News Highlights.

- The Tea Board Of India has introduced an incentive scheme to provide monetary support towards additional transport and handling charges incurred by tea exporters in the north –east. Under this scheme, tea exports from the north –east are eligible for a financial assistance of Rs.1.50 per kg of the product if the same is exported from the Inland Container Depot (ICD) located in Guwahati's Amingaon area.

- Indian Tea IndusrtyIndustry is eyeing Russia after a gap of 10 years as exports to the major buyers of Egypt and Pakistan are steady to lower. A delegation of Indian tea producers, merchant exporters and auctioneers is set to visit Russia. The delegation is planning to hold talks with the buyers at World Food Moscow, to be held between September 14 and 17, 2015. In 2014, India exported 207.44 million kg of tea. The total exports in the six months to June stood at 88.94 million kg, 9% less than 97.67 million kg a year ago.

- According to the Tea Board of India, production of tea declined by 14% to 123.91 million kg in June 2015 compared to the same corresponding period of previous year. This is due to lower plucking in Assam amid heavy rainfall. Production in Assam declined by nearly 16 per cent to 60.91 million kg. compared to the same corresponding period of previous year.

- 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.

- 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.

Domestic Trade Scenario:

Indian Tea Auctions

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	167.74	23,46,000	17,38,000
ORTHODOX	254.29	5,53,000	4,06,000
DARJEELING	-	-	-
DUST	174.91	12,74,000	9,70,000

(Source: Parcon)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrival of good quality leaf added to the positive tone of the market. There was good demand for Best/Good variety and fair demand for other varieties. Dust noticed steady tone and Fannings noticed firm tone during the week. There was good demand from exporters, packers and Tata Global. In the Orthodox category, there was good demand for Tippy sorts. Demand from Iran and CIS countries noticed positive tone. Prices are likely to notice firm tone in the near –term.

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

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	146.84	31,84,000	23,68,000
Dust	164.59	16,42,000	10,69,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Good variety Dust tea noticed firm tone. There was good demand for quality tea and fair for the remainder other varieties. Buying interest was noticed from Tata Global and internal buyers in the market. Prices are likely to notice range –bound to firm tone in the coming days.

Siliguri Tea Auction: Sale No: 34 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	115.70	5,39,000	3,72,000
CTC Leaf	121.54	33,34,000	23,73,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Withdrawal was noticed in all varieties following quality. Some demand was noticed for Bright Liquoring varieties. Buying interest from exporters and blenders lent some support to the market. Prices are likely to notice weak tone in the near –term.

Jalpaiguri Tea Auction: Sale No: 33 (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: 34 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	92.11	1066367.40	815501.20
CTC Leaf	69.56	64034.00	34540.00
Orthodox Dust	59.91	12550.00	4442.00
Orthodox Leaf	124.06	207647.00	165134.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Good demand for CTC variety tea from blenders lent support to the market. There was not much demand from the exporters for Orthodox variety tea. Buying interest was noticed from Tata Global. Prices are likely to notice range –bound to firm tone in the coming days.

Coimbatore Tea Auction: Sale No: 34 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	75.13	217925.00	182249.00
CTC Leaf	59.54	117028.00	53451.00
Orthodox Dust	59.21	8801.00	4822.00
Orthodox Leaf	83.44	9052.00	6202.00

(Source: Paramount Marketing, Coimbatore)

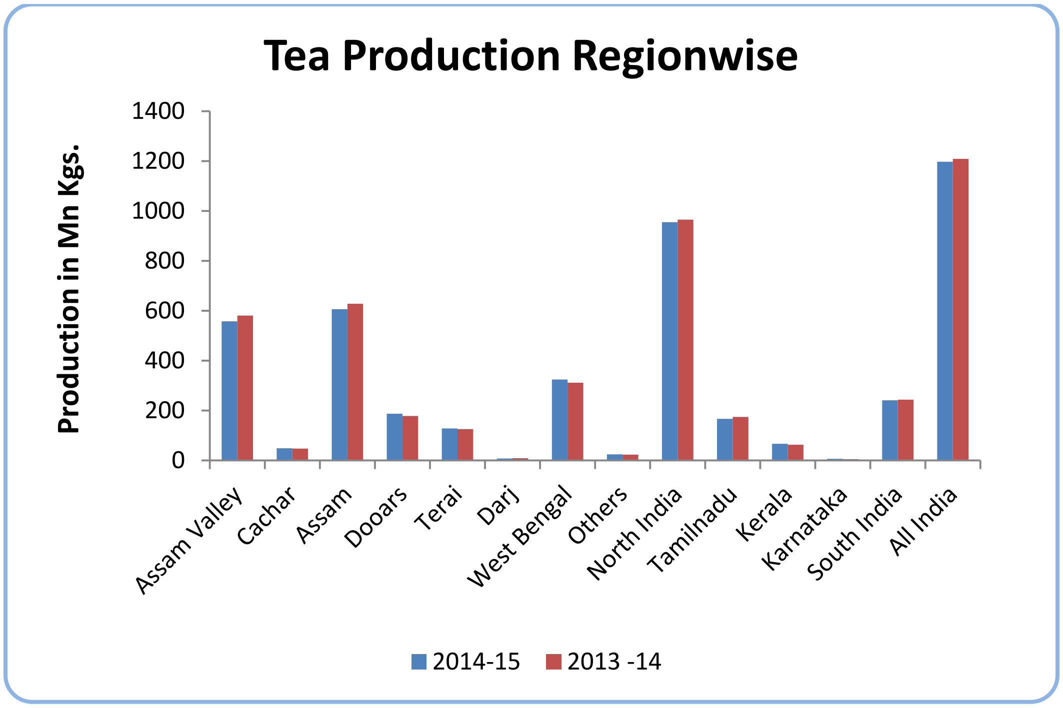
Prices noticed weak tone during the week except slight firmness in CTC Dust variety. Quantity offered on sale declined during the week compared to previous week. Lack of demand from the exporters for Nilgiris variety tea weighed on prices. Arrivals are lower amid following lower production in the month of August. Prices are likely to notice steady to firm tone in the coming days.

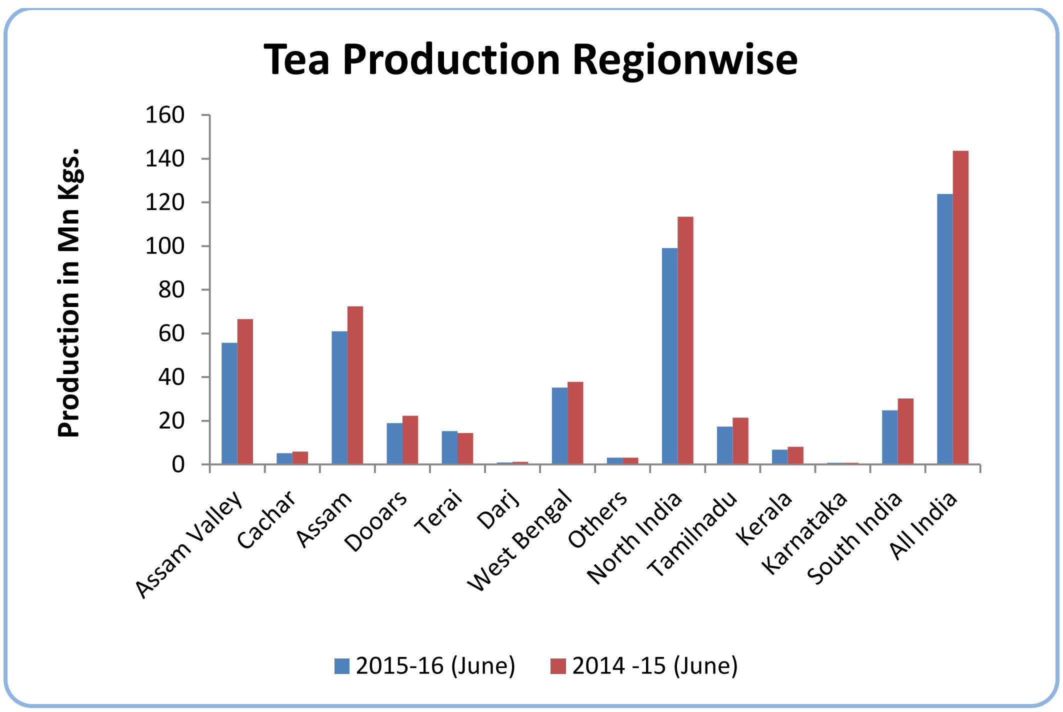
Coonoor Tea Auction: Sale No: 34 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	69.12	366317.00	294649.50
CTC Leaf	61.23	1095774.00	720213.00
Orthodox Dust	87.55	61913.00	37970.00
Orthodox Leaf	93.22	72680.50	58658.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was some buying interest from Kerala State Civil Supplies. Demand remained selective from exporters and local buyers in the market. Prices are likely to likely to notice easy 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

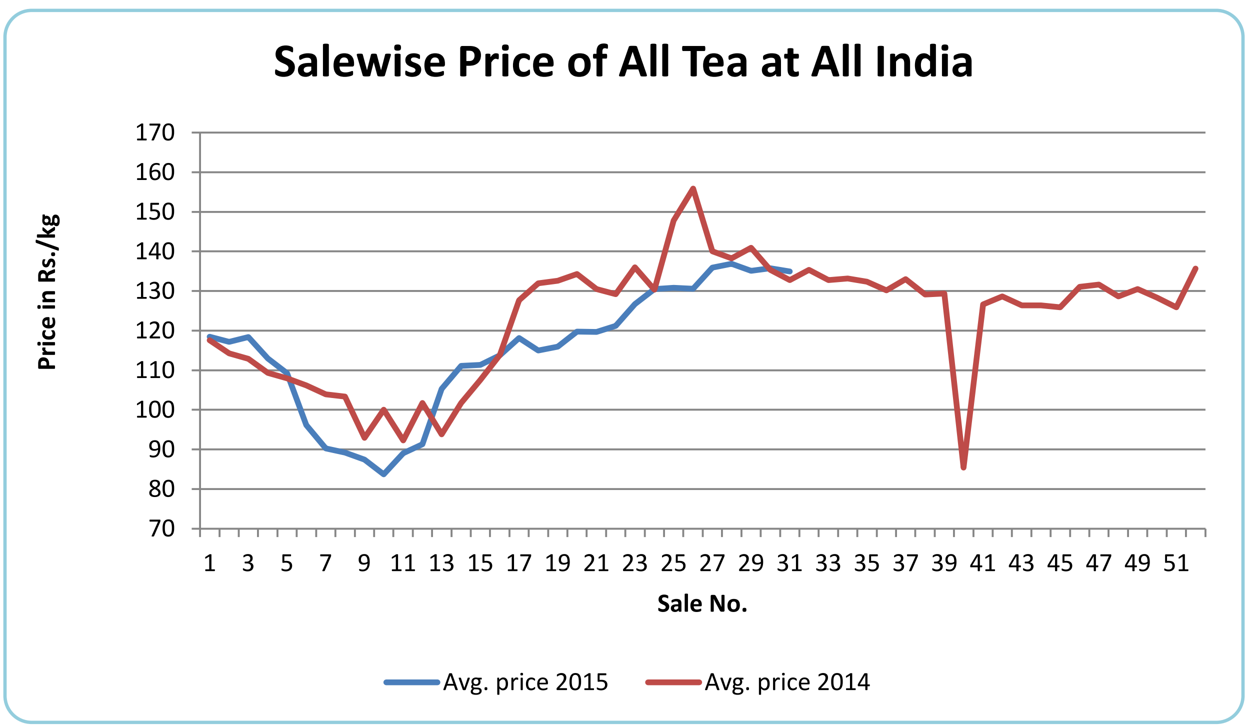
6.5% to 1208.78 million kgs mainly on account of increased in production in Assam. In the current year in the month of June, production of tea in India declined by 12.60% to 123.91 million kgs. in comparison to the same corresponding period last year following owing to lack of suitable temperature and 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 amid led by good domestic demand in the market. Prices have declined slightly during the week compared to previous week.

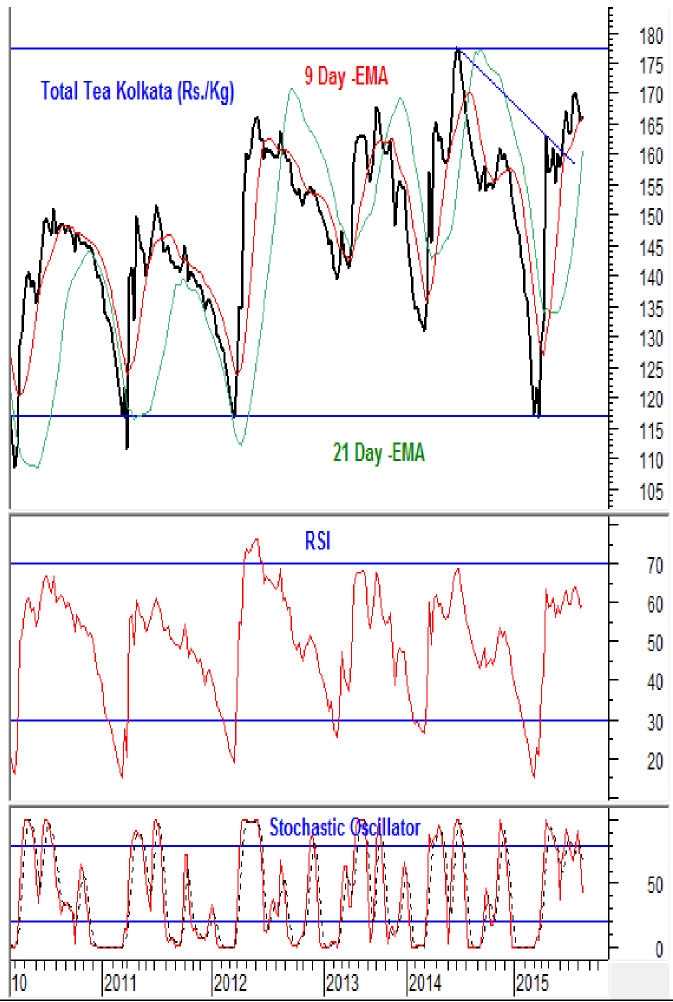
Weekly Average Prices at Indian Auction Centers for week ending 2015-08-15

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	166.07(161.16)	151.38(151.07)	123.26(127.60)	100.64(103.25)	90.11(95.41)	64.18(62.54)	70.27(69.18)	58.30(50.73)
Total Tea	180.80(173.18)	152.82(151.07)	123.27(127.60)	100.64(103.25)	94.83(96.37)	65.42(63.21)	70.98(69.57)	58.30(50.73)

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

Variety	North India	South India	All India
CTC All Dust	146.19 (146.63)	73.56 (73.27)	129.62 (128.88)
Total Tea	152.49 (151.41)	76.78 (74.53)	134.97 (132.76)

(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 medium –term. MACD is declining in the positive territory supporting slight weakness. Any near –term weakness should be considered as good buying opportunity. Stochastic oscillator is declining in the neutral region denoting weakness in the near –term. ***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	180.80	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 32 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	420 - 490	480 - 550
Average Westerns	380 - 410	440 - 470
Plainer Westerns	330 - 370	400 - 430
Western Mediums	450 - 540	340 - 480
Uva Teas	330 - 760	350 - 640
Nuwara Eliya Teas	310 - 460	350 - 420
Udapussellawa Teas	270 - 435	345 - 450
CTC (BP1 and PF1)	325 - 425	310 - 520

In this week's auction, 4.23 million kgs of tea was offered for sale compared to 7.50 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 mixed 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 weak tone. In the Tippy catalogues, better made FBOP and FF1's noticed firm tone during the week. The below bestmediocre/second-rate and plainer variety noticed easy tone during the week. There was fair buying interest from Russia and Iran and fair demand from Syria, Turkey, Saudi Arabia and other middle – eastern countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	34		33		32	
Dates	01st/ 02nd September 2015		25th / 26th August 2015		19th August 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	938	1,090,506 kg	1,110	1,294,686 kg	620	719,896 kg
Main Sale Total	11,819	6,561,576 kg	11,704	6,462,476 kg	6,643	3,512,014 kg
High & Medium	1,309	670,586 kg	1,347	677,838 kg	741	402,516 kg
Low Growns Leafy	4,166	2,027,630 kg	3,968	1,911,523 kg	2,857	1,335,023 kg
Tippy	2,681	1,654,819 kg	2,706	1,629,152 kg	1,196	731,104 kg
Premium/Flowery	617	150,256 kg	654	155,174 kg	450	112,065 kg
Off Grades	2,394	1,410,648 kg	2,331	1,371,352 kg	1,156	685,833 kg
Dust	652	647,637 kg	698	717,437 kg	243	245,473 kg
Grand Total	12,757	7,652,082 kg	12,814	7,757,162 kg	7,263	4,231,910 kg
Reprints	1,307	816,958 kg	982	588,902 kg	1,550	885,392 kg
Scheduled to Close (Ex)		13.08.15		06.08.15		30.07.15
Dates (Ms)		14.08.15		07.08.15		30.07.15

Scheduled Closing Dates

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

Auction No. 36 : 15th/16th September 2015

Ex Estate : 27.08.2015

Main Sale : 28.08.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 33

AUCTION AVERAGE PRICE

AUCTION	KENYA 2014	KENYA 2015	TOTAL 2014	TOTAL 2015
31	$2.20	$3.40	$2.05	$3.09
32	$2.13	$3.36	$1.99	$3.04
33	$2.05	$3.20	$1.95	$2.92

QUOTATIONS	BROKENS	FANNINGS	
Best	484 - 574	529 – 589	
Good	476 – 519	529 - 548	
Good Medium	437 – 516	492 - 540	
Medium	284 – 532	463 - 496	
Lower Medium	225 – 350	231 - 392	
Plain	132 – 238	165 – 386	(SL RUPEES)

During the week good demand was noticed for 7,309,670 kilos of tea on offer. Brighter DUST1s were USC20 to USC50 lower, with mediums firm to USC40 lower and prices of lower mediums were firm to USC16 lower. Prices of Brighter BP1's were firm to USC10 lower, prices of mediums were USC5 to USC68 lower and prices of lower mediums were firm to USC12 lower. 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 firm tone and Dusts noticed easy tone during the week. Other Fannings and BMF's noticed firm tone. There was good buying interest from Sudan and Bazaar. Buying interest was noticed from Pakistan Packers, Afghanistan and Egyptian packers. There was less demand from Yemen, other middle –eastern countries, U.K., Iran and Russia. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 33

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	8.580	449.660 Kg	7.440	387.020 Kg	86.07
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	8.580	449.660 Kg	7.440	387.020 Kg	86.07

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.440	139.840 Kg	2.140	123.440 Kg	88.27
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.440	139.840 Kg	2.140	123.440 Kg	88.27
GRAND TOTAL	11.020	589.500 Kg	9.580	510.460 Kg	86.59

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	**BOP**	**BOPF**	**PF**	**DUST**	**BT**	**BP**
196-198	**159-202**	**151-198**	**149-218**	**144-155**	**127-146**	**347**

Orthodox Secondary Grades				
PF.II	**DUST.II**	**BT.II**	**BP.II**	**DUST.III**
131-178	**135-149**	**126-135**	**302**	**125-129**

CTC First and Secondary Grades						
BP.1	**PF.1**	**PD**	**D.1**	**FANN**	**D.2**	**D.3**
156-185	**171-238**	**168-233**	**167-212**	**140-170**	**153-179**	**---**

Market offerings increased to 11,020 paper sacks from 10,920 paper sacks. There was good demand in the market. Average price declined to USDcts 154.60 instead of USDcts 156.52 during last week's auction. Average price of Orthodox variety declined to USDcts 149.60 and average price of CTC declined to USDcts 168.28. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 86.59% during the period compared to 89.40% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	26/08/15	**02/09/15**	**26/08/15**	**02/09/15**
PTPN. IV	2.460 S	1.420 S	-	-
PTPN. VI	720 S	460 S	660 S	780 S
PTPN. VII	1.400 S	1.200 S	140 S	- S
PTPN. VIII	3.340 S	2.380 S	340 S	200 S
PTPN. IX	220 S	200 S	-	-
PTPN. XII	- S	- S	320 S	360 S
Total Estate	8.140 S	5.660 S	1.460 S	1.340 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	8.140 S	5.660 S	1.460 S	1.340 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 15

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	185-187 nom	Best	191-194
Medium	186-189	Good	187-191
Small	187-190	Medium	184-186
Plain	170-178	Plain	172-178

Tea prices at Bangladesh tea auction declined during the week amid highest volume offered for the season till date. The average price of tea during this week's auction was around USD 2.50/kg. Around 2.00 million kgs of tea was offered for sale and nearly 15 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers and blenders. 29,403 packages of CTC Leaf noticed good demand. 7,927 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 weak tone. 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	June	99.13(E)	113.43	Up to June	275.22 (E)	267.68	+ 7.54
South India	June	24.78(E)	30.21	Up to June	123.62 (E)	121.03	+ 2.59
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 till June 2015 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 7.5% and 2.60% respectively till June 2015. Plucking has been lower in North India amid heavy rainfall in the tea growing regions.

Currency	22-08-2015	14-08-2015
USD	66.18	65.13
Srilankan Rupee	0.4937	0.4840
Indonesian Rupiah	0.0048	0.0047
Kenyan Shilling	0.6419	0.6367
Bangladeshi Taka	0.8515	0.8380

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone during the week, with prices firming up mostly at the North Indian auction centers. Quantity offered on sale increased during the week compared to previous week. Good demand is noticed in the market for arrival of good quality leaf in the market. In the month of June, there was slow increase in production was less in comparison with to the month of May amid heavy rains in the tea growing regions. Export inquiry from the Iranian buyers added to the positive tone of the market. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices noticed weak tone except slight improvement in certain varieties of tea in Sri Lanka. Rains during the last few days in the tea growing regions have affected the arrival of the new crop. Dry weather condition in Indonesia and Vietnam is improving. Future offering of tea is likely to increase in Sri Lanka and decline in Indonesia in the coming week. Prices are likely to notice range – bound to weak tone in the coming days.