

News Highlights.

- Tea Board has announced the average price for green leaf in various regions of Nilgiris. The average green leaf price has been calculated based on weekly auction average price of CTC teas pertaining to the region concerned. Thus, the Board has now announced the average green leaf price for last week for Kotagiri as ₹11.41 a kg (average CTC tea price: ₹70.22 a kg), Coonoor ₹10.84 (₹66.69), Gudalur ₹10.42 (₹64.14), Panthalur ₹10.36 (₹63.73), Ooty ₹9.33 (₹57.42) and Kundah ₹7.42 (₹45.65). Farmers have been advised to sell their green leaf tea based on this average price.
- A number of tea gardens in Assam is likely to be converted into wildlife mini-sanctuaries to protect its fauna and reduce cases of man-animal conflict. With natural habitat depleting fast, more animals have been taking shelter in the tea estates and a sustainable comprehensive management plan is required. Tea gardens host a number of animals and migratory birds.
- Arunachal Pradesh is likely to make a revolution in the tea industry as more and more farmers are opting for growing tea under a promotional scheme launched by the state government. The state government has been promoting tea cultivation under the Chief Minister's mission mode project (MMP). Officials at the Trade & Commerce department disclosed that assistance in the form of planting material 13,000 tea saplings and barbed wire for 1 hectare per beneficiary is being provided by the state government.
- Allocation of Rs. 5 crore has been announced in the recent budget for promoting tea cultivation in 2015-16. Similarly, 465 tea units were established in 2013-14 while in 2012-13, 285 units were established with financial assistance of Rs. 3 crore. According to official sources, the state government will closely work with Tea Board of India for technology guidance, technology transfer and extending marketing facilities.
- Tea lovers in the country will be able to enjoy Nilgiri tea premium tea grades, produced in Chinese and Japanese style from the leaves plucked at a height of over 7000 feet above mean sea level. These leaves will be plucked from Chamraj and Korakundah estates owned by the United Nilgiri Tea Estates Co Ltd. (Unitea). These teas packed in attractive containers are available for Indian consumers and have also many health benefits.
- According to the Assam government, electrification of 782 tea estates will be done in a phased manner as part of its plan to roll out people-centric measures in the coming days. Installation of separate meters for every household will be completed in a phased manner benefiting the residents of the tea estates.

Domestic Trade Scenario:

Indian Tea Auctions

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	166.28	21,06,000	15,89,000
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	177.31	10,31,000	8,17,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. In the CTC category, there was good demand for Bright Liquoring teas. There was some enquiry for Medium category and Dust variety teas in the market. Buying interest was noticed from Western India buyers, Tata Global and Hindustan Unilever Limited. Prices are likely to notice firm tone in the coming days.

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

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	149.61	29,61,000	21,92,000
Dust	159.44	13,32,000	9,42,000

(Source: Associated Brokers)

Prices noticed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for medium varieties tea in the market. Common varieties noticed withdrawals in the market. There was good demand from Western India buyers and selective demand from exporters. There was less demand from Hindustan Unilever Limited around current levels. Prices are likely to notice weak tone in the near –term.

Siliguri Tea Auction: Sale No: 31 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	120.10	3,10,000	2,14,807
CTC Leaf	127.70	21,60,000	16,10,000

(Source: Associated Brokers)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Clean and Liquoring sorts and other varieties noticed easy tone following quality. Buying interest was noticed for Dust variety tea from local buyers. There was some demand from Tata Global and exporters. Prices are likely to notice firm tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 30 (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: 31 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	87.08	985125.60	831129.10
CTC Leaf	68.88	75428.00	46198.00
Orthodox Dust	60.22	14751.00	2067.00
Orthodox Leaf	132.52	188188.00	112586.00

(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 and Orthodox Leaf variety noticed firm tone. Arrival of the new crop is lower following rains in the tea growing regions. There was not much demand for CTC Leaf variety tea. Demand from loose tea buyers lends some support to the market. Prices are likely to notice range –bound to weak tone in the near –term.

Coimbatore Tea Auction: Sale No: 31 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	74.67	267781.00	209856.00
CTC Leaf	61.16	129788.00	59638.00
Orthodox Dust	52.60	12902.00	6887.00
Orthodox Leaf	114.90	11763.00	6984.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed range –bound to weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for CTC Dust variety tea from blenders and local buyers. Export enquiry for Nilgiri variety lent support to Orthodox Leaf variety tea. Prices are likely to notice weak tone in the coming days.

Coonoor Tea Auction: Sale No: 31 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	68.27	483817.50	401966.00
CTC Leaf	62.15	1309414.00	941685.00
Orthodox Dust	91.28	54413.00	35330.00
Orthodox Leaf	94.62	57894.00	52513.00

(Source: Paramount Marketing, Coimbatore)

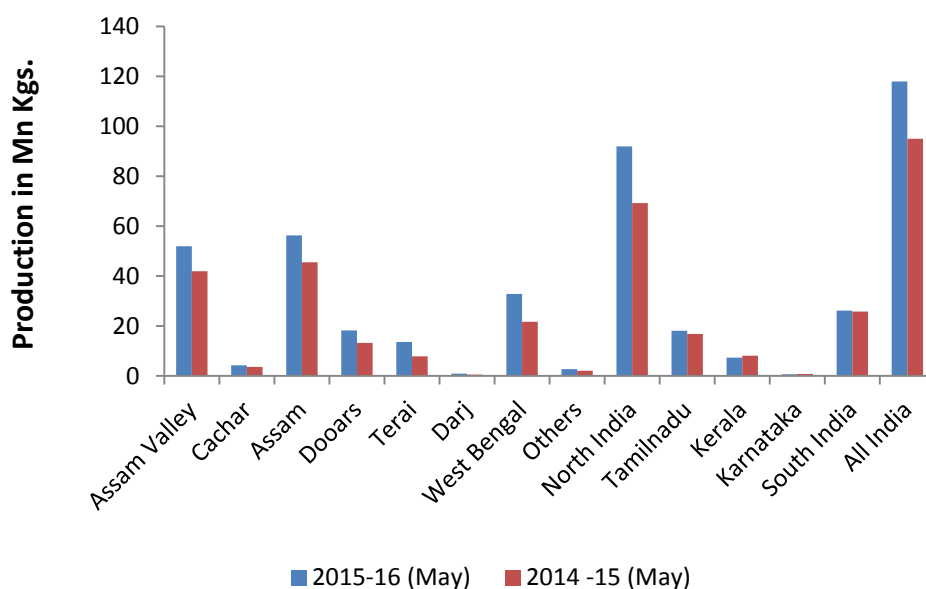
Prices noticed weak tone except slight firm tone noticed in Orthodox Leaf variety. Quantity offered on sale increased during the week compared to previous week. There was good demand for Orthodox Leaf

variety tea from exporters. There is not much demand for CTC variety tea around current levels. Prices are likely to notice weak tone in the near –term.

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 increased 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.

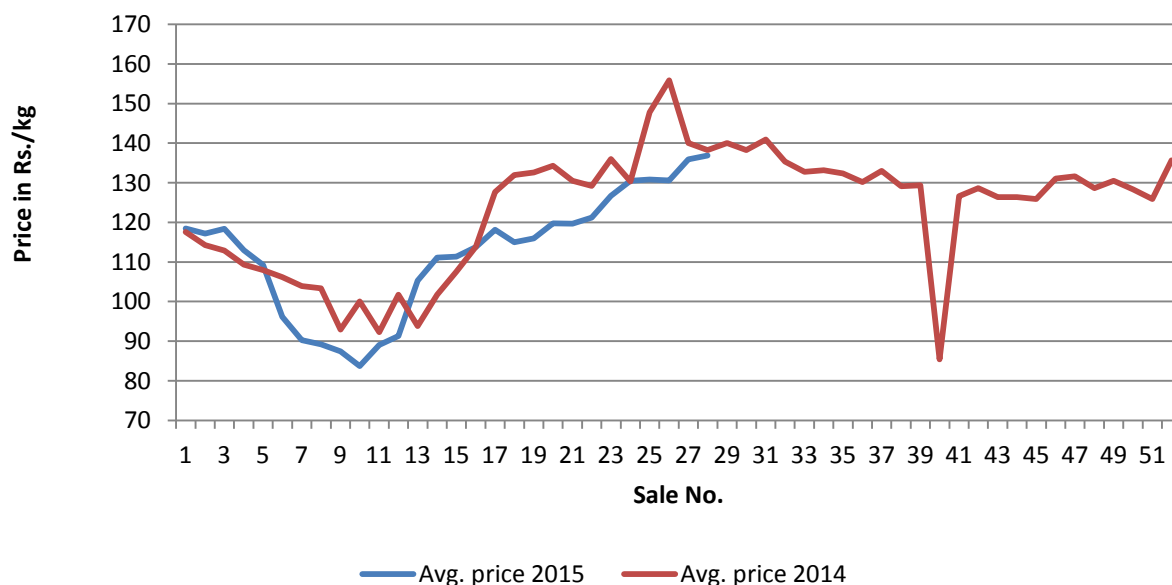
REGIONWISE QUARTERLY EXPORTS:

(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 2014-07-25

Varie ty	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	169.12(1 76.66)	156.96(162 .34)	128.52(134.38)	NS(114.73)	85.56(9 8.73)	65.28(65. 60)	69.54(72.59)	58.19(57. 05)
Total Tea	188.24(1 89.71)	158.24(162 .38)	128.53(134.38)	NS(114.73)	90.11(9 9.43)	66.44(66. 11)	70.56(72.55)	58.19(57. 05)

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

Variety	North India	South India	All India
CTC All Dust	150.95 (158.35)	71.57 (74.42)	130.57 (133.26)
Total Tea	158.65 (164.59)	74.33 (75.61)	136.85 (138.28)

(Source: Tea Board)

Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:

Tea prices noticed firm tone during the week. Prices are holding above 9 –Day and 21 –Day EMA supporting firm tone in the medium –term. RSI is increasing in the neutral region supporting positive tone in the near –term. Prices are likely to continue the firm tone towards 200 levels in the coming days. Traders should consider buying on any near –term weakness.

The tea prices are likely to continue firm tone towards 200 levels in the coming days. Traders can consider buying 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	188.24	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 29 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	390 - 435	470 - 550
Average Westerns	350 - 380	420 - 460
Plainer Westerns	320 - 340	390 - 410
Western Mediums	310 - 480	380 - 470
Uva Teas	300 - 390	370 - 460
Nuwara Eliya Teas	330 - 365	320 - 350
Udapussellawa Teas	300 - 355	360 - 420
CTC (BP1 and PF1)	330 - 400	300 - 530

In this week's auction, 7.33 million kgs of tea was offered for sale compared to 7.48 million kgs of tea during the previous week. There was some 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 firm 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 Turkey, Russia and Iraq.

DETAILS OF TEAS AWAITING SALE

	31		30		29	
AUCTION NO.						
	11 th / 12 th August 2015		04 th /05 th August 2015		27 th /28 th July 2015	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,040	1,191,070 kg	942	1,062,068 kg	996	1,139,251 kg
Main Sale Total	11,442	6,316,065 kg	10,786	5,804,970 kg	11,222	6,188,112 kg
High & Medium	1,462	778,682 kg	1,220	648,052 kg	1,367	755,244 kg
Low Grown Leafy	4,060	1,974,468 kg	3,983	1,928,429 kg	4,166	2,035,503 kg
	2,597	1,585,165 kg	2,445	1,465,113 kg	2,467	1,514,031 kg
Tippy						
Premium/Flowery	642	154,837 kg	569	138,140 kg	640	151,215 kg
Off Grades	2,107	1,248,043 kg	2,090	1,167,396 kg	2,081	1,232,003 kg
Dust	574	574,870 kg	479	457,840 kg	501	500,116 kg
Grand Total	12,482	7,507,135 kg	11,728	6,867,038 kg	12,218	7,327,363 kg
Reprints	1,447	909,682 kg	1,175	738,099 kg	911	566,314 kg
Scheduled to Close (Ex)		23.07.15		16.07.15		09.07.15
Dates (Ms)		24.07.15		17.07.15		10.07.15

Scheduled Closing Dates

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

Auction No. 33 : 25th/ 26th August 2015

Ex Estate : 06.08.2015

Main Sale : 07.08.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 29

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2014	2015	2014	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: 30

ORTHODOX	OFFERED	SOLD	%
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PTPN ESTATE	5.100	262.620 Kg	4.760	244.460 Kg	93.09
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	5.100	262.620 Kg	4.760	244.460 Kg	93.09
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.920	111.920 Kg	1.780	104.520 Kg	93.39
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	1.920	111.920 Kg	1.780	104.520 Kg	93.39
GRAND TOTAL	7.020	374.540 Kg	6.540	348.980 Kg	93.18

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
181-210	155-210	149-204	141-218	133-200	128-142	329

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
130-131	125-141	122-133	-	130-133

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
156-195	166-255	158-251	157-236	130-183	148-175	---

Market offerings increased to 7,020 paper sacks from 5,860 paper sacks. There was good demand in the market. Average price increased to USDcts 157.36 instead of USDcts 149.56 during last week's auction. Average price of Orthodox variety increased to USDcts 148.94 and average price of CTC increased to USDcts 175.59. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 98.13% during the period compared to 89.76% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	12/08/15	19/08/15	12/08/15	19/08/15
PTPN. IV	2.140 S	960 S	-	-
PTPN. VI	760 S	540 S	760 S	460 S
PTPN. VII	1.140 S	660 S	200 S	160 S
PTPN. VIII	4.860 S	4.180 S	480 S	400 S
PTPN. IX	140 S	140 S	-	-
PTPN. XII	- S	- S	480 S	500 S
Total Estate	9.040 S	6.480 S	1.920 S	1.520 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.040 S	6.480 S	1.920 S	1.520 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 12

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	195-200	Best	198-201
Medium	197-202	Good	195-197
Small	197-202	Medium	190-193
Plain	175-180	Plain	175-180

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 1.70 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. 25,686 packages and 41 packages of CTC Leaf of old season noticed good demand. 6,310 packages and 2 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 easy tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

<u>Country</u>	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	91.90(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 output 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 production 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. Good rains in the beginning of July is are likely to support production of third flush of tea in North India.

Currency	01-08-2015	25-07-2015
USD	63.98	64.06
Srilankan Rupee	0.4784	0.4795
Indonesian Rupiah	0.0047	0.0048
Kenyan Shilling	0.6249	0.6323
Bangladeshi Taka	0.8230	0.8242

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone. Quantity offered on sale increased during the week compared to previous week. Arrival of the new crop is lower following due to rain in certain tea growing regions. Arrival of third flush of tea has started in North India. Good rain in the beginning of July is likely to support production of third flush of tea. Buying interest was noticed from exporters. Good demand is expected for the third flush of tea in the near –term. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, prices noticed mixed tone. Prices firmed up in the Indonesian market and noticed weak tone in other markets. Quantity offered on sale declined during the week compared to previous week. Ample supply of new leaf weighed on prices at Bangladesh tea auction. Dry weather in Vietnam is likely to affect the crop to certain extent. Future offering of tea is likely to decline in Sri Lanka and increase in Indonesia tea auctions centers. Prices are likely to notice range –bound to firm tone in the near –term.

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