

News Highlights.

- The North Eastern Tea Association is not happy/unhappy with recent export norms to avail of quality upgradation and product diversification. One of the conditions required to avail this facility is that factories need to produce a certificate stating that 20 per cent of its output is exported. Around 90 per cent of the factories will not be able to fulfill this condition in Assam and elsewhere. The quality of Assam tea will deteriorate if the condition to avail QUPD scheme is fulfilled according to industry sources.
- Indian exporters are looking at new markets to export their produce. They are trying to increase their export share to Russia and CIS countries. Rupee is weakening against the dollar and this is a favourable time to increase exports. This time around, Indian tea exporters are looking at the entire Commonwealth of Independent States (CIS), comprising former Soviet bloc countries, including Ukraine, Kazakhstan and Azerbaijan. These countries, together, consume 200-220 million kg of tea in a year. India exports 50 million kg to the region and there is opportunity to grow and expand.
- Quality Indian organic tea is likely to be grown in new areas like Kharagpur and Purulia apart from Assam and Darjeeling. Tea cultivation will start in the non-traditional areas of south Bengal using new scientific methods. Under a new project funded by the Tea Board, the Agricultural and Food Engineering Department has developed new CTC machines, which will occupy less space and consume less energy. The new technology is likely to reduce the cost of tea processing by about 20 -30 per cent.
- Exports of Darjeeling Tea to European Union have increased in 2015 compared to previous year. This will help the producers to cope with increasing production. European Union is likely to purchase more tea from India as it has to offload its entire inventory of 'Darjeeling tea' and start procuring 100 per cent fresh Darjeeling tea to serve customers in 2016. Exporters of Darjeeling tea are expected to increase by 30000 -40000 kg to 4 million kilograms in 2015 compared with to previous year. Darjeeling's 87 tea estates have produced 8 million kg of tea this year.
- The Dubai Gold and Commodity Exchange is in talksholding talks with Indian tea producers and with producers in countries like Kenya and Sri Lanka to work out the modalities of tea futures. Though trading in tea futures does not take place on the Dubai Gold & Commodity Exchange at present, the Dubai Multi Commodities Centre (DMCC) receives tea from all producing nations for exports. In 2014, as much as 40 million kg of tea was exported through DMCC.

- Kenya is the third largest producer of tea in the world. Farmers are affected by the effects of climate change around the world. In Kenya, rising temperatures, extreme weather and shifting rain patterns are affecting the life of 600,000 small scale tea farmers. Tea farmers are being told advised to diversify and not depend on tea alone for their livelihood. This will help them to face the change in current climatic conditions.

Domestic Trade Scenario:

Indian Tea Auctions

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	163.97	28,24,000	19,89,000
ORTHODOX	210.67	4,03,000	3,07,000
DARJEELING	-	-	-
DUST	167.19	12,63,000	9,74,000

(Source: Parcon)

Prices witnessed easy tone during the week except slight firmness noticed in Dust variety. Quantity offered on sale declined during the week compared to previous week. Good/Best Assams noticed steady tone and Dust variety noticed firm tone. Plainer sorts noticed withdrawals in the market. There was good enquiry from blenders and exporters. There was some demand for Better-Medium Dooars from local buyers. In the Orthodox variety, Tippy sorts and Well Made Brokenes noticed firm tone. Good demand from exporters lent support to the market. Prices are likely to notice steady to firm tone in the near –term.

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

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	142.04	41,47,000	29,55,000
Dust	149.28	20,17,000	14,28,000

(Source: Parcon)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Liquoring sorts. Medium and Plainer varieties noticed easy tone. Buying interest was noticed from Tata Global and Hindustan Unilever Ltd. There was some demand from the exporters. Prices are likely to notice firm tone in the coming week.

Siliguri Tea Auction: Sale No: 38 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	109.87	6,70,000	4,00,000
CTC Leaf	117.12	41,03,000	27,48,000

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Best Quality tea noticed steady tone. The Browner sorts and the Plainer varieties were discounted. Withdrawals were noticed in the Dust variety. There was some demand from blenders and exports. Local buyers bought good quality tea. Prices are likely to witness easy tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 37 (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: 38 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	94.64	1279932.50	1109861.60
CTC Leaf	66.77	110612.00	70584.00
Orthodox Dust	62.73	12139.00	3058.00
Orthodox Leaf	131.60	260169.00	223793.00

(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 witnessed firm tone amid good demand from the blenders and the local buyers. There was not much demand for Leaf variety tea from the exporters. Prices are likely to notice range –bound to firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 38 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	75.90	251344.00	213434.00
CTC Leaf	64.65	129713.00	78544.00
Orthodox Dust	52.12	9825.00	3690.00
Orthodox Leaf	77.75	2593.00	2227.00

(Source: Paramount Marketing, Coimbatore)

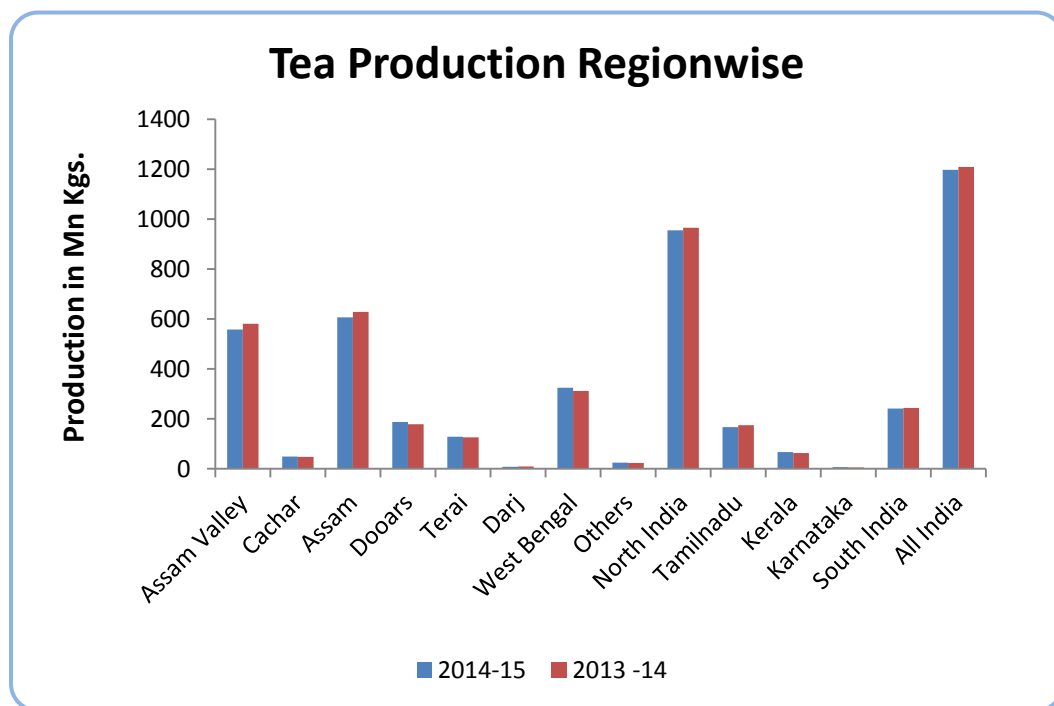
Prices noticed positive tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrivals of the new crop are declining in the growing regions. There was selective demand from the exporters. Demand for Nilgiris Broken lent support to the market. Prices are likely to notice range –bound to firm tone during the week.

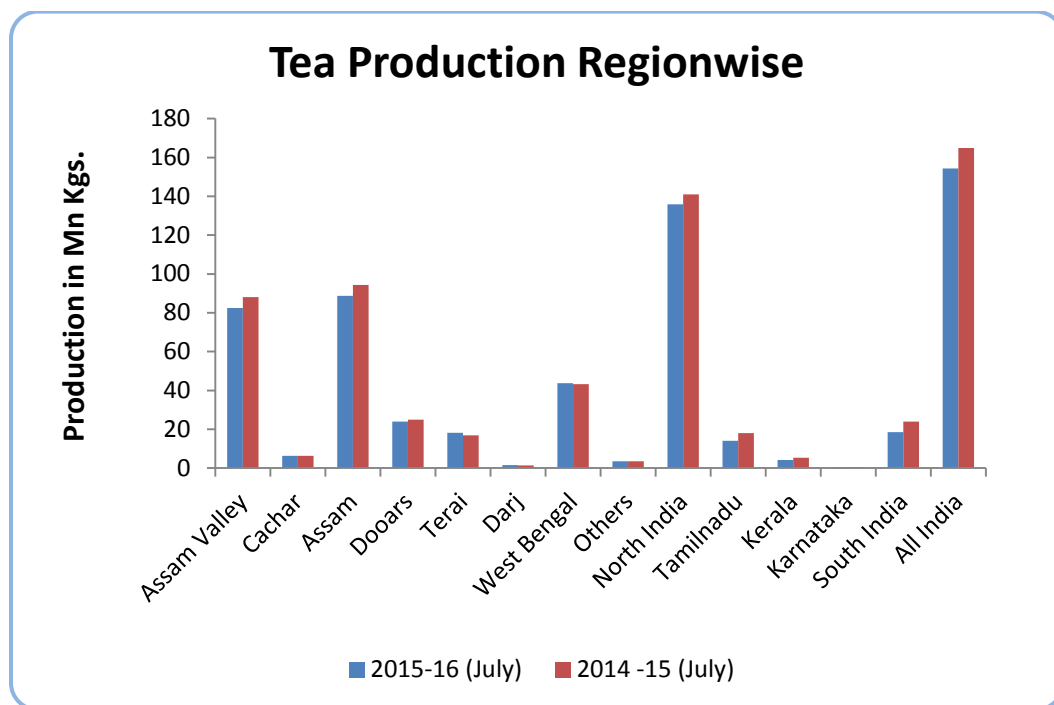
Coonoor Tea Auction: Sale No: 38 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	73.36	377503.50	325273.50
CTC Leaf	63.34	1049506.00	724818.00
Orthodox Dust	81.73	66858.00	41755.00
Orthodox Leaf	92.98	56716.20	52757.80

(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 noticed firm tone amid good demand from the local buyers. There was not much demand for Orthodox variety tea in the market. Prices are likely to notice firm tone in the coming days.





(Source: Tea Board)

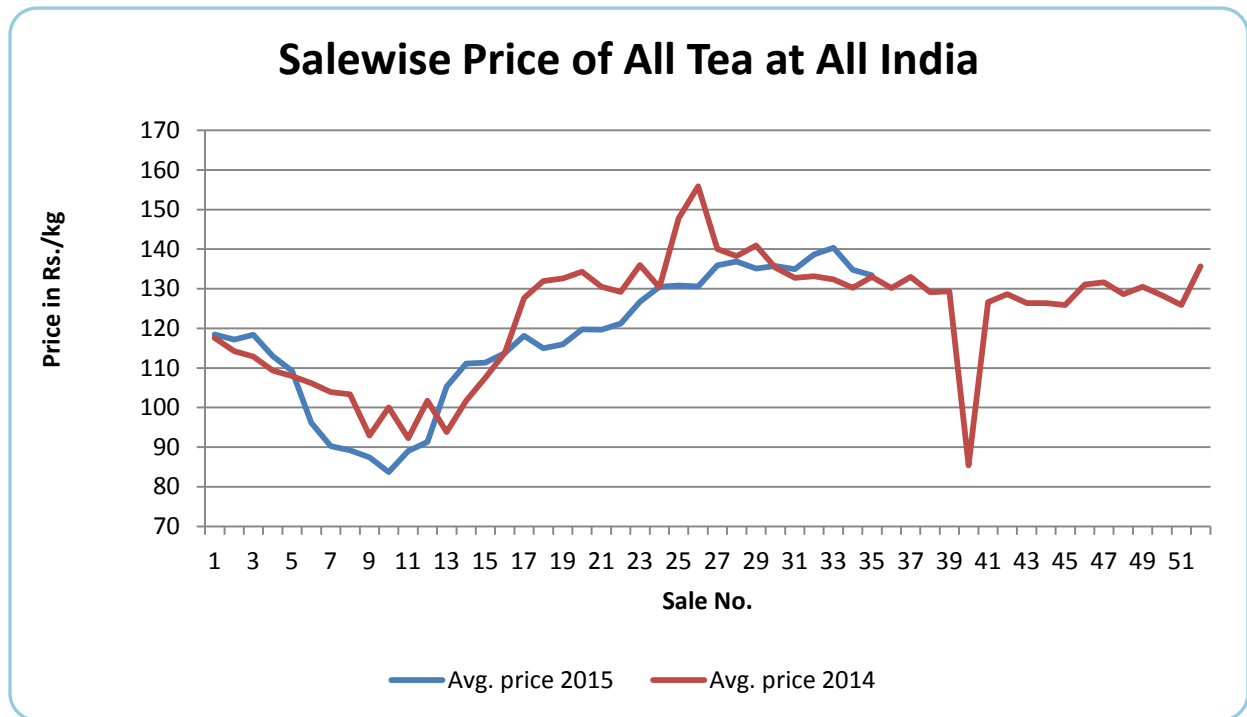
The above graph shows region wise production comparison, during the last two years and in the month of June in comparison with to previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased in production in Assam. In the current year 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-July 2015 (P)	54.14	1173.09	216.68	53.78	718.32	133.57	107.92	1891.41	175.26
Jan-July 2014	62.15	1451.68	233.58	50.74	705.86	139.11	112.89	2157.54	191.12
Inc/Dec in %	-12.89	-19.90	-7.24	5.99	1.77	-3.99	-4.40	-12.33	-8.30
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 during the week compared to previous week.

Weekly Average Prices at Indian Auction Centers for week ending 2015-09-12

Varie ty	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	164.57(14 7.62)	144.07(142. 00)	118.19(1 23.96)	86.03(106.6 0)	89.70(NS)	65.68(70.4 4)	69.66(71.55)	54.33(48.2 1)
Total Tea	173.65(15 7.53)	144.83(141. 95)	118.20(1 23.96)	86.03(106.6 0)	95.97(NS)	67.28(71.0 7)	69.90(71.65)	54.33(48.2 1)

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

Variety	North India	South India	All India
CTC All Dust	143.22 (138.41)	72.88 (67.17)	129.29 (129.07)
Total Tea	147.74 (142.54)	76.36 (67.66)	133.41 (133.04)

(Source: Tea Board)

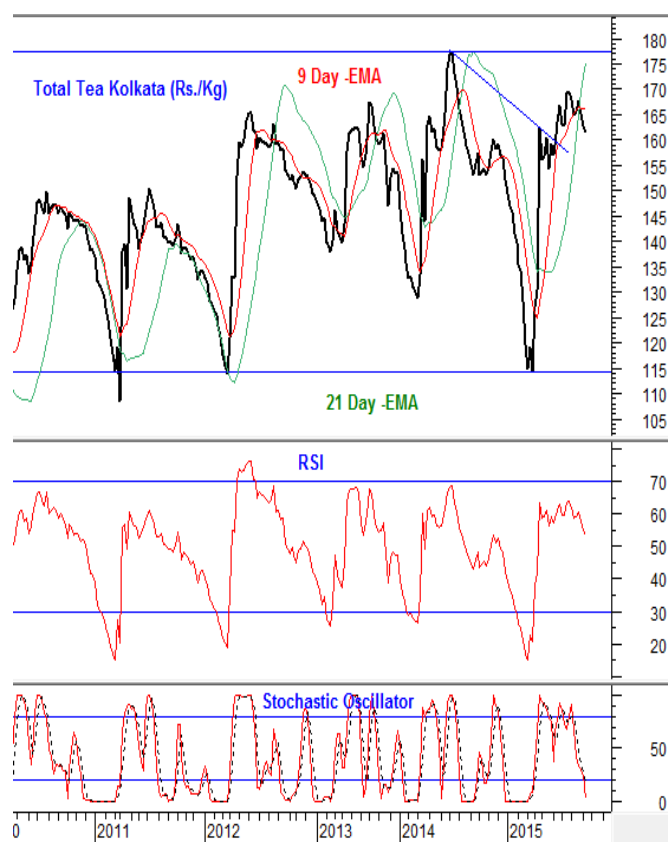
Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:

Tea prices noticed weak tone during the week. MACD is declining in the positive territory supporting the weak tone of the market in the medium – term. Traders can wait for expect better buying levels in the coming days. Stochastic oscillator is declining in the oversold territory denoting slight recovery in the near –term.

The tea prices are likely to decline in the medium –term. Traders are advised to wait for better buying levels in the coming days.



Strategy: Buy Around Current Levels

Weekly Supports & Resistances

		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	130.00	173.65	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 36 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	450 - 500	500 - 580
Average Westerns	400 - 440	450 - 490
Plainer Westerns	370 - 390	420 - 440
Western Mediums	330 - 520	320 - 470
Uva Teas	320 - 1400	310 - 750
Nuwara Eliya Teas	360 - 450	300 - 440
Udapussellawa Teas	250 - 445	300 - 460
CTC (BP1 and PF1)	300 - 410	310 - 490

In this week's auction, 7.53 million kgs of tea was offered for sale compared to 6.39 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 mixed tone during the week. High Grown and Mid Grown CTC's noticed firm tone and Low Grown CTC's noticed mixed 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 witnessed easy tone during the week. The below best and plainer variety declined during the week amid lack of demand. There was less demand from Russia, CIS and Middle –East countries.

DETAILS OF TEAS AWAITING SALE

	38		37		36	
AUCTION NO.						
Dates	29 th /30 th September 2015		22 nd /23 rd September 2015		15 th /16 th September 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	929	1,074,949 kg	961	1,129,953 kg	964	1,108,027 kg
Main Sale Total	10,493	5,725,943 kg	11,354	6,347,949 kg	11,489	6,422,455 kg
High & Medium	1,015	524,973 kg	1,110	593,715 kg	1,215	620,987 kg
Low Grown Leafy	3,958	1,938,904 kg	3,939	1,916,558 kg	4,151	2,087,457 kg
	2,439	1,462,515 kg	2,565	1,563,767 kg	2,767	1,668,807 kg
	Tippy					
Premium/Flowery	607	142,599 kg	602	150,720 kg	603	151,315 kg
Off Grades	1,920	1,103,313 kg	2,458	1,434,185 kg	2,067	1,196,498 kg
Dust	554	553,639 kg	680	689,004 kg	686	697,391 kg
Grand Total	11,422	6,800,892 kg	12,315	7,477,902 kg	12,453	7,530,482 kg
Reprints	999	604,199 kg	1,799	1,170,403 kg	1,790	1,119,797 kg
Scheduled to Close (Ex)		10.09.15		03.09.15		27.08.15
Dates (Ms)		11.09.15		04.09.15		28.08.15

Scheduled Closing Dates

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

Ex Estate : 03.09.2015

Main Sale : 04.09.2015

Auction No. 38 : 29th/30th September 2015

Ex Estate : 10.09.2015

Main Sale : 11.09.2015

Auction No. 39 : 06th/ 07th October 2015

Ex Estate : 17.09.2015

Main Sale : 18.09.2015

Auction No. 40 : 13th/14th October 2015

Ex Estate : 24.09.2015

Main Sale : 25.09.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 37

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2014	2015	2014	2015
35	\$2.00	\$3.10	\$1.89	\$2.84
36	\$2.04	\$3.11	\$1.92	\$2.86
37	\$1.98	\$3.08	\$1.85	\$2.81

QUOTATIONS	BROKENS	FANNINGS
Best	497 - 694	549 - 593
Good	501 - 584	549 - 571
Good Medium	516 - 563	521 - 579
Medium	260 - 439	357 - 523
Lower Medium	192 - 346	211 - 381
Plain	162 - 343	123 - 376 (SL RUPEES)

During the week good demand was noticed for 8,180,420 kilos of tea on offer. Brighter DUST1s were USC2 to USC8 firm, with mediums opening USC6 to USC18 lower and then appreciating by USC2 to USC10. Prices of Brighter BP1's were lower up to USC14, prices of mediums declined up to USC28 and prices of lower mediums were higher up to USC4 to USC28. 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 weak tone during the week. Well sorted clean coloury Fannings and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed steady to firm tone. There was good demand from Egyptian Packers, Afghanistan, Yemen, Bazaar, Kazakhstan, Sudan, CIS states and other middle –eastern countries. There was some demand from Pakistan packers, Russia and U.K. Somalia were was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 37

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	7.680	399.980 Kg	7.260	377.160 Kg	94.29
PRIVATE	---	--- Kg	---	--- Kg	---,--
ESTATE					
TOTAL	7.680	399.980 Kg	7.260	377.160 Kg	94.29

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.500	84.160 Kg	1.380	77.940 Kg	92.61
PRIVATE	---	--- Kg	---	--- Kg	--,--
ESTATE					
TOTAL	1.500	84.160 Kg	1.380	77.940 Kg	92.61

GRAND	9.180	484.140 Kg	8.640	455.100 Kg	94.00
TOTAL					

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
191-197	171-268	153-273	151-235	151-185	130-150	348

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
143-196	135-165	131-141	-	127-139

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
148-180	172-249	178-252	180-242	144-163	146-189	---

Market offerings increased to 9,180 paper sacks from 9,060 paper sacks. There was good demand in the market. Average price declined to USDcts 165.48 instead of USDcts 166.20 during last week's auction. Average price of Orthodox variety declined to USDcts 162.65 and average price of CTC increased to USDcts 179.05. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 94.00% during the period compared to 93.04% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	23/09/15	30/09/15	23/09/15	30/09/15
PTPN. IV	3.080 S	2.540 S	-	-
PTPN. VI	320 S	520 S	400 S	700 S
PTPN. VII	960 S	1.520 S	80 S	160 S
PTPN. VIII	3.140 S	1.680 S	460 S	300 S
PTPN. IX	240 S	400 S	-	-
PTPN. XII	- S	- S	440 S	360 S
Total Estate	7.740 S	6.660 S	1.380 S	1.520 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.740 S	6.660 S	1.380 S	1.520 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 19

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	182-185	Best	189-192
Medium	184-186	Good	185-188
Small	185-188	Medium	182-184
Plain	165-175	Plain	165-175

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 1.93 million kgs of tea was offered for sale and nearly 6.5 percent remained unsold.

There was some demand from blenders and loose tea buyers. 29,570 packages of CTC Leaf noticed good demand. 5,618 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 positive tone during the week. Good liquoring Dusts noticed firm 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	July	30.94	30.79	Up to July	206.20	255.98	- 49.78
Bangladesh	July	9.38	7.86	Up to July	23.88	23.86	+ 0.02
Malawi	July	1.1	1.4	Up to July	31.8	36.3	- 4.5

(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 South India amid lack of favourable weather in the growing regions.

Currency	18-09-2015	11-09-2015
USD	65.87	66.47
Srilankan Rupee	0.4691	0.4796
Indonesian Rupiah	0.0046	0.0046
Kenyan Shilling	0.6264	0.6316
Bangladeshi Taka	0.8467	0.8550

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone. Quantity offered on sale increased during the week compared to previous week. In North India, arrivals of third flush of tea increased during the period. Good/Best quality tea noticed steady tone. Withdrawal was noticed in other varieties. In South India, Orthodox variety tea witnessed easy tone amid lack of demand from the exporters. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices noticed range –bound to weak tone except firmness noticed at Bangladesh tea auction. Prices firmed up in Bangladesh amid good demand for quality tea. Quantity offered on sale increased during the week compared to previous week. Dry weather in Indonesia and Vietnam is improving. The future offering of tea is likely to decline at Sri Lanka and Indonesia tea auctions. Prices are likely to notice range –bound to firm tone in the coming days.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2014 Indian Agribusiness Systems Pvt Ltd.