News Highlights.

- According to Tea Board of India, output of Indian tea declined by 1.63% for January –August 2015 period to 705.93 million kgs. compared to the same corresponding period of previous year. Output has declined amid increasing cost in North India, increasing wages in South India and unfavourableunfavorable climatic conditions. Production has declined for the first time during the last five years.

- Average auction price dropped 5.7% in the first five months of current financial year. Tea companies are facing problems of a fall in both production and prices. Cost of production has increased as well according to industry sources. Only quality teas that comprise 15% of total production of 1,200 million kg are fetching good prices.

- According to the data released by Tea Board of India, India's exports of tea declined by three per cent to 125.91 million kg. in the first eight months of 2015 amid poor demand from Egypt and Iran. Exports to Egypt declined by 63 per cent during the period to 2.35 million kg compared to the same corresponding period previous year. India, the second biggest producer of tea in the world exports mainly predominantly CTC (crush-tear-curl) variety tea mainly to U.K., Egypt, Pakistan and Orthodox variety tea to Iraq, Iran and Russia.

- Kerala tea plantation stir ends; Management and workers finally agree on wage rise and governmentt panel to look into other issues raised after next month's local body polls. For tea plantation workers, the daily wage rises by Rs.69. Aa commission would be appointed to study the various issues raised, such as the condition of workers' living quarters in the plantations. The government will call a meeting to discuss the other demands of the workers once state local body elections, scheduled in for the first week of November, are over.

- The Plantation Industries Ministry In Sri Lanka has asked the Treasury to release rupees one billion towards purchase of tea from auctions. The cost of tea production is currently Rs.430/kg and the market price in the global market is around Rs.380/kg. according to industry sources. The manufacturer cannot bear this and so the government has decided to intervene and purchase tea directly from the auctions.

Domestic Trade Scenario:

Indian Tea Auctions

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	154.79	35,00,000	27,59,000
ORTHODOX	221.42	6,52,000	5,88,000
DARJEELING	-	-	-
DUST	161.92	16,79,000	12,32,000

(Source: Parcon)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Good/Best Assam and fair for other varieties. Secondary variety noticed withdrawal and Dooars noticed steady tone during the period. Buying interest was noticed from Tata Global, Hindustan Unilever Ltd. and local buyers. In the Orthodox variety, Whole Leaf noticed steady tone and Better sorts noticed easy tone. There was good demand from Middle –East and CIS countries. Tippy sorts noticed some export enquiry. Prices are likely to notice range –bound to firm tone in the near –term.

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

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	138.07	39,92,000	31,15,000
Dust	148.00	19,13,000	13,30,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Good Liquoring sorts noticed firm tone and other varieties noticed mixed tone in line with quality. There was good demand for CTC variety from local buyers in the market. Buying support was noticed from Tata Global and Hindustan Unilever Limited. Prices are likely to notice firm tone in the coming week.

Siliguri Tea Auction: Sale No: 42 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	109.77	6,72,000	5,25,000
CTC Leaf	116.04	43,08,000	33,22,000

(Source: Associated Brokers)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for quality leaf in the market and fair for other varieties. The Common and the Plainer varieties noticed withdrawals in the market. There was not much enquiry from the exporters. Good demand from the domestic buyers supported the market. Prices are likely to continue positive tone in the coming week.

Jalpaiguri Tea Auction: Sale No: 41 (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: 42 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	107.42	1104230.00	1018092.20
CTC Leaf	71.56	86184.00	47373.00
Orthodox Dust	81.30	23730.00	10100.00
Orthodox Leaf	124.27	169683.00	146613.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for CTC Dust variety tea from the blenders. Buying interest was noticed for Leaf variety from the exporters around current levels. Prices are likely to notice range –bound to firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 42 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	87.55	252549.00	223704.00
CTC Leaf	69.66	136158.00	117144.00
Orthodox Dust	64.03	9055.00	5752.00
Orthodox Leaf	83.77	5901.00	5679.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed positive tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Nilgiri Brokens from the exporters. Demand from loose tea and internal buyers added to the positive tone of the market. Prices are likely to notice firm tone in the coming days.

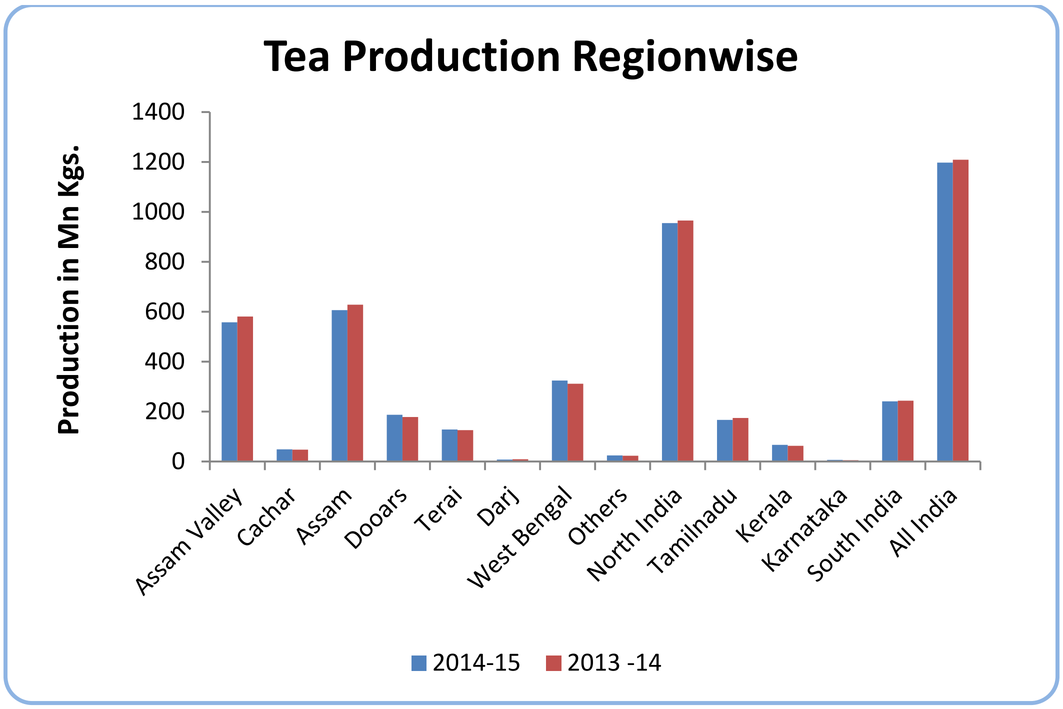
Coonoor Tea Auction: Sale No: 42 (Price in Rs./kg)

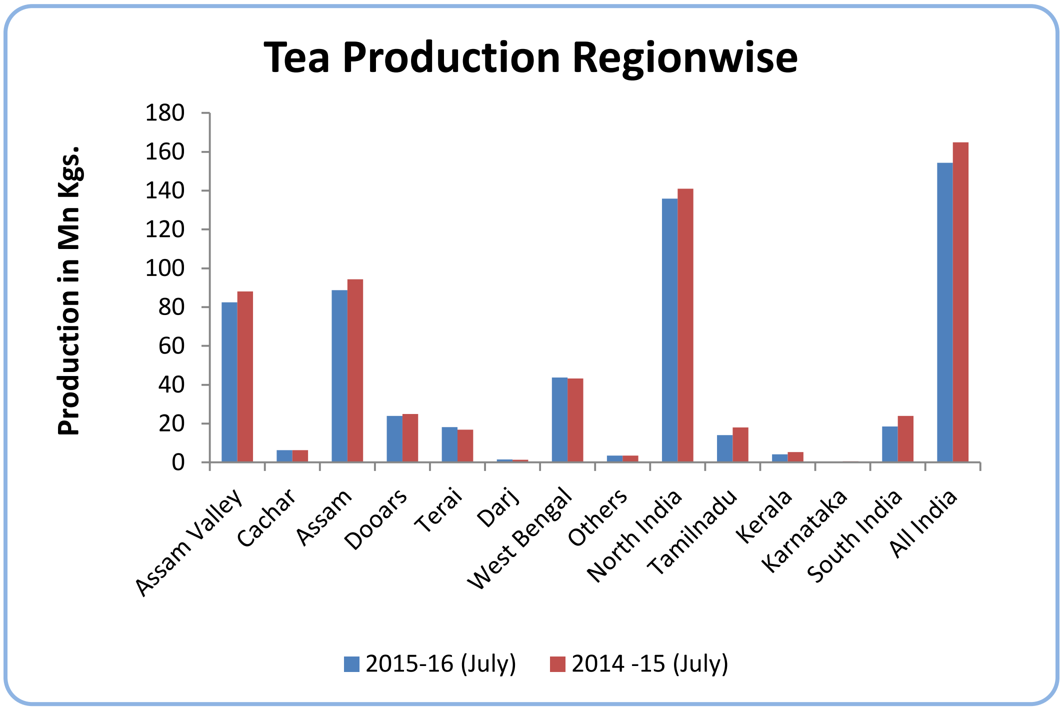
Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	81.33	370995.00	338647.50

CTC Leaf	68.49	942857.00	848139.00
Orthodox Dust	90.21	47908.00	37976.00
Orthodox Leaf	96.75	66561.00	64395.00

(Source: Paramount Marketing, Coimbatore)

Prices continued firm tone during the week. Quantity offered on sale declined during the week compared to previous week. During the last few days there has been lower plucking in the growing regions. Buying interest was noticed from the exporters and internal buyers. Demand from Kerala State Civil Supplies added to the positive tone of the market. Prices are likely to notice firm tone in the near –term.





(Source: Tea Board)

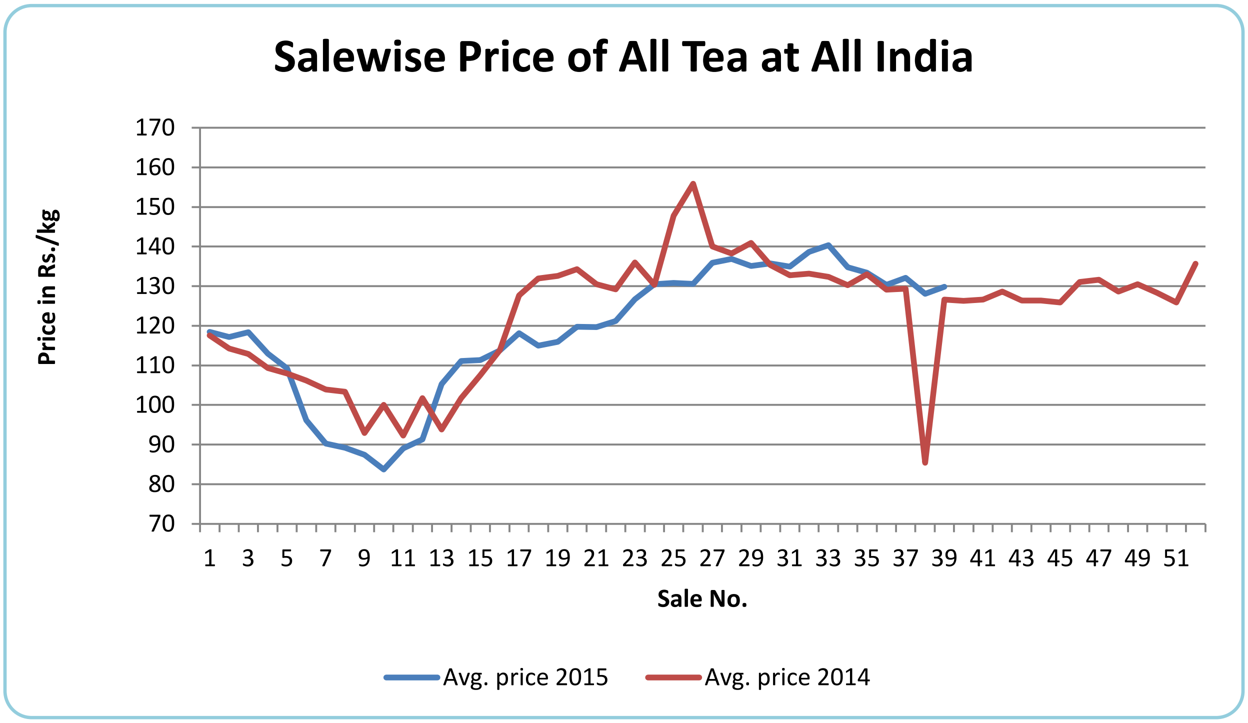
The above graph shows region wise production comparison, during the last two years and in the month of June in comparison with to previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased in production in Assam. In the current year 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
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 2015-10-10

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	162.17(150.25)	141.23(135.50)	112.72(121.34)	NS(NS)	101.07(100.06)	69.74(72.99)	75.41(79.19)	54.91(50.87)
Total Tea	170.22(157.68)	141.68(135.47)	112.72(121.34)	NS(NS)	104.10(103.32)	71.04(73.56)	75.51(79.17)	54.91(50.87)

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

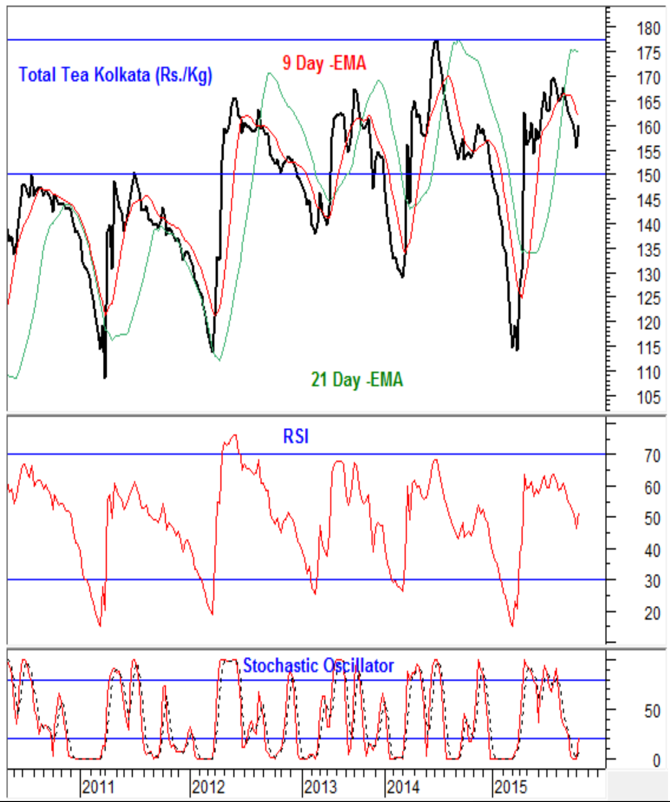
Variety	North India	South India	All India
CTC All Dust	138.54 (134.87)	79.14 (80.04)	126.56 (123.38)
Total Tea	142.43 (138.22)	81.80 (82.28)	129.88 (126.59)

(Source: Tea Board)

Tea – Technical Outlook — Total Tea -Kolkata

Technical Commentary:
Tea prices noticed firm tone during the week. Overall scenario is weak and prices are likely to decline in the coming days. MACD is declining in the positive territory supporting weakness in the medium –term. Stochastic oscillator is increasing in the neutral region denoting some recovery in the near –term.

The tea prices are likely to decline towards 150 levels in the medium –term after the recent recovery. 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	170.22	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 40 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 580	490 - 550
Average Westerns	430 - 460	460 - 480
Plainer Westerns	390 - 420	420 - 450
Western Mediums	340 - 560	350 - 470
Uva Teas	360 - 580	350 - 510
Nuwara Eliya Teas	370 - 540	430
Udapussellawa Teas	370 - 440	380 - 440
CTC (BP1 and PF1)	300 - 425	340 - 530

In this week's auction, 6.91 million kgs of tea was offered for sale compared to 7.88 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 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 recovery tone during the week amid good demand. There was fair demand from Russia, CIS and Middle –East countries. Good demand from Russia ahead of winter season supported the market.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	42		41		40	
Dates	26th/28th October 2015		20th/21st October 2015		13th/14th October 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,057	1,210,483 kg	1,060	1,235,417 kg	1,024	1,182,205 kg
Main Sale Total	10,322	5,511,111 kg	10,361	5,562,652 kg	10,690	5,733,036 kg
High & Medium	1,005	512,760 kg	966	491,531 kg	966	473,987 kg
Low Growns Leafy	3,880	1,845,901 kg	3,990	1,914,335 kg	3,993	1,926,874 kg
Tippy	2,292	1,309,993 kg	2,230	1,299,029 kg	2,481	1,436,657 kg
Premium/Flowery	657	143,371 kg	520	117,908 kg	595	141,531 kg
Off Grades	1,822	1,016,131 kg	1,996	1,083,856 kg	2,009	1,103,488 kg
Dust	666	682,955 kg	659	655,993 kg	646	650,499 kg
Grand Total	11,379	6,721,594 kg	11,421	6,798,069 kg	11,714	6,915,241 kg
Reprints	867	487,972 kg	1,128	647,344 kg	1,170	695,732 kg
Scheduled to Close (Ex)		08.10.15		01.10.15		24.09.15
Dates (Ms)		09.10.15		02.10.15		25.09.15

Scheduled Closing Dates

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

Auction No. 44 : 09th/11th November 2015

Ex Estate : 22.10.2015

Main Sale : 23.10.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 41

AUCTION AVERAGE PRICE

AUCTION	KENYA 2014	KENYA 2015	TOTAL 2014	TOTAL 2015
39	$2.01	$3.12	$1.90	$2.84
40	$2.02	$3.19	$1.92	$2.94
41	$2.03	$3.24	$1.91	$3.02

QUOTATIONS	BROKENS	FANNINGS
Best	527 – 677	583 – 624
Good	527 – 538	588 - 599
Good Medium	433 – 563	555 – 599
Medium	290 – 475	345 – 522
Lower Medium	214 – 323	297 - 386
Plain	171 – 403	158 – 389 (SL RUPEES)

During the week improved demand was noticed for 7,049,132 kilos of tea on offer. Brighter DUST1s were firm to USC20 higher, with mediums USC2 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 USC12 higher. 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 steady 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 Afghanistan, Egyptian packers, Bazaar, Yemen, other Middle – Eastern countries, Sudan, Russia and other CIS states. There was some demand from U.K. and Iran packers. There was demand from Somalia around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 41

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	6.840	354.440 Kg	6.780	351.360 Kg	99.30
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	6.840	354.440 Kg	6.780	351.360 Kg	99.30

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	900	50.500 Kg	820	46.000Kg	91.09
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	900	50.500 Kg	820	46.000Kg	91.09
GRAND TOTAL	7.740	404.940 Kg	7.600	397.360 Kg	98.13

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
194-195	168-244	155-246	145-250	145-230	131-148	304

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
141-197	140-173	120-130	320	134

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
157-197	180-182	179-243	181-247	126-160	158-166	---

Market offerings declined to 7,740 paper sacks from 8,520 paper sacks. There was good demand in the market. Average price increased to USDcts 165.57 instead of USDcts 162.10 during last week's auction. Average price of Orthodox variety increased to USDcts 166.16 and average price of CTC declined to USDcts 161.13. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 98.13% during the period compared to 93.21% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	21/10/15	28/10/15	21/10/15	28/10/15
PTPN. IV	2.600 S	3.280 S	-	-
PTPN. VI	300 S	560 S	400 S	400 S
PTPN. VII	800 S	600 S	120 S	100 S
PTPN. VIII	1.560 S	1.140 S	200 S	160 S
PTPN. IX	80 S	180 S	-	-
PTPN. XII	- S	- S	380 S	380 S
Total Estate	5.340 S	5.760 S	1.100 S	1.040 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	5.340 S	5.760 S	1.100 S	1.040 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 22
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	185-188	Best	194-196
Medium	188-190	Good	192-194
Small	190-194	Medium	187-190
Plain	165-173	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 2.46/kg. Around 2.11 million kgs of tea was offered for sale and nearly 11 percent remained unsold.

There was some demand from blenders and loose tea buyers. 31,996 and 41 packages of Old season CTC Leaf noticed good demand. 6,538 and 35 packages of Old season 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	16-10-2015	09-10-2015
USD	64.72	64.77
Srilankan Rupee	0.4609	0.4618
Indonesian Rupiah	0.0048	0.0048
Kenyan Shilling	0.6319	0.6285
Bangladeshi Taka	0.8323	0.8343

Overall Outlook and Recommendation:

In the domestic market, prices noticed positive tone except slight weakness at Kolkata and Guwahati tea auction centers. Quantity offered on sale declined during the week compared to previous week. In the first eight months of the calendar year 2015, production has declined by around 1.6% and exports have declined in line with it. This is following lower plucking in Assam amid unfavourableunfavorable weather conditions in the growing regions. The arrival of third flush of tea is likely to decline in the coming days. In South India, market has been firm amid good demand for quality leaf. Prices are likely to continue positive tone in the coming week.

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.