News Highlights.

- The cumulative turnover at Coonoor Tea Trade Association (CTTA) auctions till last month declined compared to the same corresponding period previous year. The overall turnover declined to Rs. 396.22 crore compared to 396.31 crore during the previous year. Volumes sold of sales increased in November and overall turnover declined amid decline in average auction prices. There has been an improvement in turnover in December till date.

- The prices of tea should be increased to pay higher wages for workers according to the former Tea Board Chairman. Unless the industry gets higher prices for the products, it is difficult for tea to survive. Workers will demand more and they have to be retained in order to maintain quality.

- Indian tea industry in Assam and Bengal is facing a major challenge amid climate change resulting from uneven distribution of rainfall and extreme temperature pattern in the tea growing regions. The industry has asked for government funding to address the issue. The industry wants a competitive environment for production and processing with adequate government safeguards for a long –term socio –economic and environmental sustainability. This is likely to neutralize the impact of climate change.

- Tea exports have declined by 4% in the first seven months of the financial year (April –October) 2015 - 16 to Rs.2318 crores. Last year exports were reported to be around Rs.2225 crores in value. According to provisional data released by the Tea Board of India, exports in terms of quantity terms increased by 7.25 per cent to 119.25 million kg during these seven months compared to 111.19 million kg during the corresponding periodin the of previous year during the same period. Increase in exports has been seen in major tea importing countries such as Russia, United Kingdom, Netherlands, Germany, Poland, UAE, Iran, Bangladesh and Pakistan.

- Sri Lanka's November tea output declined 15.9 percent from a year earlier due to heavy rains and a drop in auction prices according to the state-run Tea Board. The production fell for a third straight month in November and it declined by 2.7 per cent in the first 11 months of 2015. Heavy rains affected plucking in the growing regions.

- Kenya has formally asked Sudan to change its decision regarding reducing the shelf-life of Kenyan tea from three to one and half years. The Sudanese government in 2004, made changes to the rules governing trade in tea where it required exporters to first seek certificates of origin to determine that the tea had actually come from Kenya. There was another rule that tea brought into Sudan must be sold within one and a half years in order to adhere to restrict health standards. The decision is yet to be implemented.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 50 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	156.01	37,09,000	28,69,000
ORTHODOX	205.93	3,54,000	3,30,000
DARJEELING	-	-	-
DUST	160.94	13,81,000	11,75,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Dooars noticed firm tone and Assams noticed mixed tone in line with quality. There was good demand from Western Indian buyers and Hindustan Unilever Limited. In the Orthodox variety, prices declined during the week. Well Made Whole Leaf noticed firm tone and other varieties declined in line with quality. Buying interest was noticed from Hindustan Unilever Limited. There was good demand from Middle –East and CIS countries. Prices are likely to notice range –bound to weak tone in the coming week.

Guwahati Tea Auction: Sale No: 51 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	134.88	53,90,000	42,21,000
Dust	136.20	17,26,000	14,76,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Good Assam noticed firm tone and others declined in line with quality. Good demand was noticed from Hindustan Unilever Limited and internal buyers. There was some demand from the exporters around current levels. Prices are likely to notice range –bound to firm tone in the coming week.

Siliguri Tea Auction: Sale No: 51 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	125.49	4,44,000	3,99,000
CTC Leaf	128.95	36,14,000	32,07,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand in the market and Select Best varieties noticed firm tone during the week. Medium and Common Sorts noticed steady tone during the week. Liquoring Dusts noticed positive tone and other varieties declined in line with quality. Buying interest was noticed from Hindustan Unilever Limited and internal buyers. Prices are likely to notice firm tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 51 (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: 52 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	-	-	-
CTC Leaf	-	-	-
Orthodox Dust	-	-	-
Orthodox Leaf	-	-	-

(Source: Paramount Marketing, Coimbatore)

There was no sale following 'Christmas'.

Coimbatore Tea Auction: Sale No: 52 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	-	-	-
CTC Leaf	-	-	-
Orthodox Dust	-	-	-
Orthodox Leaf	-	-	-

(Source: Paramount Marketing, Coimbatore)

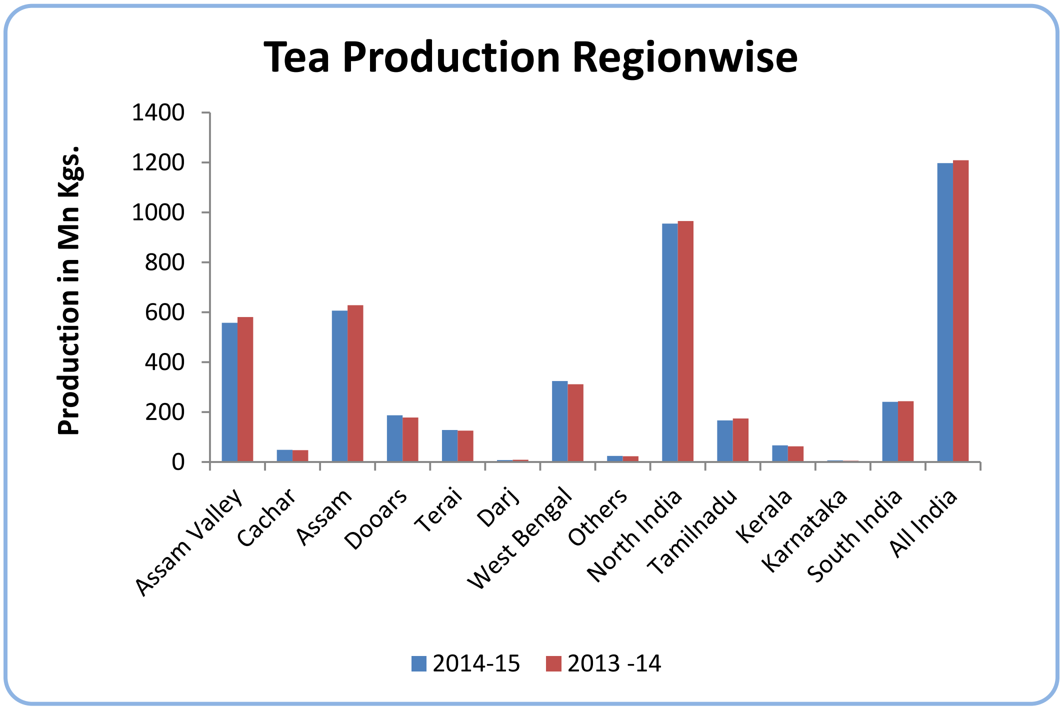
There was no sale following 'Christmas'.

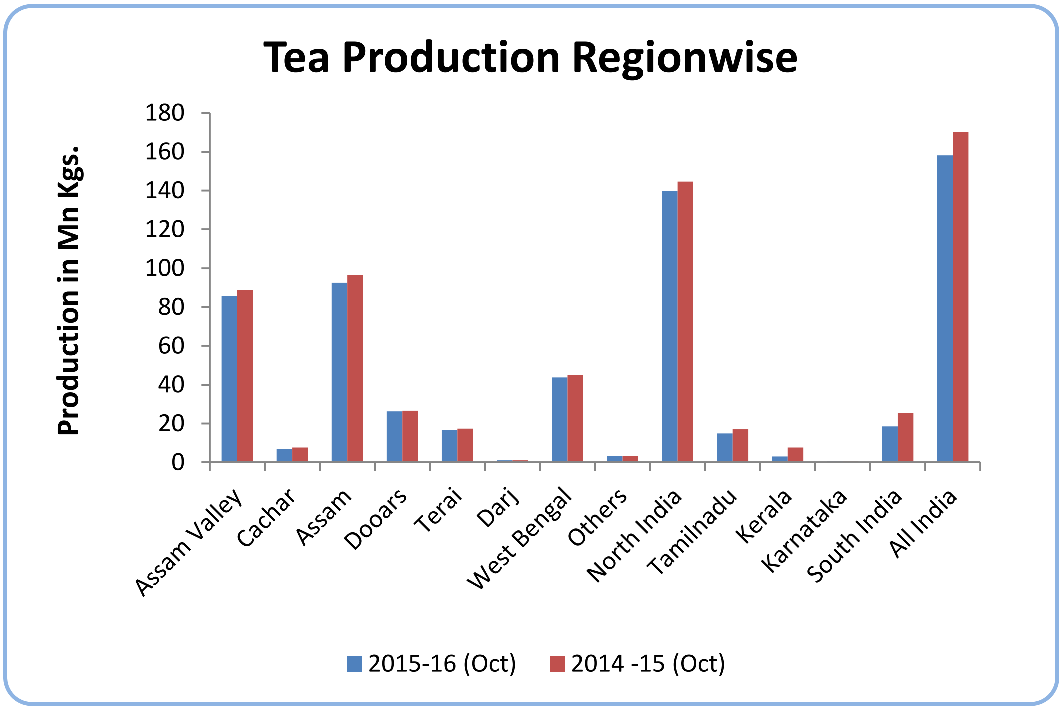
Coonoor Tea Auction: Sale No: 52 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	86.54	309756.00	273868.00
CTC Leaf	81.03	631270.00	605253.00
Orthodox Dust	101.06	46149.00	38067.00
Orthodox Leaf	107.52	52562.00	47975.50

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except slight weakness in Orthodox Leaf variety. Quantity offered on sale declined during the week compared to previous week. Trading activities remained lack –luster following Christmas. Good demand from the local buyers and blenders supported the market. Prices are likely to notice positive tone in the coming days.





(Source: Tea Board)

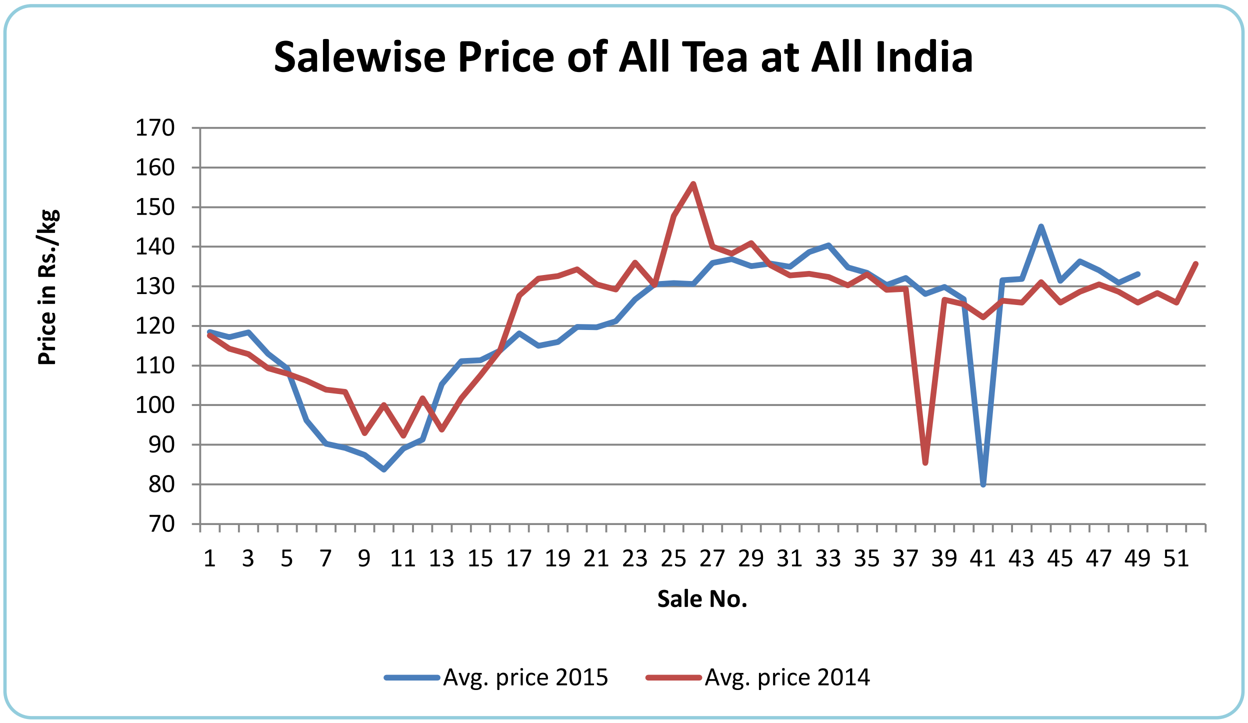
The above graph shows region wise production comparison, between 2015-16 (Sep) and 2014-15 (Sep).during the last two years and in the month of September in comparison with to previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased in production in Assam. In the current year in the month of September, production of tea in India declined by 5.42% to 148.81 million kgs. in comparison to the same corresponding period last year following owing to lack of suitable temperature and rainfall mainly 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-Oct 2015 (P)	92.92	2170.73	233.61	77.45	1015.20	131.08	170.37	3185.93	187.00
Jan-Oct 2014	97.19	2317.43	238.44	73.49	1005.36	136.80	170.68	3322.79	194.68
Inc/Dec in %	-4.39	-6.33	-2.03	5.39	0.98	-4.18	-0.18	-4.12	-3.94
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 lower arrivals in the domestic market. Prices have increased during the week compared to previous week amid good demand for quality leaf.

Weekly Average Prices at Indian Auction Centers for week ending 2015-12-19

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	157.45(163.07)	134.46(125.90)	125.55(120.92)	NS(NS)	107.85(101.03)	82.18(68.65)	86.85(74.65)	68.76(49.74)
Total Tea	164.17(163.76)	134.52(125.91)	125.55(120.92)	NS(NS)	111.67(102.49)	83.82(69.38)	86.82(74.70)	68.79(49.74)

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

Variety	North India	South India	All India
CTC All Dust	139.13 (137.08)	90.37 (76.20)	130.32 (124.45)
Total Tea	142.19 (138.53)	93.26 (77.55)	133.05 (125.91)

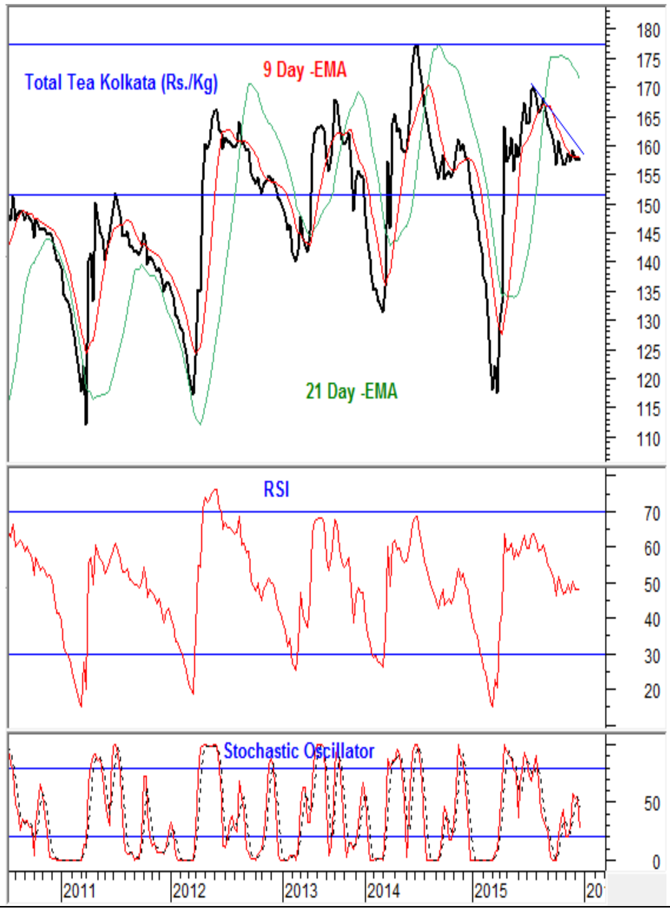
(Source: Tea Board)

Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:
Tea prices increased slightly during the week. Prices are holding below 9 –Day and 21 –Day EMA supporting overall weak tone of the market. Tea prices are likely to decline towards 150 levels in the medium –term. RSI is increasing in the neutral region supporting positive tone in the near –term.

The tea prices are likely to notice weak tone in the medium –term. Traders are advised to wait for better buying levels in the medium –term.



Strategy: Wait For Better Buying Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	130.00	164.17	200.00	210.30

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 50 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	440 - 490	460 - 540
Average Westerns	400 - 430	410 - 450
Plainer Westerns	350 - 390	380 - 400
Western Mediums	370 - 530	350 - 460
Uva Teas	310 - 530	310 - 500
Nuwara Eliya Teas	305 - 360	330 - 360
Udapussellawa Teas	345 - 410	360 - 450
CTC (BP1 and PF1)	330 - 415	300 - 490

In this week's auction, 6.48 million kgs of tea was offered for sale compared to 6.37 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's noticed weak tone and BOPF's noticed easy tone. High Grown and Mid Grown CTC's noticed weak tone and Low Grown CTC's noticed easy 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 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. There was some demand from Russia, Iran and Middle –Eastern countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	02		01		50	
Dates	11th / 12th January 2016 No. of Lots	No. of Kgs	05th / 06th January 2016 No. of Lots	No. of Kgs	21st/22nd December 2015 No. of Lots	No. of Kgs
Ex Estate	827	945,549 kg	859	992,348 kg	967	1,142,752 kg
Main Sale Total	9,669	5,025,371 kg	9,733	5,111,630 kg	9,983	5,341,943 kg
High & Medium	1,022	516,010 kg	1,064	544,772 kg	1,082	559,809 kg
Low Growns Leafy	3,720	1,741,633 kg	3,588	1,668,427 kg	3,808	1,796,838 kg
Tippy	1,997	1,118,351 kg	1,974	1,116,091 kg	2,119	1,215,845 kg
Premium/Flowery	555	112,127 kg	527	114,282 kg	592	124,083 kg
Off Grades	1,841	998,205 kg	2,006	1,095,900 kg	1,772	1,013,520 kg
Dust	534	539,045 kg	574	572,158 kg	610	631,848 kg
Grand Total	10,496	5,970,920 kg	10,592	6,103,978 kg	10,950	6,484,695 kg
Reprints	426	259,077 kg	307	181,910 kg	270	172,499 kg
Scheduled to Close (Ex) Dates (Ms)		17.12.15 18.12.15		10.12.15 11.12.15		03.12.15 04.12.15

Scheduled Closing Dates

Auction No. 01 : 05th/06th January 2016

Ex Estate : 10.12.2015

Main Sale : 11.12.2015

Auction No. 02 : 11th/12th January 2016

Ex Estate : 17.12.2015

Main Sale : 18.12.2015

Auction No. 03 : 19th/20th January 2016

Ex Estate : 30.12.2015

Main Sale : 31.12.2015

Auction No. 04 : 26th/27th January 2016

Ex Estate : 07.01.2016

Main Sale : 08.01.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 51

QUOTATIONS	BROKENS	FANNINGS
Best	455 – 582	509 – 577
Good	445 – 492	497 – 534
Good Medium	444 – 489	475 – 531
Medium	438 – 499	410 – 499
Lower Medium	226 - 374	274 - 374
Plain	198 - 367	164 - 366 (SL RUPEES)

During the week good demand was noticed for 9,922,846 kilos of tea on offer. Brighter DUST1s were firm up to USC12, with mediums USC8 to USC14 firm and lower up to USC6. Lower Mediums were firm up to USC24 and lower up to USC6. Prices of Brighter BP1's were firm up to USC12. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's noticed mixed tone and PF's noticed firm tone during the week. Well sorted clean colouy Fannings and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed positive tone. There was good demand from Pakistan Packers, Afghanistan, Russia, Egyptian packers, Bazaar Kazakhstan and other CIS countries. Buying interest was noticed from Yemen, U.K, other Middle –Eastern countries and Sudan. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 51

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	5.580	295.060 Kg	4.540	239.420 Kg	81.14
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	5.580	295.060 Kg	4.540	239.420 Kg	81.14

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.320	76.560 Kg	1.200	69.100 Kg	90.26
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	1.320	76.560 Kg	1.200	69.100 Kg	90.26
GRAND TOTAL	6.900	371.620 Kg	5.740	308.520 Kg	83.02

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
194-197	166-220	170-215	172-254	161-194	151-164	305

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
155-190	148-159	143-147	-	138-150

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
152-200	218-236	175-248	187-250	157-181	174-195	-

Market offerings increased to 6,900 paper sacks from 6,480 paper sacks. There was good demand in the market. Average price declined to USDcts 182.43 instead of USDcts 184.95 during last week’s auction. Average price of Orthodox variety declined to USDcts 179.92 and average price of CTC increased to USDcts 199.49. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 83.02% during the period compared to 98.73% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	06/01/16	13/01/16	06/01/16	13/01/16
PTPN. IV	2.320 S	2.160 S	-	-
PTPN. VI	360 S	320 S	420 S	420 S
PTPN. VII	1.480 S	1.240 S	80 S	80 S
PTPN. VIII	2.200 S	2.020 S	200 S	180 S
PTPN. IX	280 S	220 S	-	-
PTPN. XII	- S	- S	740 S	520 S
Total Estate	6.640 S	5.960 S	1.440 S	1.200 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	6.640 S	5.960 S	1.440 S	1.200 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 32
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	182-187	Best	196-200
Medium	186-192	Good	193-195
Small	190-195	Medium	188-191
Plain	150-170	Plain	150-170

Tea prices at Bangladesh tea auction declined amid good demand for quality leaf in the market. The average price of tea during this week's auction was around USD 2.44/kg. Around 2.03 million kgs of tea was offered for sale and nearly 15.53 percent remained unsold.

There was good demand from blenders for bright liquoring varieties and fair demand from loose tea buyers. 32,123 packages and 26 packages of Old season CTC Leaf noticed good demand. 4,937 packages of CTC Dust of Old season noticed good buying interest. In CTC Dust, good liquoring varieties noticed firm tone and medium levels noticed steady tone. Good liquoring Broken varieties noticed positive tone. Good liquoring varieties in fannings noticed firm 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	November	25.20	29.97	Up to November	305.30	313.72	- 8.42
North India	October	139.59(E)	144.64	Up to October	831.89 (E)	840.67	- 8.78
South India	October	18.47(E)	25.43	Up to October	196.38 (E)	204.35	- 7.97
Kenya	October	41.34	45.37	Up to October	312.44	361.42	- 48.98
Bangladesh	October	9.50(E)	9.74	Up to October	53.77	52.84	+ .93
Malawi	October	0.9(E)	2.3	Up to October	34.5	43.00	- 8.5

(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. It's production has declined to 312.44 million kg till October 2015 compared to 361.42 million kg during the previous year. Production has also declined in other African countries like Malawi and Uganda. In Sri Lanka, production of tea has declined by 8.42 million kgs. to 305.30 million kgs. in November 2015 compared to same period in 2014. In North India, production has declined by nearly 1.04% and in South India, production has declined by 3.90% respectively till October 2015. Plucking has been lower in South India amid rains in the growing regions.

Currency	24-12-2015	18-12-2015
USD	66.00	66.38
Srilankan Rupee	0.4590	0.4626
Indonesian Rupiah	0.0048	0.0048
Kenyan Shilling	0.6452	0.6491
Bangladeshi Taka	0.8397	0.8502

Overall Outlook and Recommendation:

In the domestic market prices noticed mostly firm tone. Trading remained lack –luster following 'Christmas'. In North India, there is no production in most of the factories. Arrivals are lower and there was good demand in the domestic market. Quantity offered on sale declined during the week compared to previous week. In South India there was no sale in Cochin and Coimbatore following 'Christmas'. Prices firmed up at Coonoor amid good demand and lower supply. 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. Quantity offered on sale increased during the week compared to previous week. There is good demand for quality leaf in the market. Weather remains dry in tea growing regions of Indonesia and conducive in the other regions. The future offering of tea is likely to decline at Sri Lankan and Indonesian tea auctions in the coming week. Some of the auction centers remain closed next week during 'New Year'. Prices are likely to notice firm tone in the coming days.