed firm tone during the week following good quality. High Grown and Mid Grown CTC's noticed positive tone and Low Grown CTC's noticed firm 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 noticed easy tone and FF1's noticed firm tone during the week. The below best and plainer variety noticed easy tone during the week. With better quality tea expected in the coming weeks, demand is expected to improve in the coming days. There was good demand from Russia and less buying interest from middle –eastern countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	29		28		27	
Dates	27th/28th July 2015		21st/22nd July 2015		14th/15th July 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	996	1,139,251 kg	1,047	1,214,017 kg	1,049	1,180,596 kg
Main Sale Total	11,222	6,188,112 kg	11,119	6,266,835 kg	11,499	6,552,911 kg
High & Medium	1,367	755,244 kg	1,580	901,190 kg	1,635	928,678 kg
Low Growns Leafy Tippy	4,166 2,467	2,035,503 kg 1,514,031 kg	3,870 2,370	1,897,615 kg 1,451,915 kg	4,048 2,465	1,985,078 kg 1,522,897 kg
Premium/Flowery	640	151,215 kg	579	145,680 kg	550	140,992 kg
Off Grades	2,081	1,232,003 kg	2,134	1,268,386 kg	2,136	1,277,044 kg
Dust	501	500,116 kg	586	602,049 kg	665	698,222 kg
Grand Total	12,218	7,327,363 kg	12,166	7,480,852 kg	12,548	7,733,507 kg
Reprints	911	566,314 kg	980	617,223 kg	679	437,931 kg
Scheduled to Close (Ex) Dates (Ms)		09.07.15 10.07.15		02.07.15 03.07.15		25.06.15 26.06.15

Scheduled Closing Dates

Auction No. 28	:	21st/22nd July 2015
Ex Estate	:	02.07.2015
Main Sale	:	03.07.2015
Auction No. 29	:	27th/28th July 2015
Ex Estate	:	09.07.2015
Main Sale	:	10.07.2015
Auction No. 30	:	04th/05th August 2015
Ex Estate	:	16.07.2015
Main Sale	:	17.07.2015
Auction No. 31	:	11th/12th August 2015
Ex Estate	:	23.07.2015
Main Sale	:	24.07.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 28

AUCTION AVERAGE PRICE

AUCTION	KENYA 2014	KENYA 2015	TOTAL 2014	TOTAL 2015
26	$2.14	$3.33	$1.96	$3.13
27	$2.30	$3.32	$2.11	$3.03
28	$2.33	$3.37	$2.15	$3.09

QUOTATIONS	BROKENS	FANNINGS
Best	465 – 515	565 - 605
Good	473 – 483	573 - 594
Good Medium	469 - 481	543 - 586
Medium	442 – 527	469 - 549
Lower Medium	216 - 377	224 - 409
Plain	153 - 237	145 - 389 (SL RUPEES)

During the week improved demand noticed for 6,623,266 kilos of tea on offer. Brighter DUST1s were USC6 to USC20 higher, with mediums USC8 to USC16 higher and prices of lower mediums were USC2 to USC14 higher. Prices of Brighter BP1's were USC6 to USC10 higher, prices of mediums were higher up to USC30 and prices of lower mediums noticed mixed tone and higher to lower up to USC6. 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 easy tone during the week. Well sorted clean coloury Fannings noticed mixed tone and Dusts noticed steady tone during the week. Other Fannings noticed firm tone and BMF's noticed steady tone. There was good buying interest from Afghanistan, Sudan, Kazakhstan and other CIS states. There was some demand from Pakistan packers and selective demand from Egyptian packers. Demand remained subdued from Russia and Iran. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

AGRIWATCH

Tea Weekly
18 July 2015

Indonesia Tea Auction (Jakarta): Sale No: 27

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	5.080	267.240 Kg	4.620	242.320 Kg	90.68
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	5.080	267.240 Kg	4.620	242.320 Kg	90.68

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.520	86.680 Kg	1.180	68.460 Kg	78.98
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	1.520	86.680 Kg	1.180	68.460 Kg	78.98
GRAND TOTAL	6.600	353.920 Kg	5.800	310.780 Kg	87.81

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	**BOP**	**BOPF**	**PF**	**DUST**	**BT**	**BP**
166	**143-163**	**136-207**	**135-242**	**129-200**	**120-138**	**278**

Orthodox Secondary Grades				
PF.II	**DUST.II**	**BT.II**	**BP.II**	**DUST.III**
1306-209	**126-137**	**120-132**	**-**	**120-127**

CTC First and Secondary Grades						
BP.1	**PF.1**	**PD**	**D.1**	**FANN**	**D.2**	**D.3**
169-190	**184-225**	**155-240**	**152-256**	**132-191**	**139-179**	**---**

Market offerings declined to 6,600 paper sacks from 9,020 paper sacks. There was good demand in the market. Average price increased to USDcts 159.23 instead of USDcts 150.79 during last week's auction. Average price of Orthodox variety increased to USDcts 156.52 and average price of CTC increased to USDcts 168.95. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 87.81% during the period compared to 81.46% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox 12/07/15	Orthodox 22/07/15	C.T.C 12/07/15	C.T.C 22/07/15
PTPN. IV	1.020 S	860 S	-	-
PTPN. VI	700 S	340 S	360 S	460 S
PTPN. VII	1.240 S	1.220 S	160 S	160 S
PTPN. VIII	3.780 S	4.580 S	900 S	580 S
PTPN. IX	260 S	380 S	-	-
PTPN. XII	- S	- S	580 S	500 S
Total Estate	7.000 S	7.380 S	2.000 S	1.700 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.000 S	7.380 S	2.000 S	1.700 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 11

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	2.46 - 2.57	Best	2.54 - 2.58
Medium	2.53 - 2.59	Good	2.50 - 2.53
Small	2.53 - 2.59	Medium	2.42 - 2.49
Plain	2.20 - 2.27	Plain	2.20 - 2.27

Tea prices at Bangladesh tea auction declined during the week amidowing to higher supplies and less demand in the market around current levels. The average price of tea during this week's auction was around USD 2.50/kg. Around 1.27 million kgs of tea was offered for sale and nearly 2 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers and blenders. 18,728 packages and 68 packages of CTC Leaf of old season noticed good demand. 4,330 packages and 67 packages of old season on offer of CTC Dust noticed good buying interest. In CTC Dust, good liquoring varieties noticed firm tone and medium levels noticed easy tone. Good liquoring Broken varieties noticed demand at higher prices. Good liquoring varieties in fannings noticed steady tone during the week. Good liquoring Dusts noticed mixed 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	May	32.23	39.24	Up to May	143.41	142.64	+ 0.77
North India	May	91.9 (E)	69.3	Up to May	176.1 (E)	154.2	+ 21.9
South India	May	26.1 (E)	25.8	Up to May	98.8 (E)	90.9	+ 7.9
Kenya	Apr.	23.84	39.97	Up to Apr.	105.45	152.05	- 46.6
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)

In the current year, global output of tea is likely to decline following reduction in output in Kenya. Global tea production till date has declined to 566.55 million kg compared to 586.63 million kgs during the previous year. Output has declined following decline in production in Kenya, the largest producer of black tea in the world. It's production has declined to 105.42 million kg compared to 152.05 million kg during the previous year. Production has also declined in other African countries like Malawi and Uganda. In North India and South India, production has increased by nearly 22% and 8% respectively till May 2015.

Currency	17-07-2015	10-07-2015
USD	63.48	63.46
Srilankan Rupee	0.4744	0.4752
Indonesian Rupiah	0.0048	0.0048
Kenyan Shilling	0.6194	0.6269
Bangladeshi Taka	0.8165	0.8174

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone with South Indian auction centers witnessing mostly firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was not much demand from the exporters around current levels. Demand from blenders and loose tea buyers lent some support to the market. Third flush of tea is expected in North India in the coming weeks. Lack of sufficient rainfall during the last few days could affect the production of third flush of tea to certain extent. Prices are likely to notice steady to firm tone in the coming days.

In the global market, prices noticed firm tone except weakness at Bangladesh tea auction amid higher supplies of new leaf in the market. Demand for high grown teas is expected to improve in the market. Dry weather in certain tea growing regions of Indonesia and Vietnam is likely to affect the crop to certain extent. Future offering of tea is likely to decline at Sri Lankan tea auction centre in the coming week. Prices are likely to notice range –bound to firm tone in the near –term.