

News Highlights.

- Darjeeling tea, favourite with the tea lovers in eastern India and is slowly gaining importance in other parts of the country like Mumbai, Delhi, Ahmedabad and Bengaluru. According to Darjeeling tea producers and retailers, off-take has increased by almost 50% this year for both first and second flush teas compared to last year. It is being considered as a lifestyle product in big cities.
- Tea prices are likely to remain lower in the Indian market amid high production and lower exports. Production is likely to increase by 24 million kgs this year. Average auction price for the January-May period for Indian tea declined by 6% at Rs.111.42 per kg compared with to the same period in 2014. South Indian tea is lower by 8.3% and North Indian tea by 5% during this period. Exports should have increased amid lower production in Kenya this season. According to industry sources, exports could be declining amid lower of incentives by 2% for bulk exports.
- Darjeeling's Makaibari tea, which fetched a record price of Rs.1.11 lakh/kg during the previous year, is likely to enter Dubai market. The company is in talks with Dubai's up market luxury food chain, Bateel to sell its teas. In Dubai, the demand for premium quality tea is rising. Makaibari tea estate produces one lakh kg of tea and is one of the oldest tea estates in the district.
- Many international institutions including the National Aeronautics and Space Administration (NASA) are likely to support the tea industry which is going through difficult times amid due to climatic change resulting in unpredictable weather and increasing pest attacks. Compared to an unprecedented dry spell in the last couple of years, tea-rich Upper Assam has received 260mm more rainfall this year at 1095mm rainfall. The climatic data will start flowing from NASA from September onwards which will help in proper application of fertilizers and irrigation facilities.
- World Tea & Coffee Expo (WTCE) 2015 will be held at Mumbai from October 1 -3, 2015. The Sri Lankan Tea Board will be exhibiting various kinds of bulk and packet tea with a view to increase bilateral trade with India. Recently, Indian consumption of Sri Lankan tea is increasing and in the current year 2015, Sri Lanka has exported more than 300 metric tonnes of tea to India. Sri Lankan companies shall be displaying Ceylon Super Pekoe black tea, Ceylon green tea, White tea, Ceylon Silver tip tea, instant tea, and specialty types of tea for which Sri Lanka is famous.

- Tea prices in Kenya, the world's biggest exporter of black tea, touched two and half year high of \$3.76 at the beginning of July 2015. Prices increased by 24 per cent compared to previous month. Total tea production for the first four months of 2015 declined by 31 per cent to 105.5 million kgs compared to the same period previous year. Good demand from Pakistan, Yemen, Afghanistan and Egypt.
- Sri Lankan tea exports have declined for the eighth consecutive month in May 2015 amid owing to lower demand from Russia and the Middle –east countries. Demand for tea was affected by lower crude oil prices, which affected demand from Russia and the Middle –east. Tea export earnings declined by 12 per cent to 124 million US dollars in May 2015 compared to the same period in previous year.

Domestic Trade Scenario:

Indian Tea Auctions

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	166.63	19,91,515	13,48,190
ORTHODOX	260.86	4,18,648	3,72,393
DARJEELING	367.43	1,10,201	72,769
DUST	173.61	10,23,128	7,48,825

(Source: CTTA, Parcon)

Prices noticed firm tone during the week except slight weakness in Darjeeling tea. Quantity offered on sale increased during the week compared to previous week. Lack of sufficient rains and sunshine in the tea growing regions of Darjeeling has affected the quality of tea coming in the market. In the CTC category, there was good demand for Good/Best Assams. Medium Assams and Dooars declined in line with quality. There was good demand from Tata Global and Western India buyers. In the Orthodox category, Well Made and Tippy Teas noticed steady tone. There was some demand for Large Broken. Exporters are active around current levels. Prices are likely to notice range –bound to firm tone in the coming days.

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

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	153.26	27,77,000	18,84,000
Dust	164.36	13,95,000	9,47,000

(Source: CTTA, Associated Brokers)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Bright Liquoring teas and fair demand for the other varieties. Poorer sorts noticed withdrawal in the market. Buying interest was noticed from Tata Global and internal buyers. Prices are likely to notice firm tone in the coming days.

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
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CTC Dust	119.41	4,56,385	3,11,807
CTC Leaf	127.51	28,36,259	21,38,379

(Source: Contemporary Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Good and Better Medium varieties noticed steady tone. Common and Plainer varieties noticed withdrawal in the market. Buying interest was noticed from Hindustan Unilever Ltd. Enquiry from exporters added to the positive tone of the market. Prices are likely to notice range –bound to firm tone in the near –term.

Jalpaiguri Tea Auction: Sale No: 29 (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: 30 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	86.19	1150205.10	788268.90
CTC Leaf	69.81	76523.00	22677.00
Orthodox Dust	60.56	15914.00	5891.00
Orthodox Leaf	117.97	191836.00	133242.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone except slight firmness in CTC Leaf variety during the week. Quantity offered on sale increased during the week compared to previous week. Rains during the last few days have affected arrival of the new crop. There was some demand from local buyers and blenders in the market. CTC Leaf variety prices noticed firm tone amid good demand from buyers in Iran. Prices are likely to notice weak tone in the coming days.

Coimbatore Tea Auction: Sale No: 30 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	72.17	307018.00	193970.00
CTC Leaf	62.47	172116.00	62338.00
Orthodox Dust	59.34	11830.00	6858.00
Orthodox Leaf	106.32	9560.00	7555.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone except positive tone noticed in Orthodox Leaf variety during the week. Quantity offered on sale increased during the week compared to previous week. There is demand for quality Orthodox Leaf variety tea from the exporters. There is not much demand in the market around current levels. Prices are likely to notice range –bound to weak tone in the near –term.

Coonoor Tea Auction: Sale No: 30 (Price in Rs./kg)

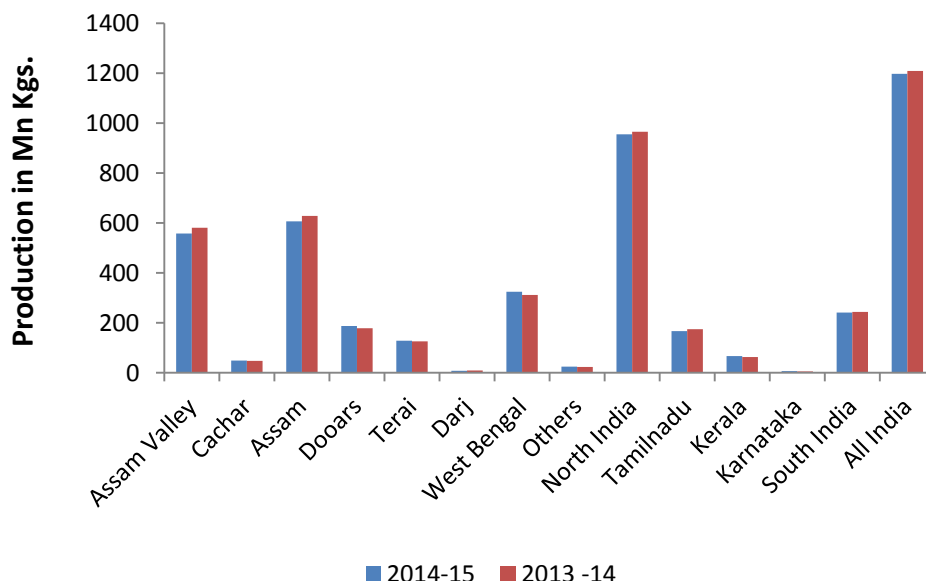
Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	68.68	486475.00	378928.50
CTC Leaf	62.49	1246440.50	830327.50
Orthodox Dust	91.31	56022.00	39421.00
Orthodox Leaf	91.11	61031.00	58656.50

(Source: Paramount Marketing, Coimbatore)

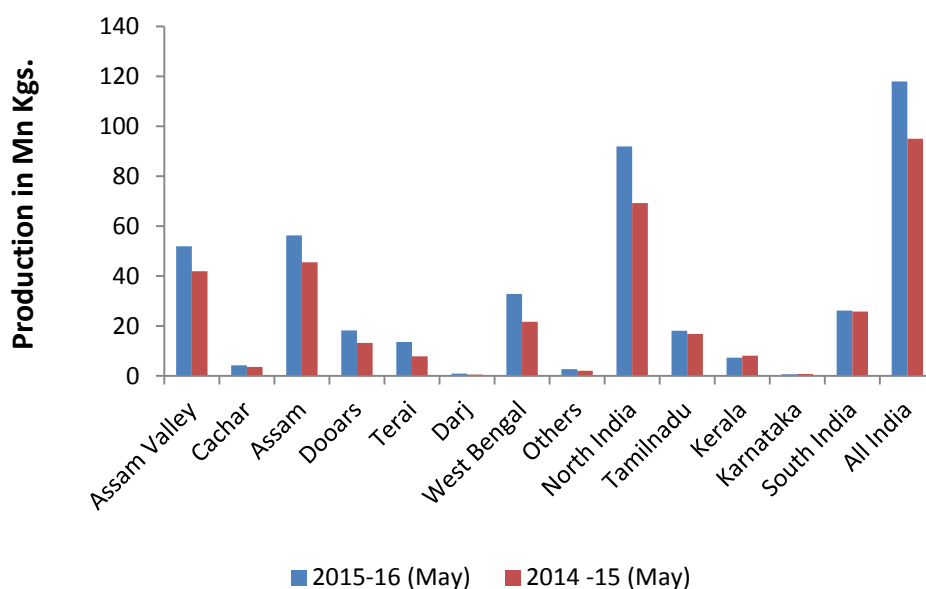
Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Dust variety tea prices noticed firm tone amid good demand from the loose

tea buyers and blenders in the market. Some enquiry from exporters added to the positive tone of the market. Prices are likely to notice firm tone in the coming days.

Tea Production Regionwise



Tea Production Regionwise



(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.

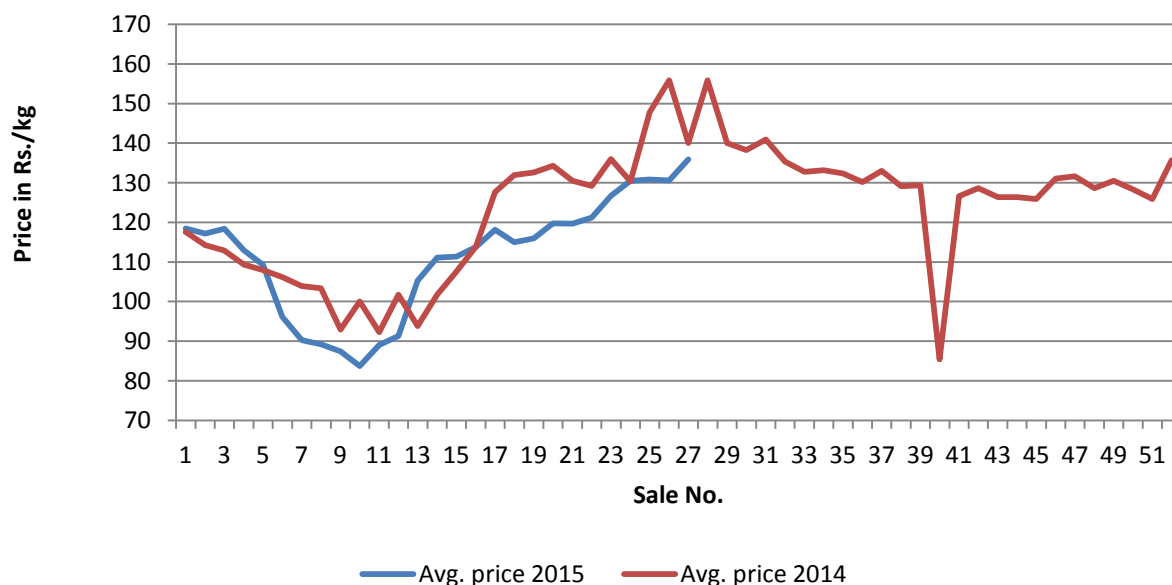
REGIONWISE QUARTERLY EXPORTS:

(Qty In M.Kgs, Value in Rs. Crs, Unit Price in Rs./kg)

	North India			South India			All India		
	Qty	Value	Unit Price	Qty	Value	Unit Price	Qty	Value	Unit Price
Jan-May 2015 (P)	39.57	813.27	205.53	36.52	488.45	133.75	76.09	1301.72	171.08
Jan-May 2014	48.11	1082.95	225.10	36.83	508.49	138.06	84.94	1591.44	187.36
Inc/Dec in %	-17.75	-24.90	-8.69	-0.84	-3.94	-3.13	-10.42	-18.20	-8.69
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 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 2014-07-18

Varie ty	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	169.33(1 81.20)	150.94(165 .71)	126.48(138.57)	NS(106.06)	87.72(9 5.80)	65.03(66. 66)	73.46(73.92)	58.21(56. 97)
Total Tea	187.30(1 94.77)	151.73(165 .70)	126.48(138.57)	NS(106.06)	93.85(9 6.86)	66.25(67. 04)	73.84(74.09)	58.21(56. 97)

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

Variety	North India	South India	All India
CTC All Dust	148.58 (162.21)	72.76 (75.26)	129.61 (135.02)
Total Tea	156.17 (168.57)	76.31 (76.42)	135.92 (140.05)

(Source: Tea Board)

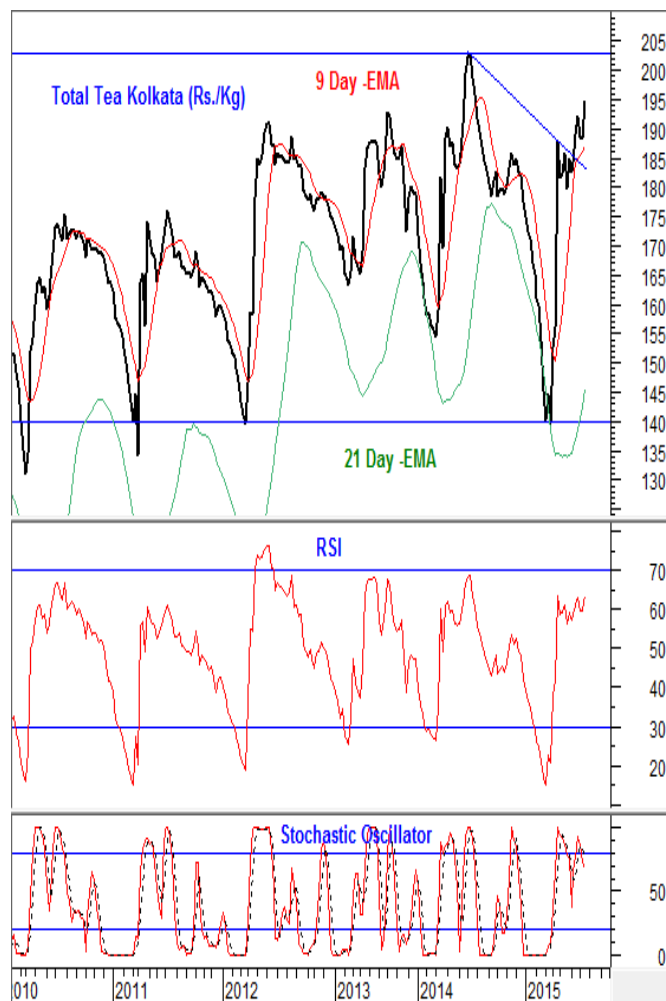
Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:

Tea prices noticed firm tone during the week. Prices are holding above the uptrend line in the weekly chart supporting positive tone in the coming days. MACD is increasing in the positive territory supporting firm tone in the medium –term. Stochastic Oscillator is declining in the neutral region supporting weakness in the near –term. Any near –term weakness should be considered as good buying opportunity within the overall positive scenario of the market.

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	187.30	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 28 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	400 - 440	500 - 590
Average Westerns	350 - 390	430 - 480
Plainer Westerns	310 - 340	400 - 420
Western Mediums	340 - 530	380 - 500
Uva Teas	310 - 435	320 - 540
Nuwara Eliya Teas	360 - 380	350 - 440
Udapussellawa Teas	300 - 420	400 - 460
CTC (BP1 and PF1)	340 - 440	390 - 560

In this week's auction, 7.48 million kgs of tea was offered for sale compared to 7.73 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 weak 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 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 fair buying interest from Russia, Syria, Turkey, Dubai and less buying interest from Iran.

DETAILS OF TEAS AWAITING SALE

	30		29		28	
AUCTION NO.						
	04 th /05 th August 2015		27 th /28 th July 2015		21 st /22 nd July 2015	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	942	1,062,068 kg	996	1,139,251 kg	1,047	1,214,017 kg
Main Sale Total	10,786	5,804,970 kg	11,222	6,188,112 kg	11,119	6,266,835 kg
High & Medium	1,220	648,052 kg	1,367	755,244 kg	1,580	901,190 kg
Low Grown	3,983	1,928,429 kg	4,166	2,035,503 kg	3,870	1,897,615 kg
	2,445	1,465,113 kg	2,467	1,514,031 kg	2,370	1,451,915 kg
Tippy						
Premium/Flowery	569	138,140 kg	640	151,215 kg	579	145,680 kg
Off Grades	2,090	1,167,396 kg	2,081	1,232,003 kg	2,134	1,268,386 kg
Dust	479	457,840 kg	501	500,116 kg	586	602,049 kg
Grand Total	11,728	6,867,038 kg	12,218	7,327,363 kg	12,166	7,480,852 kg
Reprints	1,175	738,099 kg	911	566,314 kg	980	617,223 kg
Scheduled to Close (Ex)		16.07.15		09.07.15		02.07.15
Dates (Ms)		17.07.15		10.07.15		03.07.15

Scheduled Closing Dates

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

Auction No. 32 : 19th August 2015

Ex Estate : 30.07.2015

Main Sale : 30.07.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 29

AUCTION AVERAGE PRICE

AUCTION	KENYA 2014	KENYA 2015	TOTAL 2014	TOTAL 2015
27	\$2.30	\$3.32	\$2.11	\$3.03
28	\$2.33	\$3.37	\$2.15	\$3.09
29	\$2.35	\$3.45	\$2.18	\$3.14

QUOTATIONS	BROKENS	FANNINGS
Best	475 - 549	594 - 629
Good	475 - 494	599 - 623
Good Medium	473 - 494	510 - 607
Medium	473 - 592	488 - 577
Lower Medium	237 - 370	290 - 416
Plain	145 - 303	158 - 383 (SL RUPEES)

During the week improved demand was noticed for 6,955,793 kilos of tea on offer. Brighter DUST1s were USC2 to USC12 higher, with mediums USC2 to USC38 higher and prices of lower mediums were USC16 higher to USC10 lower. Prices of Brighter BP1's were USC12 to USC24 higher, prices of mediums were higher up to USC24 and prices of lower mediums noticed mixed tone and higher to lower up to USC5. 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 easy tone and Dusts noticed mixed tone during the week. Other Fannings noticed firm tone and BMF's noticed steady tone. There was good buying interest from Afghanistan, Egyptian packers, Pakistan packers, UK, Kazakhstan and other CIS states. There was some demand from Yemen and other middle –eastern countries. Demand remained subdued from Russia, Sudan and Bazaar. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 29

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	4.120	214.880 Kg	3.840	199.360 Kg	92.78
PRIVATE	---	--- Kg	---	--- Kg	---,--
ESTATE					
TOTAL	4.120	214.880 Kg	3.840	199.360 Kg	92.78

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.740	98.720 Kg	1.420	81.860 Kg	82.92
PRIVATE	---	--- Kg	---	--- Kg	---,--
ESTATE					
TOTAL	1.740	98.720 Kg	1.420	81.860 Kg	82.92

GRAND	5.860	313.600 Kg	5.260	281.220 Kg	89.67
TOTAL					

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
174-210	147-199	142-158	135-211	128-186	120-142	268

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
132	125-144	118-130	206-255	123-130

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
152	187-193	159-247	168-230	131-188	138-165	---

Market offerings declined to 5,860 paper sacks from 8,960 paper sacks. There was good demand in the market. Average price declined to USDcts 149.56 instead of USDcts 150.754 during last week's auction. Average price of Orthodox variety declined to USDcts 144.15 and average price of CTC increased to USDcts 164.93. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 89.67% during the period compared to 77.01% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	29/07/15	05/08/15	29/07/15	05/08/15
PTPN. IV	1.300 S	960 S	-	-
PTPN. VI	780 S	540 S	700 S	460 S
PTPN. VII	760 S	660 S	200 S	160 S
PTPN. VIII	1.960 S	2.180 S	480 S	580 S
PTPN. IX	300 S	280 S	-	-
PTPN. XII	- S	- S	620 S	500 S
Total Estate	5.100 S	4.620 S	2.000 S	1.700 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	5.100 S	4.620 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)

<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	May	32.23	39.24	Up to May	143.41	142.64	+ 0.77
North India	May	91.90(E)	69.29	Up to May	176.09 (E)	154.25	+ 21.84
South India	May	26.12 (E)	25.77	Up to May	98.84 (E)	90.82	+ 8.02
Kenya	May	37.52	41.19	Up to May	142.98	193.24	- 50.26
Bangladesh	May	5.35	4.54	Up to May	8.74	8.20	+ 0.54
Malawi	May	4.1	4.6	Up to May	29.0	32.7	- 3.7

(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	25-07-2015	17-07-2015
USD	64.06	63.48
Srilankan Rupee	0.4795	0.4744
Indonesian Rupiah	0.0048	0.0048
Kenyan Shilling	0.6323	0.6194
Bangladeshi Taka	0.8242	0.8165

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone. Quantity offered on sale declined during the week compared to previous week. Rains have been noticed in the tea growing regions of North and South India and will be beneficial for the crop. Production is expected to be more higher compared to previous year. There was good demand from internal buyers and exporters in the market. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices noticed weak tone amid driven by higher supply in the market. Quantity offered on sale declined during the week compared to previous week. The recent nuclear agreement with Iran is likely to increase demand for Sri Lankan tea. Dry weather in certain tea growing regions of Vietnam is likely to affect the crop to a certain extent. Future offering of tea is likely to decline in Sri Lanka and Indonesia tea auction centres. Prices are likely to notice range –bound to weak tone in the coming days.

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