News Highlights.

- Wagh Bakri, Gujarat –based tea group is likely to buy ten tea plantations in Assam. It is in the process of creating a corpus of Rs.250 crore to fund the acquisition. Its current annual turnover stands at Rs.950 crore and it is aiming at a revenue growth of 10 to 15 per cent per annum.

- According to officials, tea prices are likely to head north in West India as procurement cost of the crop is likely to increase following the implementation of two government orders. according to officials. The revision of minimum wages for tea estate labourersS in Assam and West Bengal and implementation of the Tea (Marketing) Control (Amendment) Order (TMCO) is likely to push out a section of small tea growers out from business. These two factors are likely to increase the cost of tea.

- According to planters in the state, Assam tea quality is declining amid efforts to increase production. The 'three leaves and a bud' plucking is replacing the standard 'two leaves and a bud'. According to industry sources, planters in the later part of the 20th century have opted for Cambod clones instead of Assam clones to increase yield. This has reduced the quality of average Assam tea. Assam produces more than 50% of the country's tea and most of it is CTC tea.

- Reduction in auction prices helped to boost profits from exports amid lower input cost of the raw material and thereby increasing the profits for Finlays Colombo. Finlays Colombo net profit shot up by 91 percent to 116 million rupees in the June 2015 quarter from a year ago.

- India's exports of tea declined by 9 million kgs. to at 76.09 million kgs in the first five months of 2015 compared with to the same period previous year. The same trend would have continued in June and July also. Egypt and Pakistan are not buying much from South India. Europe has raised concerns about the presence of chemicals in speciality teas like Darjeeling tea. Rouble issue in Russia has affected demand.

- The Assam Government has taken up an initiative to revive sick gardens under Assam Tea Corporation Ltd (ATCL). Industry officials held a meeting with MLAs representing constituencies with tea gardens and urged them to provide suggestions to revive the sick gardens.

- According to the National Tea and Coffee Development Board (NTCDB), it plans to extend tea plantation on 60 hectares of land. The move has been taken amid increasing demand for tea in the international market. As on date, tea is produced in 21 districts on 20,120 hectares. The NTCDB statistics show Nepal produced 21,076 tonnes of tea in 2013-14, of which 20-25 percent was orthodox tea and the rest CTC tea. Germany, India, Korea and Japan are the main buyers of Nepali tea.

- According to company sources, Kenyan tea and coffee producer Sasini Ltd will pay an interim dividend of 1.00 shilling ($0.0099) per share next month after it sold some of its land.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 32 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	165.05	22,09,000	16,51,000
ORTHODOX	247.62	4,19,000	3,51,000
DARJEELING	-	-	-
DUST	168.41	11,17,000	8,68,000

(Source: Parcon)

Prices noticed weak tone during the week except slight firm tone noticed in CTC tea variety. Quantity offered on sale declined during the week compared to previous week. There was fair demand in the market. Select Best Assams and Dooars noticed steady to weak tone. Fannings noticed positive tone. Exporters and Western Indian buyers were active in the market. In the Orthodox category, Select well madewell-made tippy teas sold firm in line with quality. There was some buying interest noticed from Hindustan Unilever Limited. Prices are likely to notice weak tone in the coming days.

Guwahati Tea Auction: Sale No: 32 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	150.22	28,91,000	21,90,000
Dust	155.38	14,97,000	10,55,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Liquoring varieties and other varieties noticed fair demand in the market. Buying interest was noticed from Tata Global and internal buyers. There was selective demand from Hindustan Unilever Limited. Prices are likely to notice range –bound tone in the near –term.

Siliguri Tea Auction: Sale No: 33 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	115.60	3,90,000	2,89,600
CTC Leaf	124.50	24,80,000	18,35,000

(Source: Associated Brokers)

Prices noticed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. Prices eased in line with quality. There was good demand around lower levels. Buying interest was noticed from blenders and local buyers. There was selective demand from exporters. Prices are likely to notice easy tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 32 (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: 33 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	91.55	1020195.80	850079.60
CTC Leaf	67.82	65200.00	47040.00
Orthodox Dust	61.10	15162.00	6053.00
Orthodox Leaf	121.38	179786.00	160346.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Good demand from exporters added to the firm tone of the market. Buying interest was noticed from blenders for the dust variety in the market. There is arrival of good quality new crop in the market. Prices are likely to continue positive tone in the near –term.

Coimbatore Tea Auction: Sale No: 33 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	74.14	250920.00	193410.00
CTC Leaf	63.10	145639.00	72075.00
Orthodox Dust	54.13	18623.00	14297.00
Orthodox Leaf	98.11	7711.00	7295.00

(Source: Paramount Marketing, Coimbatore)

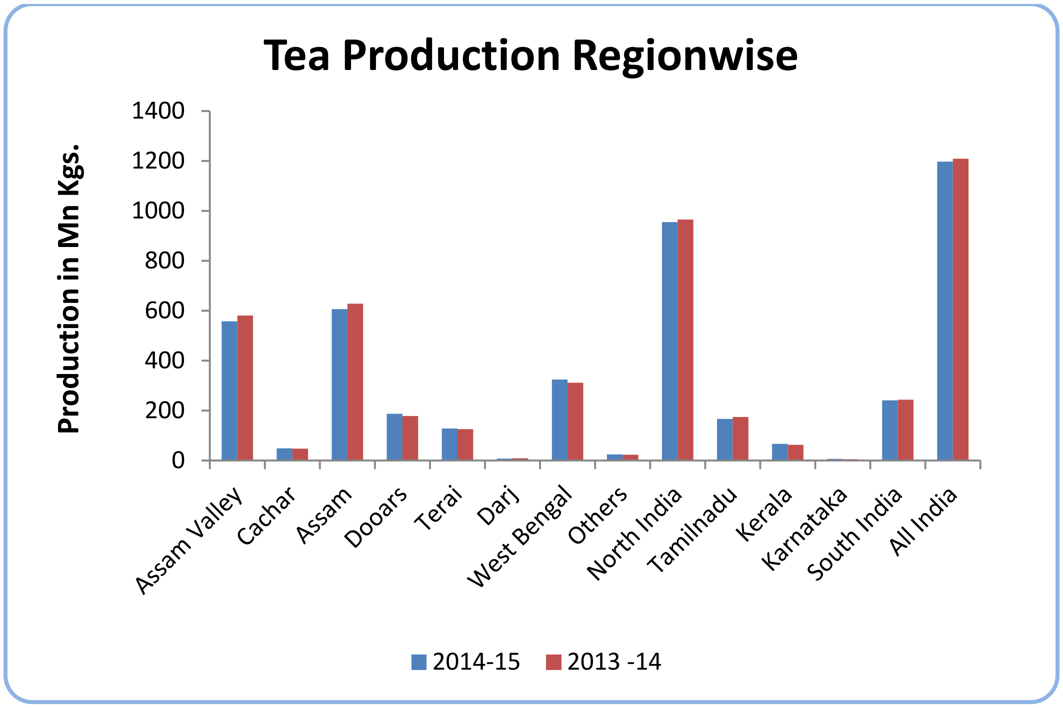
Prices noticed weak tone except slight firmness in Orthodox Leaf variety. Quantity offered on sale increased during the week compared to previous week. Good demand from exporters for Orthodox Leaf variety supported the market. Other varieties noticed fair demand in the market. Prices are likely to notice range –bound to firm tone in the coming days.

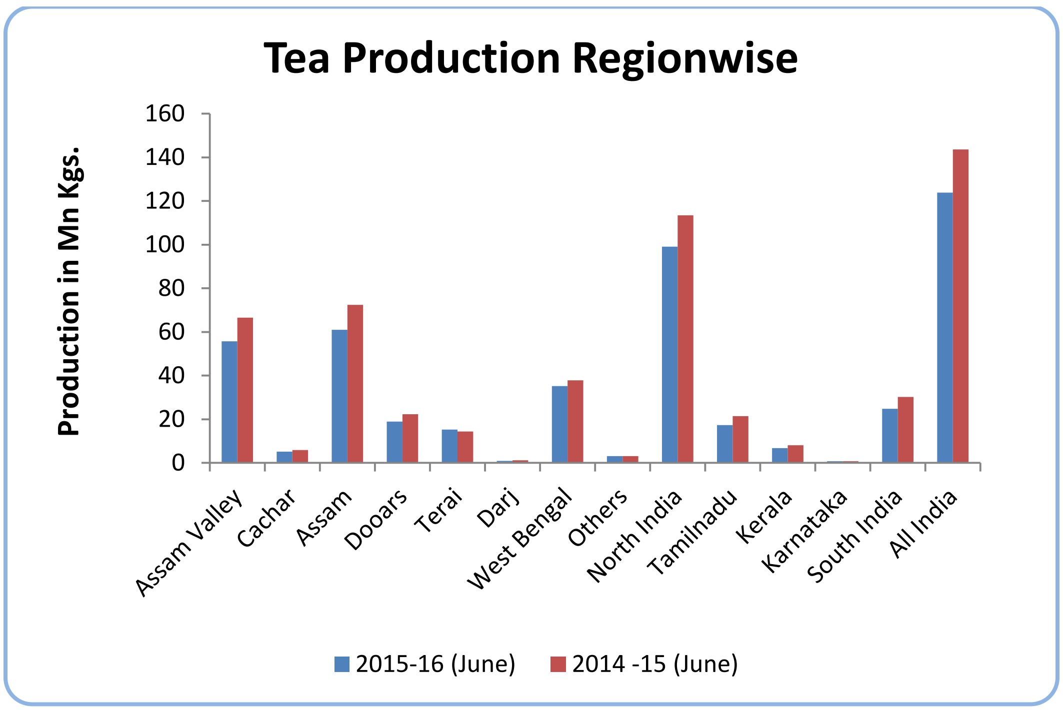
Coonoor Tea Auction: Sale No: 33 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	67.66	409079.00	325496.00
CTC Leaf	61.64	1203403.00	836927.00
Orthodox Dust	98.88	48256.00	27760.00
Orthodox Leaf	94.59	59241.00	50764.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except slight weakness noticed in CTC Dust variety. Quantity offered on sale declined during the week compared to previous week. There was good demand for Nilgiris Broken variety. Buying interest from local buyers lend support to the market. Prices are likely to notice firm tone in the near –term.





(Source: Tea Board)

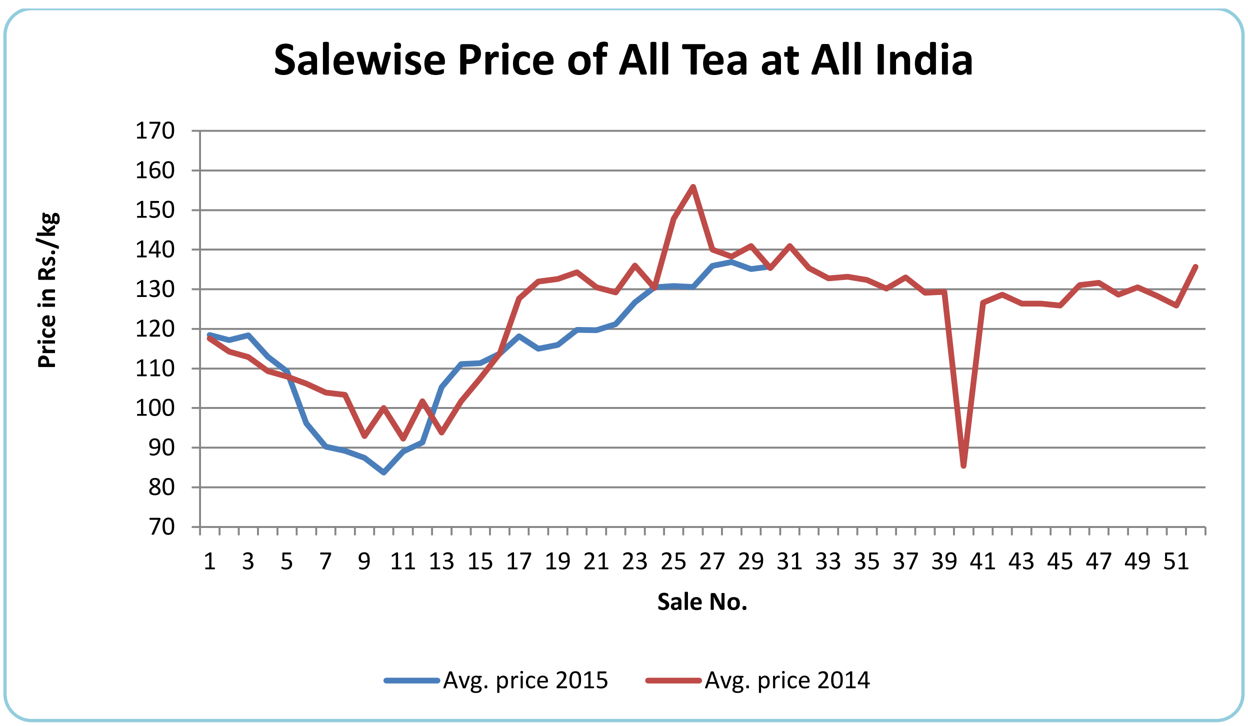
The above graph shows region wise production comparison, during the last two years and in the month of June in comparison with to previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased in production in Assam. In the current year in the month of June, production of tea in India declined by 12.60% to 123.91 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



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 higher compared to previous year amidled by good export demand in the market. Prices have increased slightly during the week compared to previous week.

Weekly Average Prices at Indian Auction Centers for week ending 2015-08-08

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	163.72(164.98)	150.99(152.83)	127.01(129.44)	NS(105.93)	86.66(92.25)	64.57(63.93)	70.21(69.77)	56.71(53.22)
Total Tea	179.62(177.98)	152.63(152.87)	127.01(129.44)	NS(105.93)	90.74(94.01)	65.86(64.36)	70.51(69.82)	56.71(53.22)

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

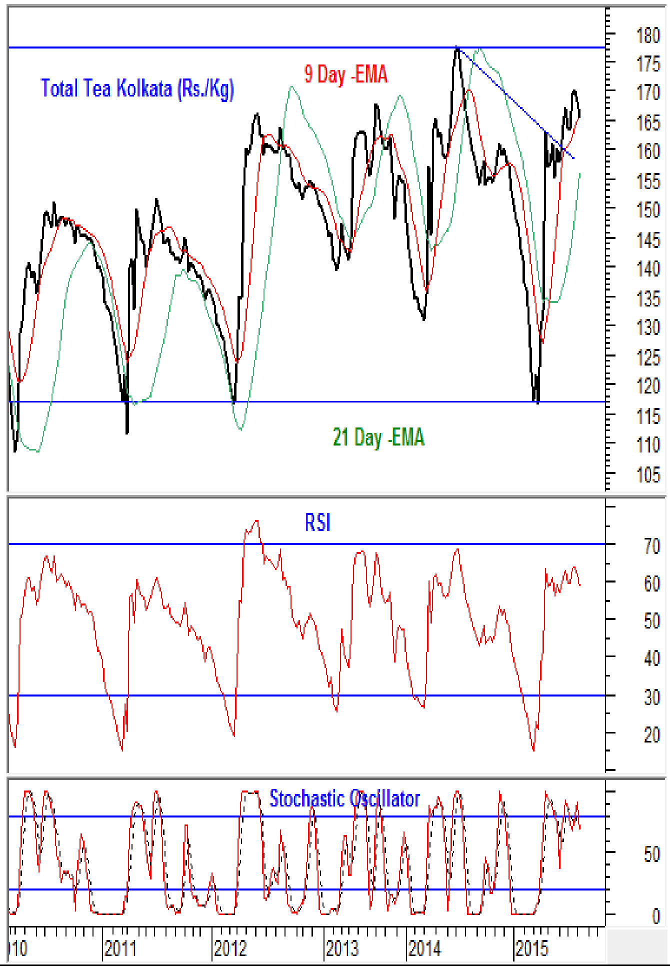
Variety	North India	South India	All India
CTC All Dust	147.65 (148.72)	71.01 (72.65)	129.79 (130.38)
Total Tea	147.65 (148.72)	71.01 (72.65)	129.79 (130.38)

(Source: Tea Board)

Tea – Technical Outlook — Total Tea -Kolkata

Technical Commentary:
Tea prices noticed easy tone during the week. In the near –term, prices could decline towards 170 levels. RSI is declining in the neutral region supporting near –term weakness. Prices are holding above 9 –Day and 21 –Day EMA supporting the overall positive tone of the market.

The tea prices are likely to notice firm tone towards 200 levels. Any near –term weakness should be considered as good buying opportunity within the overall firm tone of the market.



Strategy: Buy Around Current Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	130.00	179.62	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 31 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	400 - 440	470 - 540
Average Westerns	360 - 390	430 - 460
Plainer Westerns	325 - 350	400 - 420
Western Mediums	310 - 480	330 - 470
Uva Teas	300 - 750	350 - 530
Nuwara Eliya Teas	320 - 530	340 - 470
Udapussellawa Teas	255 - 360	320 - 420
CTC (BP1 and PF1)	280 - 380	310 - 510

In this week's auction, 7.50 million kgs of tea was offered for sale compared to 7.33 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 firm 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 weak tone. In the Tippy catalogues, better made FBOP and FF1's noticed easy 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 and Iran and selective demand from Syria, Turkey, Saudi Arabia and other middle –eastern countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	33		32		31	
Dates	25th / 26th August 2015		19th August 2015		11th/12th August 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,110	1,294,686 kg	620	719,896 kg	1,040	1,191,070 kg
Main Sale Total	11,704	6,462,476 kg	6,643	3,512,014 kg	11,442	6,316,065 kg
High & Medium	1,347	677,838 kg	741	402,516 kg	1,462	778,682 kg
Low Growns Leafy	3,968	1,911,523 kg	2,857	1,335,023 kg	4,060	1,974,468 kg
Tippy	2,706	1,629,152 kg	1,196	731,104 kg	2,597	1,585,165 kg
Premium/Flowery	654	155,174 kg	450	112,065 kg	642	154,837 kg
Off Grades	2,331	1,371,352 kg	1,156	685,833 kg	2,107	1,248,043 kg
Dust	698	717,437 kg	243	245,473 kg	574	574,870 kg
Grand Total	12,814	7,757,162 kg	7,263	4,231,910 kg	12,482	7,507,135 kg
Reprints	982	588,902 kg	1,550	885,392 kg	1,447	909,682 kg
Scheduled to Close (Ex)		06.08.15		30.07.15		23.07.15
Dates (Ms)		07.08.15		30.07.15		24.07.15

Scheduled Closing Dates

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

Auction No. 34 : 01st/02nd September 2015

Ex Estate : 13.08.2015

Main Sale : 14.08.2015

Auction No. 35 : 08th/09th September 2015

Ex Estate : 20.08.2015

Main Sale : 21.08.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 32

AUCTION AVERAGE PRICE

AUCTION	KENYA 2014	KENYA 2015	TOTAL 2014	TOTAL 2015
30	$2.30	$3.46	$2.13	$3.12
31	$2.20	$3.40	$2.05	$3.09
32	$2.13	$3.36	$1.99	$3.04

QUOTATIONS	BROKENS	FANNINGS
Best	478 – 562	528 – 595
Good	475 – 509	539 - 548
Good Medium	442 – 509	507 - 546
Medium	297 – 438	475 - 515
Lower Medium	192 – 369	253 - 377
Plain	132 – 253	151 – 245 (SL RUPEES)

During the week good demand was noticed for 6,969,936 kilos of tea on offer. Brighter DUST1s were lower up to USC30, with mediums USC20 to USC34 higher and prices of lower mediums were up to USC16 lower. Prices of Brighter BP1's were up to USC20 higher, prices of mediums were USC4 to USC16 lower and prices of lower mediums were USC7 to USC18 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's noticed firm tone and PF's noticed easy tone during the week. Well sorted clean coloury Fannings noticed firm tone and Dusts noticed steady tone during the week. Other Fannings and BMF's noticed firm tone. There was good buying interest from Yemen, Middle –eastern countries, Kazakhstan, other CIS states, U.K. and Bazaar. There was less and selective demand from Egyptian packers, Pakistan packers, Afghanistan and Sudan. Some buying interest was noticed from Russia and Iran. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 32

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	9.080	478.860 Kg	8.080	424.340 Kg	88.61
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	9.080	478.860 Kg	8.080	424.340 Kg	88.61

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.840	106.040 Kg	1.700	98.560 Kg	92.95
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	1.840	106.040 Kg	1.700	98.560 Kg	92.95
GRAND TOTAL	10.920	584.900 Kg	9.780	522.900 Kg	89.40

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
190-194	156-201	150-195	140-206	133-215	130-146	331

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
132-181	134-146	126-134	-	130-136

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
150-196	169-221	162-238	169-230	135-176	148-184	---

Market offerings increased to 10,920 paper sacks from 7,560 paper sacks. There was good demand in the market. Average price declined to USDcts 156.52 instead of USDcts 156.72 during last week's auction. Average price of Orthodox variety increased to USDcts 151.71 and average price of CTC increased to USDcts 175.44. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 89.40% during the period compared to 91.98% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	19/08/15	27/08/15	19/08/15	27/08/15
PTPN. IV	2.300 S	2.460 S	-	-
PTPN. VI	720 S	720 S	1.080 S	660 S
PTPN. VII	1.440 S	1.400 S	240 S	140 S
PTPN. VIII	3.900 S	3.340 S	660 S	340 S
PTPN. IX	220 S	220 S	-	-
PTPN. XII	- S	- S	460 S	320 S
Total Estate	8.580 S	8.140 S	2.440 S	1.460 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	8.580 S	8.140 S	2.440 S	1.460 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 14
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	188-192	Best	193-196
Medium	191-195	Good	191-193
Small	192-195	Medium	188-190
Plain	175-183	Plain	180-185

Tea prices at Bangladesh tea auction declined during the week amid highest volume offered for the season till date. Downside was limited amid good demand for quality leaf. The average price of tea during this week's auction was around USD 2.50/kg. Around 1.82 million kgs of tea was offered for sale and nearly 6 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers and blenders. 26,305 packages of CTC Leaf noticed good demand. 6,843 packages 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 weak tone during the week. Good liquoring Dusts noticed easy 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	June	28.91	30.99	Up to June	172.61	173.63	- 1.02
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	June	32.29	31.94	Up to June	175.26	225.19	- 49.92
Bangladesh	June	5.76	7.77	Up to June	14.50	15.97	- 1.47
Malawi	June	1.7	2.2	Up to June	30.6	34.9	- 4.3

(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 dropped following production decline in production in Kenya, the largest producer of black tea in the world. It's production has declined to 175.26 million kg compared to 225.19 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 till date is likely to support production of tea in India in 2015.

Currency	14-08-2015	08-08-2015
USD	65.13	63.98
Srilankan Rupee	0.4840	0.4784
Indonesian Rupiah	0.0047	0.0047
Kenyan Shilling	0.6367	0.6249
Bangladeshi Taka	0.8380	0.8230

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone. Quantity offered on sale declined during the week compared to previous. Demand for third flush of tea from exporters and local buyers lend support to the market. Rains remained subdued in the major tea growing regions. Arrival of good quality new crop arrival was reported in South India. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, prices noticed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. Dry weather conditions have improved in Vietnam. In North and South India, weather has been supportive till date and production is expected to be higher compared to previous year. Future offering of tea is likely to decline in Sri Lanka and Indonesia. Prices are likely to continue easy tone in the near –term.