

News Highlights.

- The Tea Board has announced the average price to be paid to small growers in the different regions of the Nilgiris for the green leaf supplied last week to bought leaf factories. According to Tea Board executive, the average price was calculated on the basis of Price-sharing fFormula based on weekly average auction price of CTC tea manufactured by these factories. Accordingly, the average green leaf price for Kotagiri is ` 11.56 a kg (average tea price: `71.15 a kg), Panthalur `10.39 (` 63.91), Gudalur ` 10.35 (` 63.72), Ooty `10.26 (` 63.16), Coonoor ` 10.23 (` 62.93) and Kundah ` 7.72 (` 47.52).
- The United Planters Association of India (UPASI), has made it clear that the demand for a daily basic wage of Rs.500 by the tea plantation workers of Kerala is not feasible given the current economic scenario amid plethora of taxes and levies. At present, the daily basic wage in Kerala is Rs.232, it is Rs.247 in Karnataka and Rs.223 in Tamil Nadu.
- According to sources at Indian Tea Association, Russian and Indian tea companies are likely to start jointly produceing packaged teas. The demand for packaged tea and tea bags is growing fast in Russia and occupies 60% of the market. The size of the Russian tea market has been estimated at about 160 million kg annually. The average amount of tea consumed by the average Russian is 1.2–1.3 kg per year, while in India, this figure is only 750 grams.
- Output of tea is likely to decline in India in 2015. According to data released by the United Planters Association of Southern India (UPASI), production has declined by 0.07% till July this year. In South India, according to estimates during April-July period a dip of 2.8 million Kgs (1.93%) was recorded and in North India, production increased by 6.6 million Kgs (0.69%).
- The Tea Trade Association of Cochin has asked the Tea Board to declare tea as a national drink. Tea is the common man's drink and the most consumed beverage in the country. Efforts made by all tea trade associations and the Tea Board will succeed in the endeavourendeavor to get tea declared as India's national drink.
- Sri Lanka's tea exports declined for the twelfth consecutive month amid lower demand from main tea buyers like Russia and the Middle –East. In the month of July 2015, Sri Lanka exported 126.5 million US dollar worth tea compared to 147.2 million US dollar worth tea exports during the same month previous year.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 39 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	151.12	27,76,000	19,48,000
ORTHODOX	218.27	3,61,000	3,07,000
DARJEELING	-	-	-
DUST	160.64	11,54,000	8,13,000

(Source: Parcon)

Prices noticed weak tone during the week except slight firmness in Orthodox variety. Quantity offered on sale declined during the week compared to previous week. Clean and Liquoring varieties noticed good demand and other varieties noticed less demand. Bright Liquoring sorts noticed firm tone and Plainer varieties noticed withdrawal. Hindustan Unilever Ltd. bought bBetter Assams and Tata Global bought Medium varieties. In the Orthodox variety, Broken and Fannings noticed steady to firm tone. Exporters were active in the market. There was selective enquiry for the Tippy sorts. Prices are likely to notice range –bound to firm tone in the coming week.

Guwahati Tea Auction: Sale No: 39 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	141.61	41,36,000	29,16,000
Dust	153.07	21,74,000	14,39,000

(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 Good Quality tea and medium varieties noticed less demand. Good Liquoring sorts noticed firm tone and other varieties declined following quality. Local buyers were active in the market. Prices are likely to notice firm tone in the near –term.

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: 39 (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: 40 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.01	1062971.70	988417.70
CTC Leaf	68.56	99993.00	60786.00
Orthodox Dust	90.09	13751.00	12388.00
Orthodox Leaf	126.50	197412.00	167078.00

(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 from loose tea buyers and blenders supported the market. Buying interest was noticed from State Civil Supplies. Some enquiry was noticed for Orthodox variety from exporters. Prices are likely to notice range –bound to firm tone in the coming week.

Coimbatore Tea Auction: Sale No: 40 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	79.88	273046.00	244815.00
CTC Leaf	64.99	151321.00	89116.00
Orthodox Dust	75.27	13265.00	7960.00
Orthodox Leaf	85.13	8282.00	7288.00

(Source: Paramount Marketing, Coimbatore)

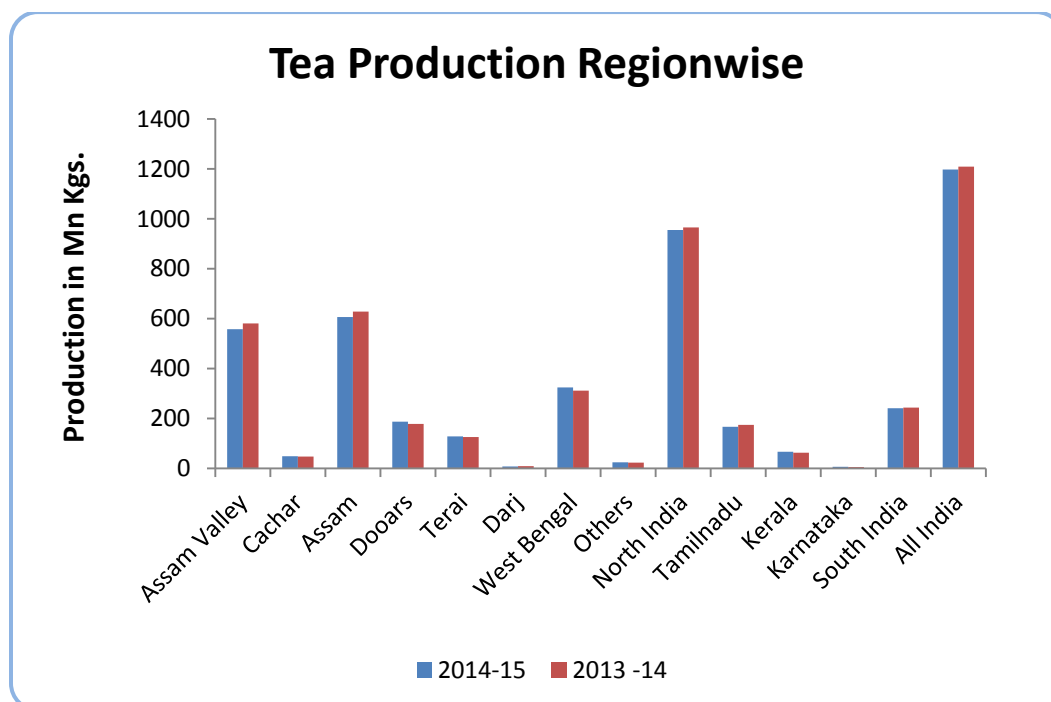
Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There is demand for good quality leaf in the market. Arrivals have picked up in the local market amid dry weather in the growing regions. Buying interest was noticed for Nilgiri Broken from exporters. Prices are likely to continue positive tone in the near –term.

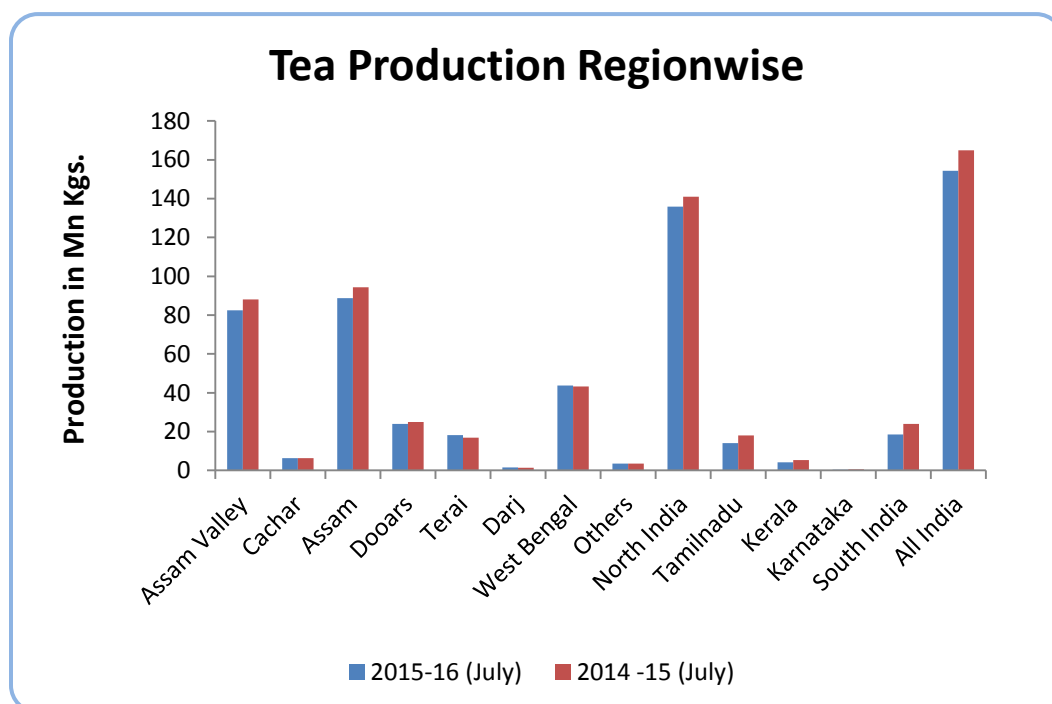
Coonoor Tea Auction: Sale No: 40 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	74.29	314775.50	286781.50
CTC Leaf	64.62	822635.00	627059.00
Orthodox Dust	84.51	47319.00	36486.00
Orthodox Leaf	95.69	56909.90	51391.40

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There is arrival of good quality tea in the market. Demand from the internal buyers and exporters added to the positive tone of the market. Prices are likely to notice positive 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.

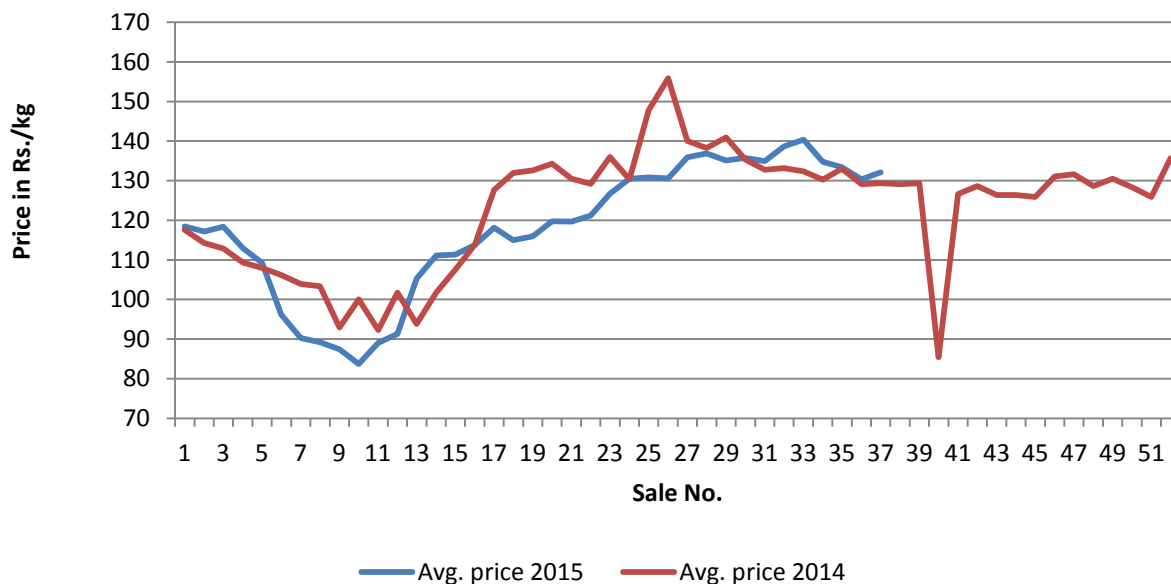
REGIONWISE QUARTERLY EXPORTS:

(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

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 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 2015-09-26

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	158.22(149.44)	146.78(137.67)	115.22(122.03)	NS(106.27)	98.50(100.46)	68.40(76.53)	72.51(77.70)	55.13(51.51)
Total Tea	166.49(156.25)	146.95(137.65)	115.22(122.03)	NS(106.27)	102.68(102.41)	69.71(77.00)	72.51(77.65)	55.13(51.51)

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

Variety	North India	South India	All India
CTC All Dust	141.61 (137.02)	80.29 (80.70)	129.05 (126.66)
Total Tea	145.14 (140.03)	83.45 (82.23)	132.11 (129.36)

(Source: Tea Board)

Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:

Tea prices noticed easy tone during the week and are likely to decline towards 150 levels in the coming days. MACD is declining in the positive territory supporting weak tone in the medium – term. Stochastic oscillator is in the oversold region suggesting some recovery in the medium –term.

The tea prices are likely to decline towards 150 levels in the medium – term. Traders are advised to wait for better buying levels in the coming days.



Strategy: Wait For Better Buying Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	130.00	166.49	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 38 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 – 520	470 – 550
Average Westerns	420 – 460	440 – 460
Plainer Westerns	390 – 410	400 – 430
Western Mediums	360 – 570	320 – 480
Uva Teas	320 – 850	320 – 480
Nuwara Eliya Teas	350 – 470	390 – 420
Udapussellawa Teas	270 – 410	310 – 430
CTC (BP1 and PF1)	300 - 440	300 - 500

In this week's auction, 6.80 million kgs of tea was offered for sale compared to 7.53 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 easy tone during the week. High Grown and Mid Grown CTC's noticed firm tone and Low Grown CTC's noticed weak 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 firm tone. In the Tippy catalogues, better made FBOP and FF1's witnessed firm tone during the week. The below best and plainer variety noticed mixed tone during the week amid lack of demand. There was less demand from Russia, CIS and Middle –East countries.

DETAILS OF TEAS AWAITING SALE

	40		39		38	
AUCTION NO.						
Dates	13 th /14 th October 2015		06 th /07 th October 2015		29 th /30 th September 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,024	1,182,205 kg	926	1,064,781 kg	929	1,074,949 kg
Main Sale Total	10,690	5,733,036 kg	10,879	5,872,492 kg	10,493	5,725,943 kg
High & Medium	966	473,987 kg	1,022	502,116 kg	1,015	524,973 kg
Low Grown Leafy	3,993	1,926,874 kg	3,948	1,902,647 kg	3,958	1,938,904 kg
	2,481	1,436,657 kg	2,578	1,526,689 kg	2,439	1,462,515 kg
Tippy						
Premium/Flowery	595	141,531 kg	550	128,188 kg	607	142,599 kg
Off Grades	2,009	1,103,488 kg	2,163	1,198,856 kg	1,920	1,103,313 kg
Dust	646	650,499 kg	618	613,996 kg	554	553,639 kg
Grand Total	11,714	6,915,241 kg	11,805	6,937,273 kg	11,422	6,800,892 kg
Reprints	1,170	695,732 kg	1,353	787,962 kg	999	604,199 kg
Scheduled to Close (Ex)		24.09.15		17.09.15		10.09.15
Dates (Ms)		25.09.15		18.09.15		11.09.15

Scheduled Closing Dates

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

Auction No. 41 : 20th/21st October 2015

Ex Estate : 01.10.2015

Main Sale : 02.10.2015

Auction No. 42 : 26th/28th October 2015

Ex Estate : 08.10.2015

Main Sale : 09.10.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 39

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2014	2015	2014	2015
37	\$1.98	\$3.08	\$1.85	\$2.81
38	\$2.00	\$3.11	\$1.92	\$2.88
39	\$2.01	\$3.12	\$1.90	\$2.84

QUOTATIONS	BROKENS	FANNINGS
Best	525 - 622	570 – 590
Good	523 – 545	553 - 575
Good Medium	489 – 545	525 - 572
Medium	221 – 437	276 - 511
Lower Medium	182 – 365	276 - 387
Plain	166 - 332	152 - 373 (SL RUPEES)

During the week good demand was noticed for 7,239,521 kilos of tea on offer. Brighter DUST1s were USC6 to USC16 lower, with mediums firm to USC24 lower and Lower Mediums were lower up to USC8. Prices of Brighter BP1's were USC10 to USC26 lower, prices of mediums were USC4 to USC12 higher in the beginning and declined up to USC30 and prices of lower mediums were higher up to USC30. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's noticed steady tone 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 steady to firm tone. There was good demand from U.K. and Somalia. Buying interest was noticed from Pakistan Packers, other Middle –Eastern countries, Sudan, Russia and Bazaar. Egyptian Packers were active around lower levels of the market. There was some demand from Afghanistan, Kazakhstan and CIS states.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 39

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	6.620	344.940 Kg	6.200	323.340 Kg	93.74
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,---
TOTAL	6.620	344.940 Kg	6.200	323.340 Kg	93.74
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.520	88.200 Kg	1.320	76.160 Kg	86.35
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,---
TOTAL	1.520	88.200 Kg	1.320	76.160 Kg	86.35
GRAND TOTAL		433.140 Kg	7.520	399.500Kg	92.23
	8.140				

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
195-204	176-230	152-217	140-240	138-176	129-147	346

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
145-190	135-166	128-140	-	127-134

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
141-202	171-245	180-268	184-247	136-158	140-176	---

Market offerings declined to 8,140 paper sacks from 9,040 paper sacks. There was good demand in the market. Average price increased to USDcts 166.68 instead of USDcts 164.23 during last week's auction. Average price of Orthodox variety increased to USDcts 163.97 and average price of CTC declined to USDcts 178.58. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 92.23% during the period compared to 91.42% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	7/10/15	13/10/15	7/10/15	13/10/15
PTPN. IV	2.860 S	3.580 S	-	-
PTPN. VI	340 S	280 S	180 S	460 S
PTPN. VII	1.600 S	1.160 S	80 S	80 S
PTPN. VIII	2.620 S	1.580 S	260 S	160 S
PTPN. IX	280 S	240 S	-	-
PTPN. XII	- S	- S	340 S	200 S
Total Estate	7.700 S	6.840 S	860 S	900 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.700 S	6.840 S	860 S	900 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	August	26.04	23.82	Up to August	225.58	226.46	- 0.88
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	August	10.36	10.47	Up to August	34.24	34.33	- 0.09
Malawi	August	0.8	1.7	Up to August	32.6	37.9	- 5.3

(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 206.20 million kg till July 2015 compared to 255.98 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	02-10-2015	25-09-2015
USD	65.43	65.87
Srilankan Rupee	0.4637	0.4691
Indonesian Rupiah	0.0045	0.0046
Kenyan Shilling	0.6283	0.6264
Bangladeshi Taka	0.8408	0.8467

Overall Outlook and Recommendation:

In the domestic market prices noticed range –bound to firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Trading remained lack –luster following a public holiday during the week. The arrival of third flush of tea in North India is declining. Enquiry from exporters added to the positive tone of the market. There is arrival of good quality leaf in South India. Prices are likely to notice mixed tone in the coming week.

In the global market, prices noticed range –bound to firm tone. Quantity offered on sale increased during the week compared to previous week. There was demand for Good Quality tea in the market. Weather remained conducive in most of the growing regions. There was good demand from Russia ahead of winter season. The future offering of tea is likely to increase in Sri Lanka and decline in Indonesia in the coming week. Prices are likely to notice firm tone in the near –term.

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