News Highlights.

- The Tirupur Exporters' Association (TEA) has asked the Centre to resume FTA Talks with European Union. This will help to double exports to the EU in three years and in turn create more employment in the domestic market.

- During the recent years, climatic conditions like rainfall, surface and ground water are impacting tea cultivation to a major extent. Efforts are being taken to make tea estates climate-smart so that the industry is not affected by climatic changes. A project has been launched by the Tea Research Association along with Southampton University on climate — smartening tea plantation landscapes, which would run for two years. It is funded by the U.K.-India Research Initiative.

- World's leading tea producers like Sri Lanka and Vietnam are seeking for greater bilateral trade with India. There is a need for India and Vietnam to join hands and increase trade between them. The ready –to-drink tea market is growing annually at 11 per cent, with the highest growth being reported in the Asia-Pacific region. The three-day international trade fair in India is dedicated to the tea and coffee sectors and provides an occasion for the industry leaders to meet face-to-face and develop real business opportunity.

- According to sources at Indian Tea Association, around 70 per cent of the tea gardens in West Bengal are not making profits due to low price realization and higher production cost. Average price of tea has declined by around Rs.9/kg during the recent times amid inferior quality of tea produced by the small tea growers.

- The Tea Board is working on the modalities for the revival of its support to the Nilgiri winter specialitySpeciality tea auctions of Nilgiris Planters' Association. These speciality tea auctions fetch high prices for quality tea. Last two years, tThese auctions were not held in the Last two years, amid lack of fiscal support. The Tea Board is looking atto reviveing the fiscal measures for such auctions.

- According to data released by the Tea Board of India, output of tea declined by 7 per cent to 152.71 million kg in August compared to the same period previous year. Lower plucking in the top producing north-eastern state of Assam reduced output by 11 per cent amid heavy rainfall in the tea growing regions.

- Tea Board has put in place a Plant Protection Code to check the excess use of chemicals in the country's tea plantation. The Board has told that it will conduct random testing samples of tea at regular intervals to ensure that the Plant Protection Code is followed strictly and tea plantation estates are required to maintain approved usage of pesticides within permissible limits.

- The spot price of green tea leaves is declining during the last few days In Wayanad and Munnar. The current price of green tea leaf is Rs.5 -7.50/kg compared to Rs.12 -13/kg during the same corresponding period previous year. Last month the price was Rs.8 -9/kg. Tea growers are forced to sell their produce at lower prices to Bought Leaf Agents from Nilgiri in Tamil Nadu after the tea factories in Wayanad and Munnar stopped procuring green tea leaves. Indefinite strike has been launched by the trade unions in the plantation sector.

Domestic Trade Scenario:

Indian Tea Auctions

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	159.77	32,11,000	23,85,000
ORTHODOX	225.49	4,72,000	4,30,000
DARJEELING	-	-	-
DUST	166.94	15,41,000	12,07,000

(Source: Parcon)

Prices continued positive tone during the week. Quantity offered on sale increased during the week compared to previous week. Good/Best Assams noticed steady tone and Good Liquoring teas and Dust variety noticed firm tone. Less withdrawal was noticed in the Plainer varieties. There was good buying support from Tata Global, Hindustan Unilever Limited, packers and exporters. In the Orthodox category, Brokens and Fannings noticed firm tone. Hindustan Unilever brought mainly the Broken variety. Buying interest was noticed from the exporters. Prices are likely to continue firm tone in the coming week.

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

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	135.74	40,80,000	29,95,000
Dust	154.22	18,71,000	12,67,000

(Source: Parcon)

Prices witnessed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Liquoring sorts and fair for other varieties. In the CTC variety, prices declined in line with quality. There was good demand from exporters 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: 40 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	111.22	6,22,000	4,24,000
CTC Leaf	110.86	41,27,000	29,56,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was not much demand for CTC Leaf variety tea around current levels. Better off –take was noticed for the Plainer varieties. The Dust variety tea noticed steady tone. Good demand was noticed from local buyers. There was selective demand from the exporters. Prices are likely to notice range –bound to firm tone in the near –term.

Jalpaiguri Tea Auction: Sale No: 40 (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: 41 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.63	1057216.70	887454.30
CTC Leaf	67.80	92326.00	64022.00
Orthodox Dust	78.50	16734.00	6214.00
Orthodox Leaf	120.69	216125.50	174753.50

(Source: Paramount Marketing, Coimbatore)

Prices noticed easy tone during the week except slight firmness in CTC Dust variety. Quantity offered on sale increased during the week compared to previous week. Good demand for CTC Dust variety from loose tea buyers supported prices. Selective demand was noticed from the exporters around current levels. Prices are likely to notice weak tone in the coming days.

Coimbatore Tea Auction: Sale No: 41 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	81.32	283458.00	230804.00
CTC Leaf	66.29	162321.00	143112.00
Orthodox Dust	61.59	6623.00	4261.00
Orthodox Leaf	83.71	8232.00	4773.00

(Source: Paramount Marketing, Coimbatore)

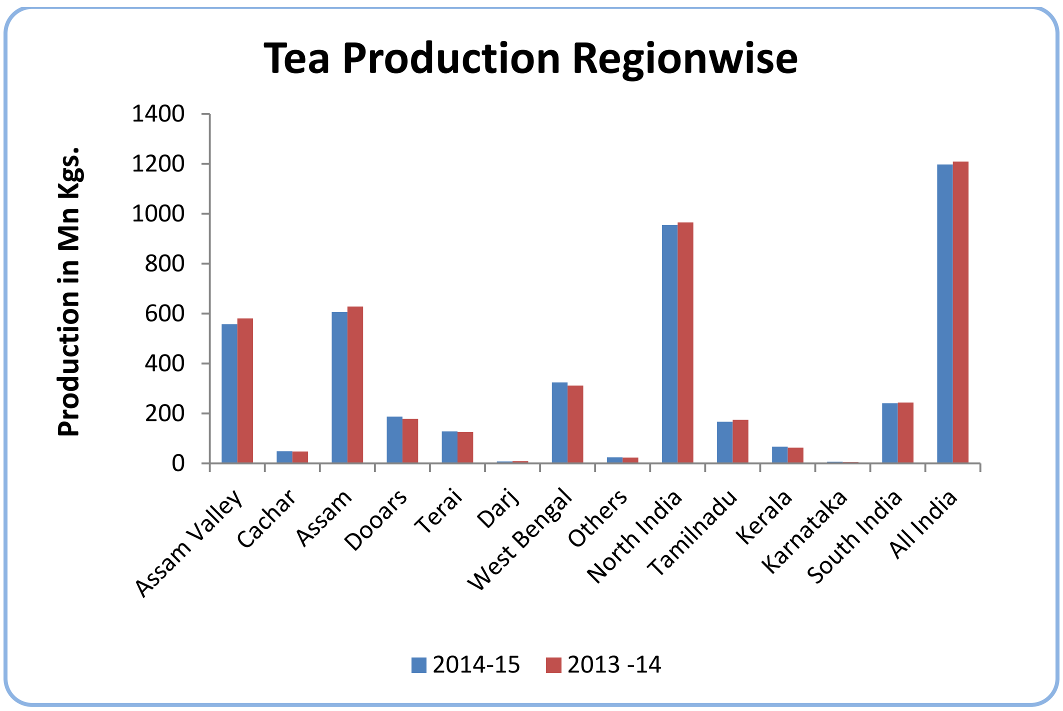
Prices noticed weak tone during the period. Quantity offered on declined during the week compared to previous week. Arrivals have declined slightly during the week amid lower plucking in the growing regions. There was not much demand from the exporters and the local buyers in the market. Prices are likely to notice range –bound to weak tone in the near –term.

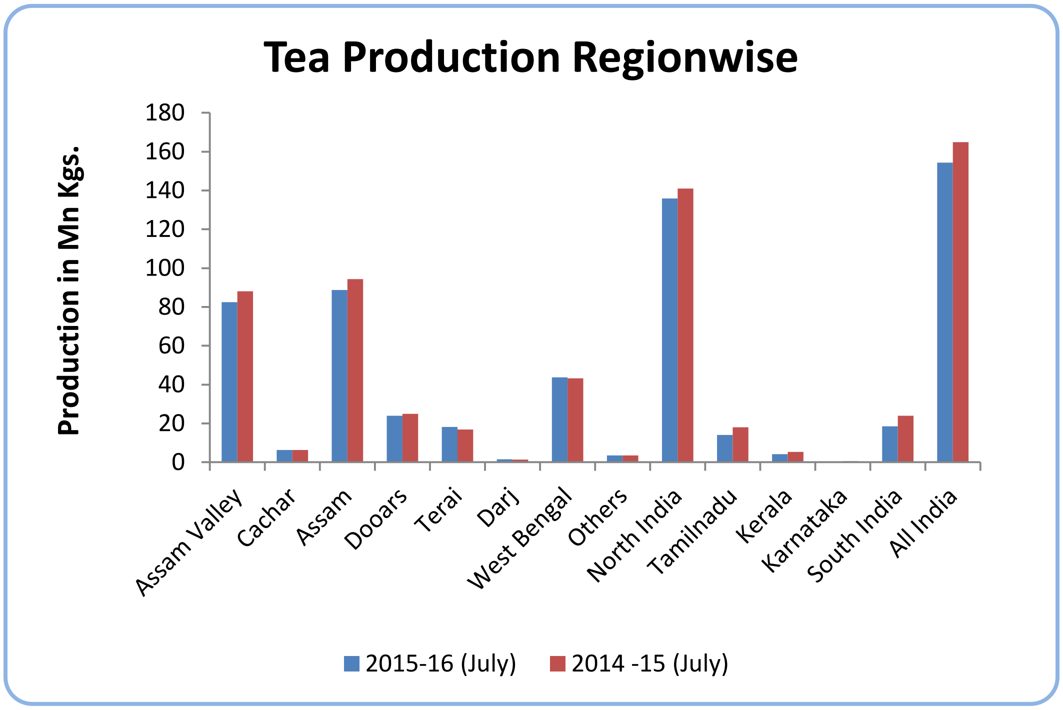
Coonoor Tea Auction: Sale No: 41 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	76.78	420945.00	359496.00
CTC Leaf	66.07	1073628.00	870603.00
Orthodox Dust	82.98	64877.00	50707.00
Orthodox Leaf	98.21	68078.00	60959.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone except slight weakness in Orthodox Dust variety. Quantity offered on sale increased during the week compared to previous week. Demand for good quality tea added to the positive tone of the market. Buying interest was noticed from the blenders and loose tea buyers. Prices are likely to continue positive tone in the coming week.





(Source: Tea Board)

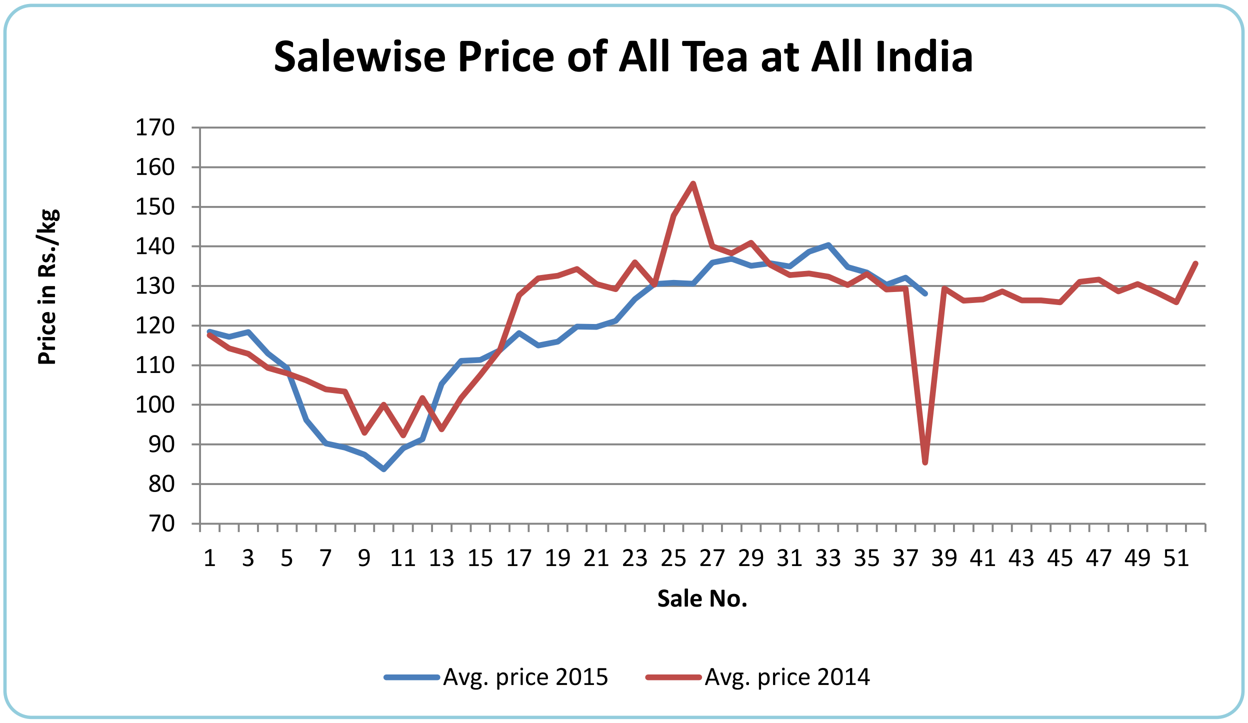
The above graph shows region wise production comparison, during the last two years and in the month of June in comparison with to previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased in production in Assam. In the current year 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 higher compared to previous year amid led by good domestic demand for quality tea in the market. Prices have declined during the week compared to previous week.

Weekly Average Prices at Indian Auction Centers for week ending 2015-10-03

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	153.90(NS)	145.31(NS)	110.87(NS)	NS(NS)	100.70(99.47)	68.30(76.14)	75.89(83.71)	56.15(52.21)
Total Tea	161.98(NS)	145.50(NS)	110.87(NS)	NS(NS)	104.21(102.62)	69.71(76.39)	76.08(83.68)	56.15(52.21)

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

Variety	North India	South India	All India
CTC All Dust	136.50 (NS)	81.23 (83.27)	125.48 (83.27)
Total Tea	139.51 (NS)	84.16 (85.43)	128.07 (85.43)

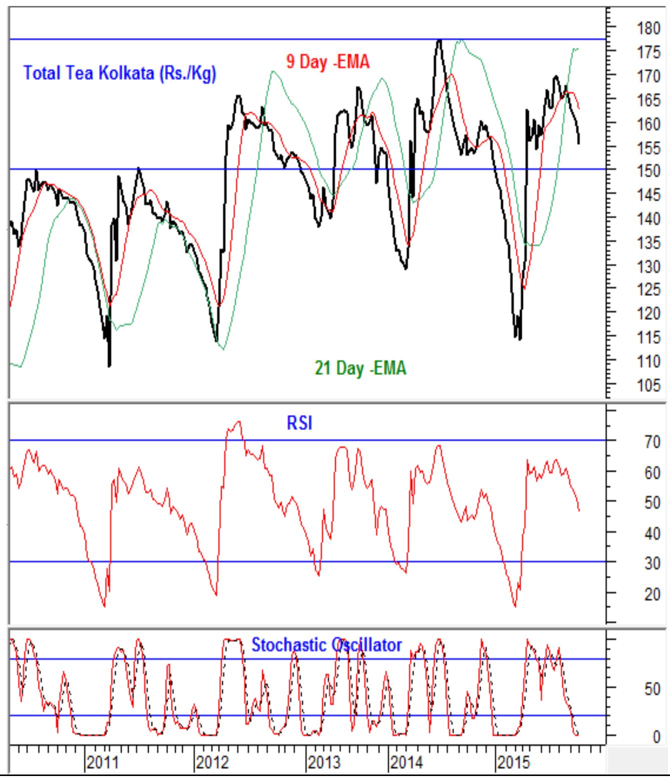
(Source: Tea Board)

Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:
Tea prices continued easy tone during the week and are likely to move towards 150 levels in the coming days. Break out below 150 levels will denote further weakness towards 130 levels in the medium –term. Prices are holding below 9 –Day and 21 –Day EMA supporting weakness in the coming days. RSI is declining in the neutral region denoting weakness in the near –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	161.98	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 39 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 – 550	480 - 590
Average Westerns	420 – 460	440 - 470
Plainer Westerns	350 – 410	400 - 430
Western Mediums	350 – 550	330 - 480
Uva Teas	350 – 600	350 - 500
Nuwara Eliya Teas	400 – 450	400
Udapussellawa Teas	340 – 450	360 - 440
CTC (BP1 and PF1)	320 – 425	350 - 720

In this week's auction, 7.88 million kgs of tea was offered for sale compared to 6.80 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 easy 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 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 weak tone during the week amid lack of demand. There was fair demand from Russia, CIS and Middle –East countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	41		40		39	
Dates	20th/21st October 2015		13th/14th October 2015		06th/07th October 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,060	1,235,417 kg	1,024	1,182,205 kg	926	1,064,781 kg
Main Sale Total	10,361	5,562,652 kg	10,690	5,733,036 kg	10,879	5,872,492 kg
High & Medium	966	491,531 kg	966	473,987 kg	1,022	502,116 kg
Low Growns Leafy Tippy	3,990 2,230	1,914,335 kg 1,299,029 kg	3,993 2,481	1,926,874 kg 1,436,657 kg	3,948 2,578	1,902,647 kg 1,526,689 kg
Premium/Flowery	520	117,908 kg	595	141,531 kg	550	128,188 kg
Off Grades	1,996	1,083,856 kg	2,009	1,103,488 kg	2,163	1,198,856 kg
Dust	659	655,993 kg	646	650,499 kg	618	613,996 kg
Grand Total	11,421	6,798,069 kg	11,714	6,915,241 kg	11,805	6,937,273 kg
Reprints	1,128	647,344 kg	1,170	695,732 kg	1,353	787,962 kg

Scheduled to Close (Ex) **Dates (Ms)**		01.10.15 02.10.15		24.09.15 25.09.15		17.09.15 18.09.15

Scheduled Closing Dates

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

Auction No. 43 : 03rd/04th November 2015

Ex Estate : 15.10.2015

Main Sale : 16.10.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 40

AUCTION AVERAGE PRICE

AUCTION	KENYA 2014	KENYA 2015	TOTAL 2014	TOTAL 2015
38	$2.00	$3.11	$1.92	$2.88
39	$2.01	$3.12	$1.90	$2.84
40	$2.02	$3.19	$1.92	$2.94

QUOTATIONS	BROKENS	FANNINGS
Best	541 – 658	575 - 604
Good	527 – 550	566 - 588
Good Medium	488 – 551	536 - 586
Medium	277 – 425	375 - 526
Lower Medium	201 – 405	254 - 391
Plain	166 – 247	163 – 377 (SL RUPEES)

During the week improved demand was noticed for 6,584,326 kilos of tea on offer. Brighter DUST1s were firm to USC12 lower, with mediums USC4 to USC18 higher and Lower Mediums were firm to USC26 lower. Prices of Brighter BP1's were USC2 to USC14 lower, prices of mediums were firm to USC34 higher in the beginning and declined up to USC10 and prices of lower mediums were higher up to USC42. 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 easy tone during the week. Well sorted clean colouy Fannings and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed steady to weak tone. There was good demand from Afghanistan, Egyptian packers, U.K., Kazakhstan and other CIS states. There was some demand from Sudan and Pakistan packers. There was less demand from Yemen, Russia, Bazaar and other Middle –eastern countries. There was demand from Somalia around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 39

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	7.680	396.860 Kg	7.220	371.400 Kg	93.58
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	7.680	396.860 Kg	7.220	371.400 Kg	93.58

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	840	48.020 Kg	78044.620 Kg		92.92
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	840	48.020 Kg	780	42.620 Kg	92.92
GRAND TOTAL	8.520	444.880 Kg	8.000	416.020Kg	93.51

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
195-197	171-220	154-205	152-243	147-193	130-150	298-340

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
138-198	144-152	127-136	-	131-141

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
161-205	169-205	176-243	181-235	130-165	157-179	---

Market offerings increased to 8,520 paper sacks from 8,140 paper sacks. There was good demand in the market. Average price declined to USDcts 162.10 instead of USDcts 166.68 during last week’s auction. Average price of Orthodox variety declined to USDcts 160.84 and average price of CTC declined to USDcts 173.56.

Secondary variety and Fannings noticed easy tone. Quantity sold increased to 93.21% during the period compared to 92.23% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	13/10/15	21/10/15	13/10/15	21/10/15
PTPN. IV	3.580 S	2.600 S	-	-
PTPN. VI	280 S	300 S	460 S	400 S
PTPN. VII	1.160 S	800 S	80 S	120 S
PTPN. VIII	1.580 S	1.560 S	160 S	200 S
PTPN. IX	240 S	80 S	-	-
PTPN. XII	- S	- S	200 S	380 S
Total Estate	6.840 S	5.300 S	900 S	1.100 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	6.840 S	5.300 S	900 S	1.100 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 21
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	185-188	Best	193-195
Medium	187-189	Good	190-193
Small	189-193	Medium	186-189
Plain	165-170	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 2.06 million kgs of tea was offered for sale and nearly 8 percent remained unsold. The sale was held after a break of two weeks following 'Eid' holidays.

There was some demand from blenders and loose tea buyers. 32,048 packages of CTC Leaf noticed good demand. 5,552 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 firm 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)

Country	**MONTH**	**2015**	**2014**	**CUMULATIVE**	**2015**	**2014**	**CUMULATIVE + INC./-DEC.**
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 hads 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	**09-10-2015**	**02-10-2015**
USD	64.77	65.43
Srilankan	0.4618	0.4637

Rupee		
Indonesian Rupiah	0.0048	0.0045
Kenyan Shilling	0.6285	0.6283
Bangladeshi Taka	0.8343	0.8408

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone. Quantity offered on sale increased during the week compared to previous week. Arrivals have picked up amid dry weather in the growing regions. There was good demand for Good/Best tea. Selective demand was noticed from the exporters. The arrival of third flush of tea is declining. In South India, there was not much demand from the Iranian buyers. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices noticed range –bound to firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Demand for good quality tea supported prices. Record volume was offered on sale at Bangladesh tea auction. Demand usually picks up ahead of winter season. Showers are reported in the tea growing regions of Indonesia and Vietnam. Future offering of tea is likely to decline at Sri Lankan and Indonesian tea auctions in the coming week. Prices are likely to witness positive tone in the coming week.