

News Highlights.

- In the current week, activities remained lack-luster following the festival of 'Dussehra'. In North India, it is an important festival and most of the auction centers noticed meagre quantity traded during the week. Markets remained closed for few days in the week. There were no fresh fundamental movements in the markets.
- 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 previous year. Output has declined amid increasing cost in North India, increasing wages in South India and unfavourable 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 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 government 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. A 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 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: 43 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	109.05	858034.70	782003.50
CTC Leaf	71.07	76220.00	48705.00
Orthodox Dust	75.25	7541.00	3021.00
Orthodox Leaf	122.92	142721.00	112938.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week except slight firmness in CTC Dust variety. Quantity offered on sale declined during the week compared to previous week. Good demand for CTC Dust variety from loose tea buyers lend support to the market. There was not much demand from the exporters. Prices are likely to notice range – bound to firm tone in the coming week.

Coimbatore Tea Auction: Sale No: 43 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	84.84	263085.00	207720.00
CTC Leaf	66.06	141870.00	111439.00
Orthodox Dust	66.27	10162.00	9816.00
Orthodox Leaf	83.55	9742.00	9343.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Trading remained lack –luster following the festival of 'Dussehra'. There was some enquiry from exporters around current levels. Prices are likely to notice weak tone in the near –term.

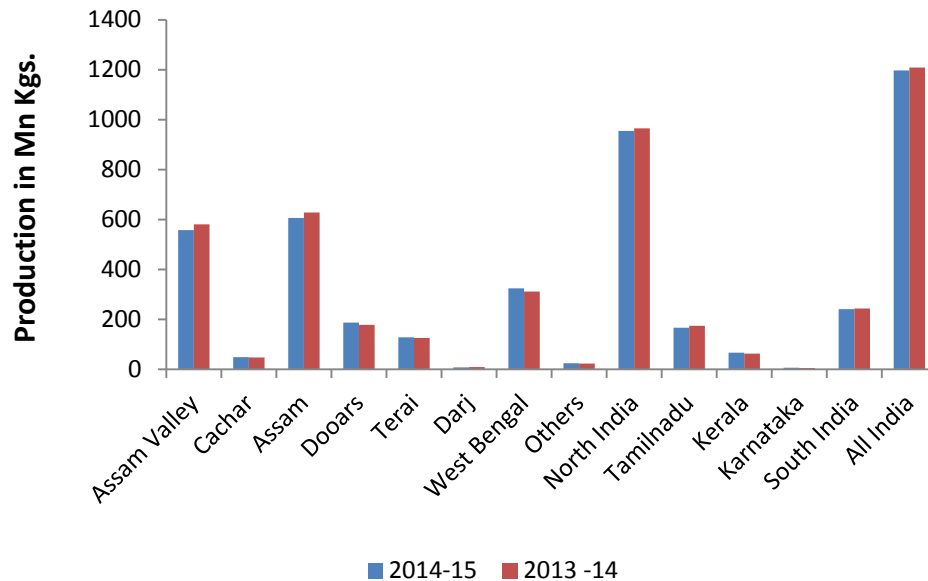
Coonoor Tea Auction: Sale No: 43 (Price in Rs./kg)

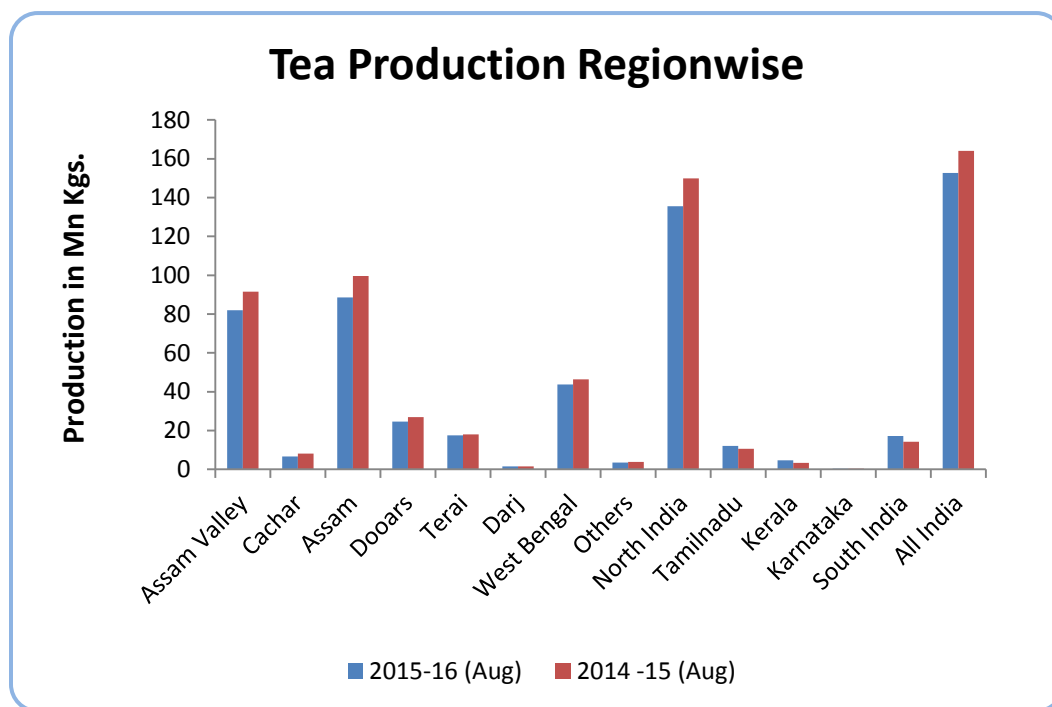
Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	80.78	426522.00	389177.00
CTC Leaf	68.40	966160.00	771383.00
Orthodox Dust	91.74	53118.00	44544.00
Orthodox Leaf	102.23	70159.00	65829.50

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week except slight firmness in Orthodox Leaf variety. Quantity offered on sale increased during the week compared to previous week. There was good demand from the exporters for Orthodox Leaf variety. Buying interest was noticed from internal buyers in the market. Prices are likely to notice firm tone in the coming days.

Tea Production Regionwise





(Source: Tea Board)

The above graph shows region wise production comparison, during the last two years and in the month of August 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 August, production of tea in India declined by 1.63% to 152.71 million kgs. in comparison to the same corresponding period last year following owing to lack of suitable temperature and rainfall in north India.

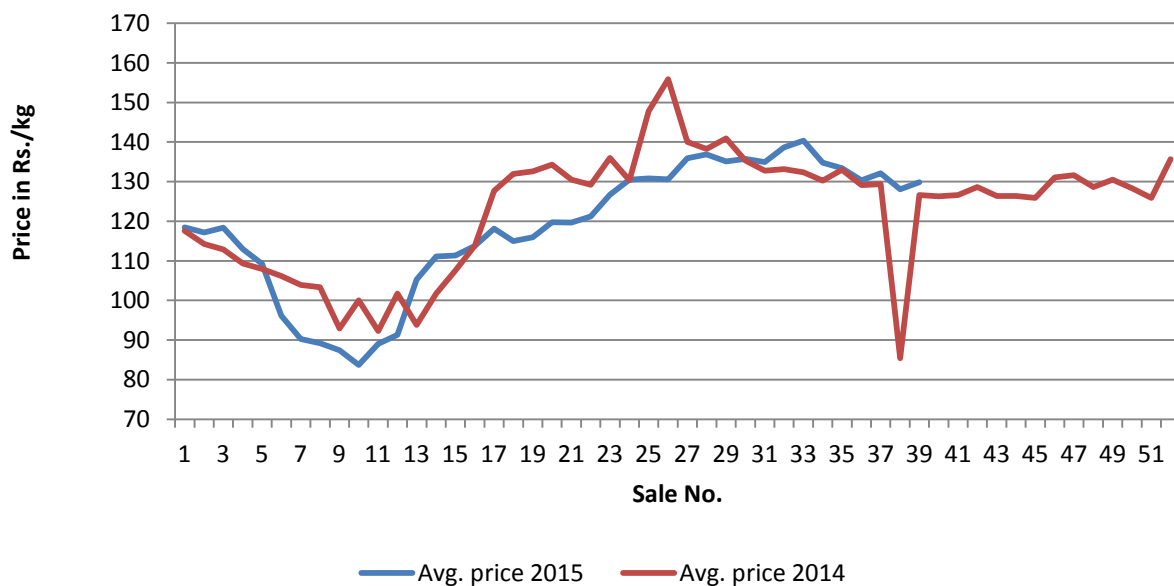
REGIONWISE QUARTERLY EXPORTS:

(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-Aug 2015 (P)	64.90	1503.60	231.68	61.01	805.56	132.04	125.91	2309.16	183.40
Jan-Aug 2014	71.41	1687.35	236.29	58.51	808.30	138.15	129.92	2495.65	192.09
Inc/Dec in %	-9.12	-10.89	-1.95	4.27	-0.34	-4.42	-3.09	-7.47	-4.53
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 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)

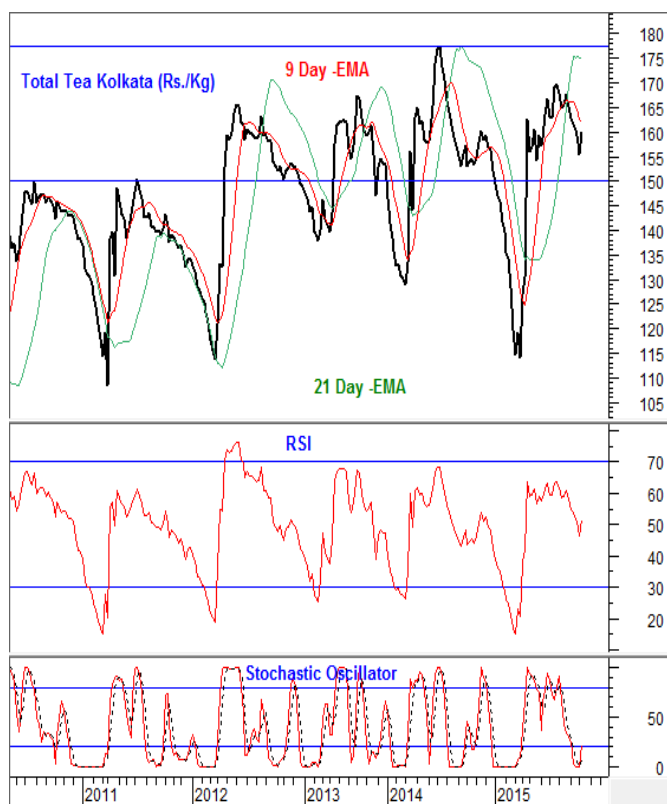
Tea – Technical Outlook

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: 41 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 520	480 - 540
Average Westerns	430 - 460	450 - 470
Plainer Westerns	380 - 420	420 - 440
Western Mediums	350 - 590	350 - 480
Uva Teas	350 - 520	330 - 450
Nuwara Eliya Teas	350 - 480	435
Udapussellawa Teas	380 - 400	400 - 460
CTC (BP1 and PF1)	310 - 430	350 - 550

In this week's auction, 6.80 million kgs of tea was offered for sale compared to 6.91 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's noticed easy tone 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 positive tone during the week amid good demand. There was fair demand from Russia, Iran and Middle –East countries.

DETAILS OF TEAS AWAITING SALE

	43		42		41	
AUCTION NO.						
	03 rd /04 th November 2015		26 th /28 th October 2015		20 th /21 st October 2015	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	986	1,140,905 kg	1,057	1,210,483 kg	1,060	1,235,417 kg
Main Sale Total	10,050	5,376,712 kg	10,322	5,511,111 kg	10,361	5,562,652 kg
High & Medium	959	492,824 kg	1,005	512,760 kg	966	491,531 kg
Low Growns Leafy	3,794	1,799,373 kg	3,880	1,845,901 kg	3,990	1,914,335 kg
	2,135	1,237,880 kg	2,292	1,309,993 kg	2,230	1,299,029 kg
Tippy						
Premium/Flowery	510	112,123 kg	657	143,371 kg	520	117,908 kg
Off Grades	2,000	1,095,011 kg	1,822	1,016,131 kg	1,996	1,083,856 kg
Dust	652	639,501 kg	666	682,955 kg	659	655,993 kg
Grand Total	11,036	6,517,617 kg	11,379	6,721,594 kg	11,421	6,798,069 kg
Reprints	536	323,027 kg	867	487,972 kg	1,128	647,344 kg
Scheduled to Close (Ex)		15.10.15		08.10.15		01.10.15
Dates						

Scheduled Closing Dates

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

Auction No. 45 : 17th/18th November 2015

Ex Estate : 29.10.2015

Main Sale : 30.10.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 42

QUOTATIONS	BROKENS	FANNINGS
Best	526 - 687	598 - 634
Good	498 - 541	595 - 615
Good Medium	471 - 545	547 - 612
Medium	318 - 534	379 - 559
Lower Medium	207 - 387	277 - 410
Plain	180 - 232	163 - 304 (SL RUPEES)

During the week good demand was noticed for 7,748,847 kilos of tea on offer. Brighter DUST1s were firm to USC8 higher, with mediums firm to USC10 higher and Lower Mediums were firm to USC14 lower. Prices of Brighter BP1's were higher up to USC20, prices of mediums were firm to USC14 higher. 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 Afghanistan, Pakistan packers, Bazaar, Russia and Sudan. There was some demand from Kazakhstan and other CIS countries. There was less demand from Egyptian packers, Iran and U.K. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 42

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	5.300	276.060 Kg	5.060	262.860 Kg	95.22
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	5.300	276.060 Kg	5.060	262.860 Kg	95.22

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.080	62.640 Kg	1.080	62.640 Kg	100
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	1.080	62.640 Kg	1.080	62.640 Kg	100

GRAND TOTAL	6.380	338.700 Kg	6.140	325.500Kg	96.10
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(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
195-200	165-239	160-212	162-197	154-167	140-150	344-346

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
144-195	138-161	135-141	-	138-148

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
165-192	185-227	174-237	184-254	137-165	147-179	---

Market offerings declined to 6,380 paper sacks from 7,740 paper sacks. There was good demand in the market. Average price increased to USDcts 168.54 instead of USDcts 165.57 during last week's auction. Average price of Orthodox variety increased to USDcts 166.79 and average price of CTC increased to USDcts 175.69. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 98.13% during the period compared to 98.01% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	28/10/15	4/11/15	28/10/15	4/11/15
PTPN. IV	3.280 S	2.060 S	-	-
PTPN. VI	560 S	440 S	400 S	500 S
PTPN. VII	600 S	820 S	100 S	120 S
PTPN. VIII	1.140 S	1.160 S	160 S	20 S
PTPN. IX	180 S	60 S	-	-
PTPN. XII	- S	- S	380 S	400 S
Total Estate	5.760 S	4.540 S	1.040 S	1.040 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	5.760 S	4.540 S	1.040 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)

<u>Country</u>	MONTH	2015	2014	CUMULATIVE	2015	2014	CUMULATIVE + INC./-DEC.
Sri Lanka	September	26.88	29.08	Up to September	252.69	255.55	- 2.86
North India	August	135.6(E)	149.8	Up to August	546.6 (E)	558.4	- 11.8
South India	August	17.1(E)	14.2	Up to August	159.3 (E)	159.2	+ 0.1
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	23-10-2015	16-10-2015
USD	64.87	64.72
Srilankan Rupee	0.4609	0.4609
Indonesian Rupiah	0.0048	0.0048
Kenyan Shilling	0.6354	0.6319
Bangladeshi Taka	0.8331	0.8323

Overall Outlook and Recommendation:

In the domestic market trading remained lack –luster following the festival of 'Dussehra'. In North India, the auction centers were closed for few days during the week. In South India, prices noticed range –bound to weak tone. Quantity offered on sale declined during the week compared to previous week. Arrival of third flush of tea in North India has slowed down. Demand is expected to pick up in the coming days. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices noticed firm tone amid good demand for quality leaf. Quantity offered on sale increased during the week compared to previous week. Slight showers were reported in Indonesia and Vietnam. Production is picking up in the growing regions amid favourable weather. The future offering of tea is likely to decline at Sri Lanka and Indonesia auction centers. Prices are likely to continue positive tone in the coming week.

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