

### **News Highlights.**

- The Nilgiris Tea Development Foundation consisting of micro and small tea growers from the Nilgiris are planning to set up a Tea Park in Coimbatore in about five acres. The park will have facilities to blend, grade, weigh and pack the teas. The total cost of the project is around Rs. 10 crore and the Tea Board will provide around 40 per cent subsidy for the proposal.
- Around 4000 tea estate workers of Kannan Devan Hills Plantations Limited (formerly Tata Tea) are asking for an increase in bonus and daily wages. The company has announced for a bonus of 10 per cent and the workers are looking for 20 per cent bonus. The company has lowered the bonus amid due to decline drop in its annual income by 68 per cent for 2014 -15 amid lower international tea prices.
- The Tea Board of India will show case the best of Indian teas at an exclusive Pavilion at India's only International trade show dedicated to the Tea and Coffee sectors at World Tea and Coffee Expo being held from 1st October to 3rd October at Bombay Exhibition Centre, Goregaon, Mumbai. The Tea Board of India Pavilion at WTCE 2015 shall comprise of leading companies like Golden Tips Tea Co Ltd, VarieTea, Makaibari Tea, Simla Tea Co Ltd, to name a few.
- Small tea farmers in the Nilgiris are worried as green tea leaf price slab has been hovering between Rs.6 and Rs.8 for the past few months. The small tea cultivators have been asking for 'minimum support price' for green leaf tea for more than a decade. According to a survey done by Indian Institute of Plantation Management (IIPM) Bangalore, the minimum cost of production of green leaf tea would be around Rs.17 and 50 percent of that would be added as social cost for the farmer, which means the minimum support price should be between Rs.25 to Rs.27. The Small Tea Growers are in a crisis following lower prices.
- Global packers are looking for tea at \$2/kg, which is below the cost of production of many estates. Multinational firms that pack teas mainly for super market were looking for cheap origins for their blends. The Sri Lankan tea firms are finding it difficult to sell tea at these levels. A floor price of 80 rupees a kilo guaranteed by Sri Lankan government was fixed when auction prices peaked and was not sustainable. The government introduced the floor price scheme after the steep fall in tea prices in recent months.
- Burundi's tea export earnings in the first half of the year were up 61 percent on the same period of 2014, helped by stronger sales while neighboring Kenya's production dropped. Burundi's state-run tea board (OTB) reported first-half earnings of \$17.9 million, against \$11.1 million in the same period last year, on export volumes that jumped to 6,262,710 kg from 5,229,351 kg.

- Kenya's tea output declined by 22 per cent in the first half of 2015 compared to the same period previous year according to data from the industry regulator. Drought during the beginning of the year has affected the crop. In the first six months of 2015, output of tea declined to 175.20 million kg from 224.8 million kg during the same period in 2014.

## Domestic Trade Scenario:

### Indian Tea Auctions

#### Kolkata Tea Auction: Sale No: 36 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
<b>CTC</b>	164.08	30,69,000	22,11,000
<b>ORTHODOX</b>	224.57	5,63,000	4,25,000
<b>DARJEELING</b>	-	-	-
<b>DUST</b>	165.48	13,13,000	9,96,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Good/Best Assams in Leaf variety noticed steady tone and in dust variety, it noticed firm tone. Plainer Assams and Dooars noticed withdrawal in the market. There was good buying support from Western India buyers. There was fair buying interest from the exporters and the local traders. Select Well Made Bolder Broken in orthodox variety noticed steady tone. There was selective demand from the exporters. Prices are likely to notice range –bound to firm tone in the coming days.

#### Guwahati Tea Auction: Sale No: 36 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
<b>CTC</b>	142.01	37,18,000	26,64,000
<b>Dust</b>	148.54	18,78,000	12,04,000

(Source: Parcon)

Prices noticed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Better Liquoring sorts and fair demand for other varieties. Medium and Plainer Dust noticed withdrawal in the market. Buying interest was noticed from Tata Global and internal buyers. Prices are likely to notice weak tone in the near –term.

#### Siliguri Tea Auction: Sale No: 37 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
<b>CTC Dust</b>	110.65	5,28,000	3,54,000
<b>CTC Leaf</b>	119.28	33,74,000	24,83,000

(Source: Associated Brokers)

Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. Bright Liquoring varieties noticed good demand. Medium and Lower Medium sorts noticed easy tone during the period. Dust variety tea noticed withdrawals in the market. There was selective demand from exporters. Prices are likely to notice weak tone during the week.

**Jalpaiguri Tea Auction: Sale No: 36 (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: 37 (Price in Rs./kg)**

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	91.20	901807.70	750380.90
CTC Leaf	67.51	67113.00	44402.00
Orthodox Dust	61.35	17210.00	5097.00
Orthodox Leaf	139.10	145921.00	116398.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed easy tone during the week except Orthodox Leaf variety. Quantity offered on sale declined during the week compared to previous week. There is not much demand in the market for plainer varieties. Good quality tea noticed some demand in the market. Export enquiry for Orthodox Leaf variety tea supported the market. Prices are likely to notice range –bound to weak tone in the coming days.

**Coimbatore Tea Auction: Sale No: 37 (Price in Rs./kg)**

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	74.41	220579.00	200795.00
CTC Leaf	61.55	130582.00	105609.00
Orthodox Dust	51.07	10415.00	5221.00
Orthodox Leaf	80.27	9866.00	7033.00

(Source: Paramount Marketing, Coimbatore)

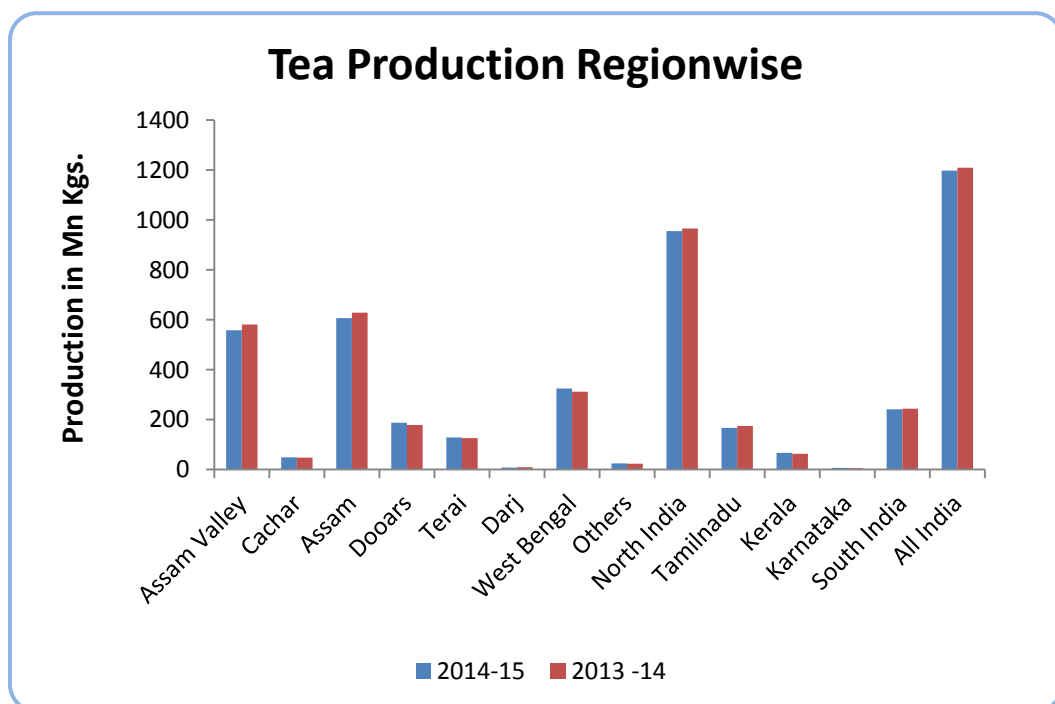
Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There is not much demand from blenders and internal buyers. Arrivals have increased during the period. Good/Better variety tea noticed some demand. Prices are likely to notice range –bound to firm tone in the coming days.

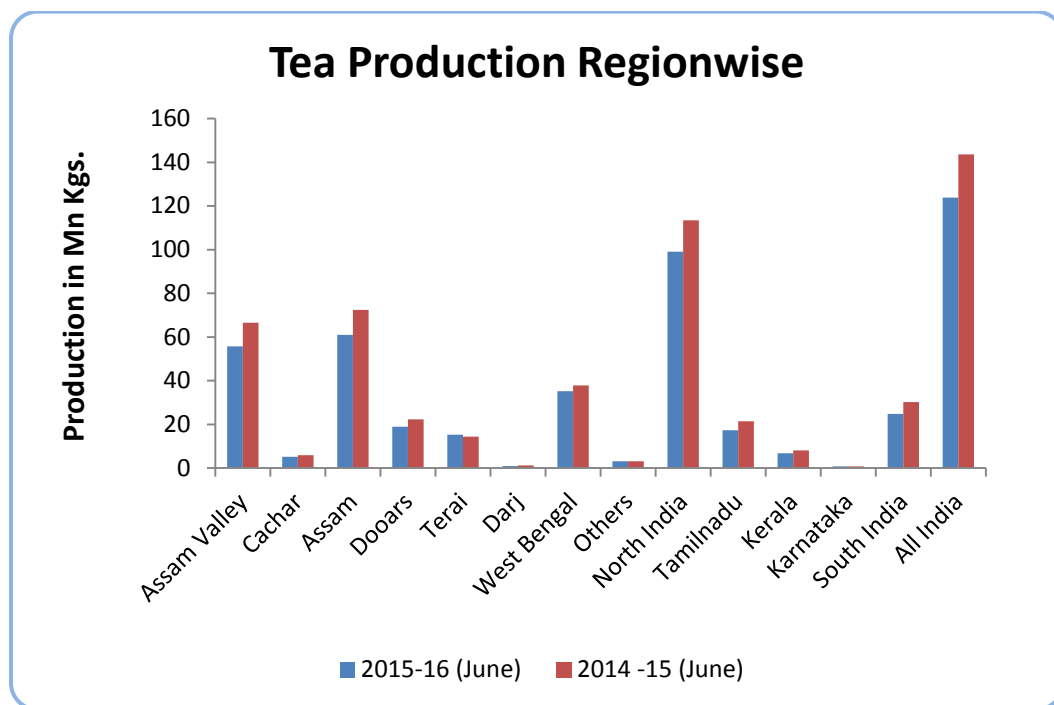
**Coonoor Tea Auction: Sale No: 37 (Price in Rs./kg)**

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	69.45	374119.00	327406.00
CTC Leaf	62.89	1037080.00	731680.00
Orthodox Dust	90.22	61337.00	32898.00
Orthodox Leaf	96.38	67428.00	60195.00

(Source: Paramount Marketing, Coimbatore)

Prices continued positive tone during the week. Quantity offered on sale increased during the week compared to previous week. Buying support from exporters added to the positive tone of the market. There is some demand from internal buyers. Prices are likely to notice firm tone in the near –term.





(Source: Tea Board)

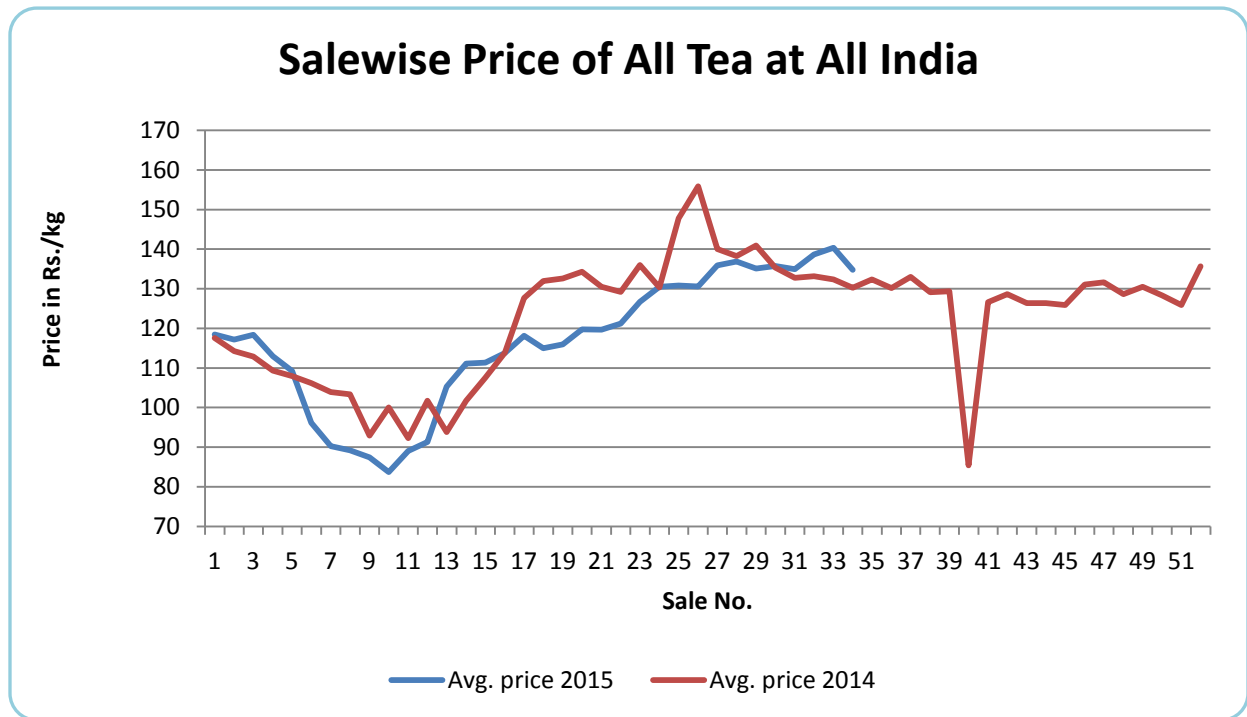
The above graph shows region wise production comparison, during the last two years and in the month of June in comparison with to previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased in production in Assam. In the current year in the month of June, production of tea in India declined by 12.60% to 123.91 million kgs. in comparison to the same 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
<b>Jan-May 2015 (P)</b>	39.57	813.27	205.53	36.52	488.45	133.75	76.09	1301.72	171.08
<b>Jan-May 2014</b>	48.11	1082.95	225.10	36.83	508.49	138.06	84.94	1591.44	187.36
<b>Inc/Dec in %</b>	-17.75	-24.90	-8.69	-0.84	-3.94	-3.13	-10.42	-18.20	-8.69
<b>Jan-Dec 2014 (P)</b>	116.29	2777.31	238.83	84.94	1151.63	135.58	201.23	3928.94	195.25
<b>Jan-Dec 2013</b>	128.08	3075.87	240.15	90.98	1279.36	140.62	219.06	4355.23	198.81
<b>Inc/Dec in %</b>	-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 during the week compared to previous week.

**Weekly Average Prices at Indian Auction Centers for week ending 2015-09-05**

<b>Varie ty</b>	<b>Kolkata</b>	<b>Guwahati</b>	<b>Siliguri</b>	<b>Jalpaiguri</b>	<b>Cochin</b>	<b>Coonoor</b>	<b>Coimbatore</b>	<b>Tea Serve</b>
<b>CTC All Dust</b>	165.47(15 1.73)	149.81(140. 92)	120.67(1 23.22)	103.44(NS)	91.47(96. 22)	65.05(66.7 9)	71.95(71.43)	54.72(49.1 1)
<b>Total Tea</b>	175.42(16 1.33)	150.87(140. 90)	120.67(1 23.22)	103.44(NS)	96.78(98. 32)	66.51(67.3 2)	72.36(71.59)	54.72(49.1 1)

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

<b>Variety</b>	<b>North India</b>	<b>South India</b>	<b>All India</b>
<b>CTC All Dust</b>	145.26 (138.47)	73.39 (74.06)	130.60 (126.52)
<b>Total Tea</b>	150.02 (142.47)	76.74 (75.51)	134.80 (130.22)

(Source: Tea Board)



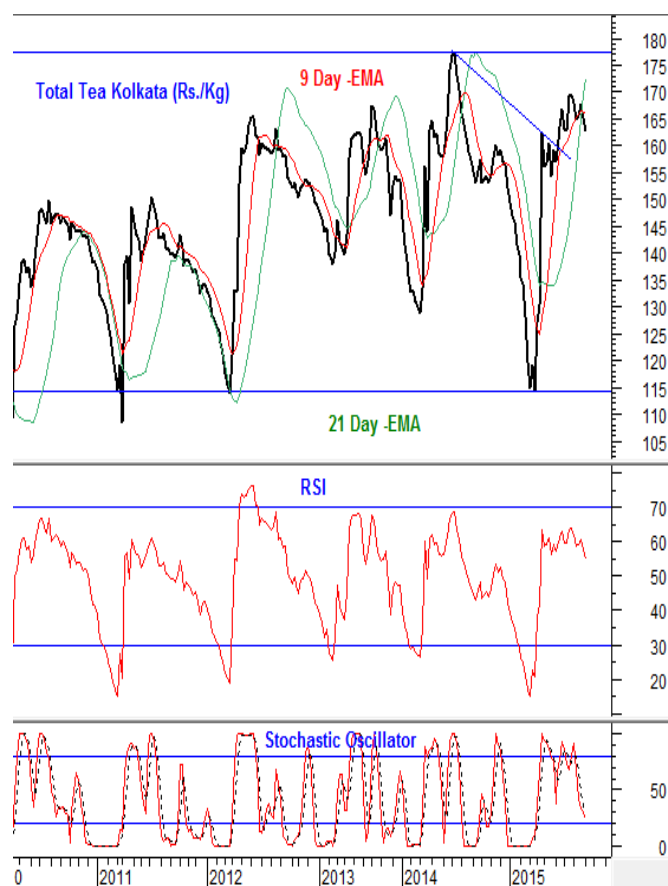
## Tea – Technical Outlook

## Total Tea -Kolkata

### Technical Commentary:

Tea prices noticed weak tone during the week. Prices are holding below 9 – Day and 21 –Day EMA supporting the weak of the market in the medium – term. Prices are likely to notice slight weakness in the coming days. RSI is declining in the neutral region denoting weak tone in the near –term.

*The tea prices are likely to notice firm tone towards 200 levels in the medium term. 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	175.42	200.00	210.30

### International Trade Scenario:

**Srilanka Tea Auction (Colombo): Sale No: 35 (Price in Srilankan Rs./kg)**

	BOP	BOPF
Good Westerns	450 - 570	500 - 550
Average Westerns	410 - 440	450 - 480
Plainer Westerns	350 - 400	380 - 420
Western Mediums	330 - 540	320 - 470
Uva Teas	360 - 1400	350 - 900
Nuwara Eliya Teas	300 - 490	310 - 440
Udapussellawa Teas	300 - 435	310 - 420
CTC (BP1 and PF1)	290 - 395	325 - 480

In this week's auction, 6.39 million kgs of tea was offered for sale compared to 7.65 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. High Grown and Mid Grown CTC's noticed weak tone and Low Grown CTC's noticed positive tone during the week. There was good demand for liquoring leafy teas.

In the leaf category, Better PEK/PEK1's and a few bolder types noticed steady to weak tone. In the Tippy catalogues, better made FBOP and FF1's noticed weak tone during the week. The below best and plainer variety declined during the week amid lack of demand. There was less demand from Russia, middle –eastern countries and selective demand from Iran.

**DETAILS OF TEAS AWAITING SALE**

	37		36		35	
AUCTION NO.						
Dates	22 <sup>nd</sup> /23 <sup>rd</sup> September 2015		15 <sup>th</sup> /16 <sup>th</sup> September 2015		08 <sup>th</sup> /09 <sup>th</sup> September 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	961	1,129,953 kg	964	1,108,027 kg	850	986,249 kg
Main Sale Total	11,354	6,347,949 kg	11,489	6,422,455 kg	10,034	5,402,570 kg
High & Medium	1,110	593,715 kg	1,215	620,987 kg	1,019	519,822 kg
Low Grown Leafy	3,939	1,916,558 kg	4,151	2,087,457 kg	3,790	1,803,801 kg
	2,565	1,563,767 kg	2,767	1,668,807 kg	2,141	1,294,166 kg
Tippy						
Premium/Flowery	602	150,720 kg	603	151,315 kg	502	113,777 kg
Off Grades	2,458	1,434,185 kg	2,067	1,196,498 kg	2,072	1,173,639 kg
Dust	680	689,004 kg	686	697,391 kg	510	497,365 kg
Grand Total	12,315	7,477,902 kg	12,453	7,530,482 kg	10,884	6,388,819 kg
Reprints	1,799	1,170,403 kg	1,790	1,119,797 kg	786	494,589 kg
Scheduled to Close (Ex)		03.09.15		27.08.15		20.08.15
Dates (Ms)		04.09.15		28.08.15		21.08.15

**Scheduled Closing Dates**

Auction No. 36 : 15<sup>th</sup>/16<sup>th</sup> September 2015

Ex Estate : 27.08.2015

Main Sale : 28.08.2015

Auction No. 37 : 22<sup>nd</sup>/23<sup>rd</sup> September 2015

Ex Estate : 03.09.2015

Main Sale : 04.09.2015

Auction No. 38 : 29<sup>th</sup>/30<sup>th</sup> September 2015

Ex Estate : 10.09.2015

Main Sale : 11.09.2015

Auction No. 39 : 06<sup>th</sup>/ 07<sup>th</sup> October 2015

Ex Estate : 17.09.2015

Main Sale : 18.09.2015

(Source: John Keells Tea Brokers)

**Kenya Tea Auction (Mombasa): Sale No: 36**

**AUCTION AVERAGE PRICE**

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2014	2015	2014	2015
34	\$2.05	\$3.04	\$1.92	\$2.76
35	\$2.00	\$3.10	\$1.89	\$2.84
36	\$2.04	\$3.11	\$1.92	\$2.86

QUOTATIONS	BROKENS	FANNINGS
Best	508 - 677	559 - 597
Good	508 - 588	553 - 573
Good Medium	475 - 543	515 - 576
Medium	297 - 402	351 - 532
Lower Medium	196 - 321	201 - 389
Plain	156 - 197	147 - 365 ( SL RUPEES)

During the week good demand was noticed for 7,966,285 kilos of tea on offer. Brighter DUST1s were firm up to USC30, with mediums were firm to USC6 lower and prices of lower mediums were firm to USC10 lower. Prices of Brighter BP1's were USC2 to USC38 higher, prices of mediums noticed mixed tone and were USC26 higher to USC10 lower, and prices of lower mediums were higher up to USC16. 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 and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed positive tone. There was good demand from Pakistan Packers, Afghanistan, Yemen, Bazaar, Russia, Sudan, CIS states and other middle –eastern countries. There was some demand from U.K. and Egyptian packers. Somalia were was active around lower levels of the market.

(Source: Africa Tea Brokers)

**Indonesia Tea Auction (Jakarta): Sale No: 36**

<b>ORTHODOX</b>	<b>OFFERED</b>		<b>SOLD</b>		<b>%</b>
<b>PTPN ESTATE</b>	7.500	392.980 Kg	7.100	370.860 Kg	94.37
<b>PRIVATE ESTATE</b>	---	--- Kg	---	--- Kg	---,--
<b>TOTAL</b>	7.500	392.980 Kg	7.100	370.860 Kg	94.37

<b>C.T.C</b>	<b>OFFERED</b>		<b>SOLD</b>		<b>%</b>
<b>PTPN ESTATE</b>	1.560	89.080 Kg	1.340	77.640 Kg	87.16
<b>PRIVATE ESTATE</b>	---	--- Kg	---	--- Kg	--,--
<b>TOTAL</b>	1.560	89.080 Kg	1.340	77.640 Kg	87.16

<b>GRAND TOTAL</b>	9.060	482.060 Kg	8.440	448.500 Kg	93.04
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(Prices in US cents/kg)

<b>Orthodox First Grades</b>						
<b>BOP.I</b>	<b>BOP</b>	<b>BOPF</b>	<b>PF</b>	<b>DUST</b>	<b>BT</b>	<b>BP</b>
<b>186-192</b>	<b>169-250</b>	<b>153-256</b>	<b>151-235</b>	<b>138-157</b>	<b>130-143</b>	<b>347</b>

<b>Orthodox Secondary Grades</b>				
<b>PF.II</b>	<b>DUST.II</b>	<b>BT.II</b>	<b>BP.II</b>	<b>DUST.III</b>
<b>140-198</b>	<b>134-174</b>	<b>121-139</b>	<b>310</b>	<b>129-142</b>

<b>CTC First and Secondary Grades</b>						
<b>BP.1</b>	<b>PF.1</b>	<b>PD</b>	<b>D.1</b>	<b>FANN</b>	<b>D.2</b>	<b>D.3</b>
<b>148-202</b>	<b>170-249</b>	<b>183</b>	<b>180-253</b>	<b>138-162</b>	<b>159-173</b>	<b>---</b>

Market offerings increased to 9,060 paper sacks from 7,000 paper sacks. There was good demand in the market. Average price increased to USDcts 166.20 instead of USDcts 163.83 during last week's auction. Average price of Orthodox variety increased to USDcts 163.13 and average price of CTC increased to USDcts 174.09. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 93.04% during the period compared to 97.33% during last auction.

**OFFERING FOR THE NEXT AUCTION**

<b>PRODUCER</b>	<b>Orthodox</b>		<b>C.T.C</b>	
	16/09/15	23/09/15	16/09/15	23/09/15
PTPN. IV	2.900 S	3.080 S	-	-
PTPN. VI	240 S	320 S	320 S	400 S
PTPN. VII	720 S	960 S	200 S	80 S
PTPN. VIII	3.560 S	3.140 S	540 S	460 S
PTPN. IX	260 S	240 S	-	-
PTPN. XII	- S	- S	440 S	440 S
Total Estate	7.680 S	7.740 S	1.500 S	1.380 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.680 S	7.740 S	1.500 S	1.380 S

(Source: TEH)

**Bangladesh Tea Auction (Chittagong): Sale No: 18**

(In Taka/kg)

<b>BROKENS</b>	<b>QUOTATIONS</b>	<b>FANNINGS</b>	<b>QUOTATIONS</b>
Large/Bold	180-183	Best	187-189
Medium	183-185	Good	184-186
Small	184-187	Medium	181-183
Plain	160-170	Plain	160-170

Tea prices at Bangladesh tea auction increased during the week amid good demand for quality tea during the week. The average price of tea during this week's auction was around USD 2.40/kg. Around 2.17 million kgs of tea was offered for sale and nearly 10 percent remained unsold.

There was some demand from blenders and loose tea buyers. 30,774 packages of CTC Leaf noticed good demand. 8,209 packages of CTC Dust noticed good buying interest. In CTC Dust, good liquoring varieties noticed weak tone and medium levels noticed easy tone. Good liquoring Broken varieties noticed weak tone. Good liquoring varieties in fannings noticed easy 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>	<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	July	25.78	29.00	Up to July	199.02	202.64	- 3.62
North India	July	135.83(E)	140.97	Up to July	411.05 (E)	408.65	+ 2.40
South India	July	18.54(E)	23.94	Up to July	142.16 (E)	144.97	- 2.81
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 dropped 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 by around 50%. It's production had declined to 175.26 million kg till June 2015 compared to 225.19 million kg during the previous year. Production had also declined in other African countries like Malawi and Uganda. In North India, production has increased by nearly 2.4% and in South India, production has declined by 2.81% respectively till July 2015. Plucking has been lower in North India amid heavy rainfall in the tea growing regions.

<b>Currency</b>	<b>11-09-2015</b>	<b>04-09-2015</b>
<b>USD</b>	66.47	66.52
<b>Srilankan Rupee</b>	0.4796	0.4892
<b>Indonesian Rupiah</b>	0.0046	0.0047
<b>Kenyan Shilling</b>	0.6316	0.6321
<b>Bangladeshi Taka</b>	0.8550	0.8477

### **Overall Outlook and Recommendation:**

In the domestic market, prices noticed weak tone except slight firmness at Coonoor tea auction centre. Quantity offered on sale increased during the week compared to previous week. Good/Better quality tea noticed demand in the market. Medium and Plainer varieties noticed withdrawal in the market. Some enquiry from exporters lent support to the market. Prices are likely to notice range –bound to weak tone in the coming days.

In the global market, prices noticed firm tone in the market. Quantity offered on sale increased during the week compared to previous week. Quantity at Indonesian auction has declined amid dry weather in the growing regions. Good demand for quality tea at Bangladesh tea auction supported prices. Future auction of tea is likely to increase at Sri Lankan tea auction and decline at Indonesian tea auction. Prices are likely to notice positive tone in the near –term.

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