News Highlights.

- Tea exporters are hopeful of increasing earnings in 2016 amid increasing volumes and increase in prices during April –October 2015. The tea export market has registered a profit of Rs.93.53 crores. Tea exports have increased by 4.2% in the first seven months of the financial year (April –October) 2015 -16 to Rs.2318.07 crores according to provisional data released by the Tea Board.

- Auction prices in India stood at Rs.125.59 a kg during 2014-15, which has marginally increased to Rs. 128.35 a kg in 2015 -16. The same auction prices in global tea trading centres have also shown a rising trend varying between 8.2 per cent in Limbe in Cameroon to 12.6 per cent in Chittagong (Bangladesh) and 31 per cent in Mombasa in Kenya.

- The Union Minister of State for Corporate Affairs met with the tea garden workers in the North –East and assured them that their problems will be sorted out in co-operation with the state government. The workers have requested for increase in daily wages and revival of the 23 tea gardens closed in the North –East.

- The State and the Union government will take steps to reopen tea gardens in West Bengal. A majority of the tea workers have accepted government's proposal of minimum wage of about Rs.250. The State and the Union government will ensure that non–functional or abandoned tea gardens function properly.

- The cumulative turnover at Coonoor Tea Trade Association increased by 2.84% in 2015 compared to 2014. Till December, 52 auctions had been held and around 25 per cent of volume remained unsold in most of the auctions. The average price declined to Rs.72.43/kg from Rs.73.01/kg. Volumes sold increased to 5.95 crore kg from 5.74 crore kg amid lower prices offered by the producers. The overall turnover increased to Rs.430.96 crores in 2015 compared to Rs.419.07 crores in 2014.

- Continuous rains have been seen in the tea growing regions of Nilgiris during November and December. The continuous rains since Diwali have reduced the healthy growth of leaves as it requires sunshine in between rainfall. The cumulative rainfall in the first eleven months of 2015 was less than that of the same corresponding period in 2014, but the decennial average for the period was higher in all zones. Night temperatures are in single digits and there have been reports of frost –bite.

- The continuous rains have reduced the arrival of the tea leaves in factories by nearly 50 per cent. Most factories are functioning only for four days a week and on a single shift system. The local festival season and holidays have led to a shortage of workforce in the factories thus interrupting the production process.

- Although domestic tea prices are stabilisingstabilizing and export price realisationsrealizations are rising, the sector is concerned about rising input costs. The carryover stock has declined and the top line will definitely improve on account of higher price realisationsrealizations but concerns remain on the profitability of the business as costs are rising according to industry sources.

- The Government of Assam will constitute a Tea Tribe Commission to support all round development of the tea tribes of Assam. The proposed tea tribe commission will address key areas like health, nutrition and employment of the tea tribes. The Government will also set up a separate directorate for the education of the tea tribe community to expedite their educational development and facilitate their skill development. The government is all set to announce a fixed wage for tea workers which will be higher than the existing wage as all the formalities in this regard has have been completed.

- In 2015, Guizhou exported 598.7 tons of tea, with a total value of 36.47 million U.S. dollars, according to the Guizhou Entry-Exit Inspection and Quarantine Bureau. This is 307.8 tons more than the volume in 2014. About 58 percent of the exported tea was black tea and Wulong tea, or Oolong tea. Guizhou tea is exported to 11 countries and regions including the United States, Canada, Germany, Saudi Arabia and Vietnam.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 01 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	146.91	32,47,000	24,83,000
ORTHODOX	189.53	2,77,000	2,43,000
DARJEELING	-	-	-
DUST	141.93	12,87,000	10,56,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Select Best Assams and Dooars noticed steady tone and others declined in line with quality. There was good demand from Hindustan Unilever Limited and fair demand from the packers and the internal buyers. In the Orthodox category, Well Made Whole Leaf and Clean Brokens noticed firm tone. Fannings noticed easy tone during the week. Buying interest was noticed from Middle –East and CIS countries. Prices are likely to notice easy tone in the coming week.

Guwahati Tea Auction: Sale No: 01 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	127.95	46,83,000	34,47,000
Dust	132.38	17,99,000	13,93,000

(Source: Parcon)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Dust variety and good quality tea in the market. Cleaner and Good Liquoring varieties noticed firm tone and other varieties noticed mixed tone in line with quality. There was good demand from Hindustan Unilever Limited and internal buyers. Prices are likely to continue positive tone in the near –term.

Siliguri Tea Auction: Sale No: 01 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	121.82	4,06,000	3,67,000
CTC Leaf	124.52	33,77,000	30,02,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Good/Best Sorts noticed firm tone. The Medium and the Common varieties continued positive tone. Buying interest was noticed from Tata Global, Mohani and Hindustan Unilever Limited. Prices are likely to notice range –bound to firm tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 01 (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: 01 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	115.48	944778.60	884058.90
CTC Leaf	84.12	47718.00	43137.00
Orthodox Dust	83.71	13636.00	9758.00
Orthodox Leaf	134.49	133167.00	120222.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Trading activities remained lack –luster during the beginning of the year. Demand from loose tea buyers and blenders lend some support to the market. Prices are likely to notice firm tone in the coming days.

Coimbatore Tea Auction: Sale No: 01 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	93.86	282844.00	278249.00
CTC Leaf	87.38	151409.00	151409.00
Orthodox Dust	76.28	5160.00	5160.00
Orthodox Leaf	93.47	8330.00	8330.00

(Source: Paramount Marketing, Coimbatore)

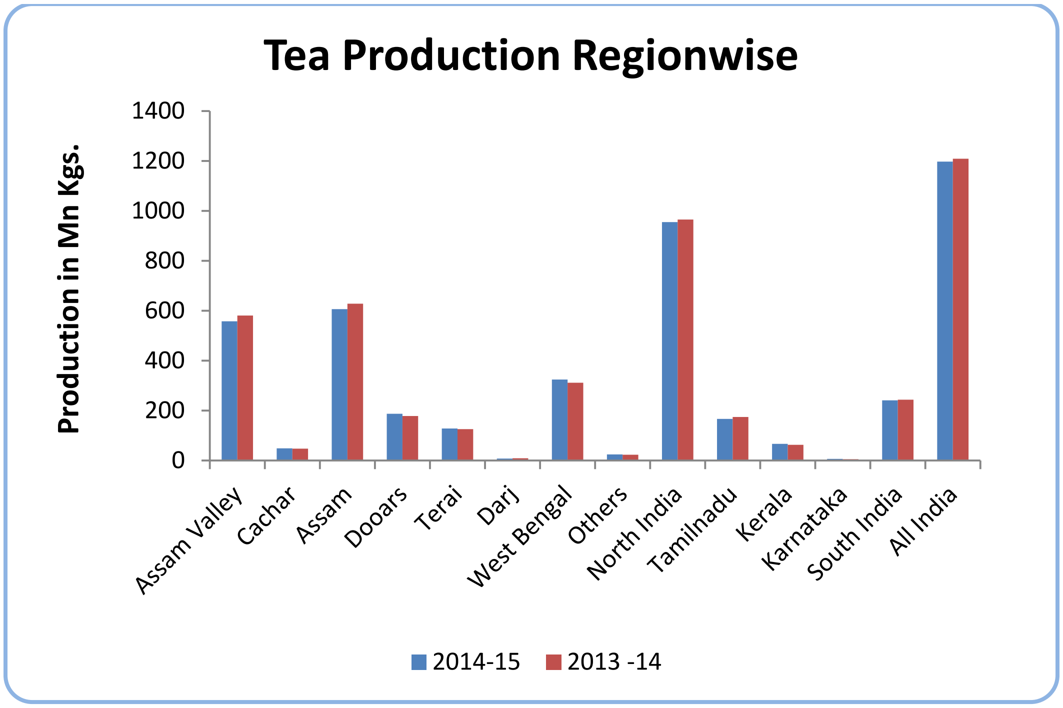
Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Buying interest was noticed for Niligiri Brokens and Fannings from exporters. Weather is favourable in the tea growing regions. Prices are likely to continue positive tone in the near –term.

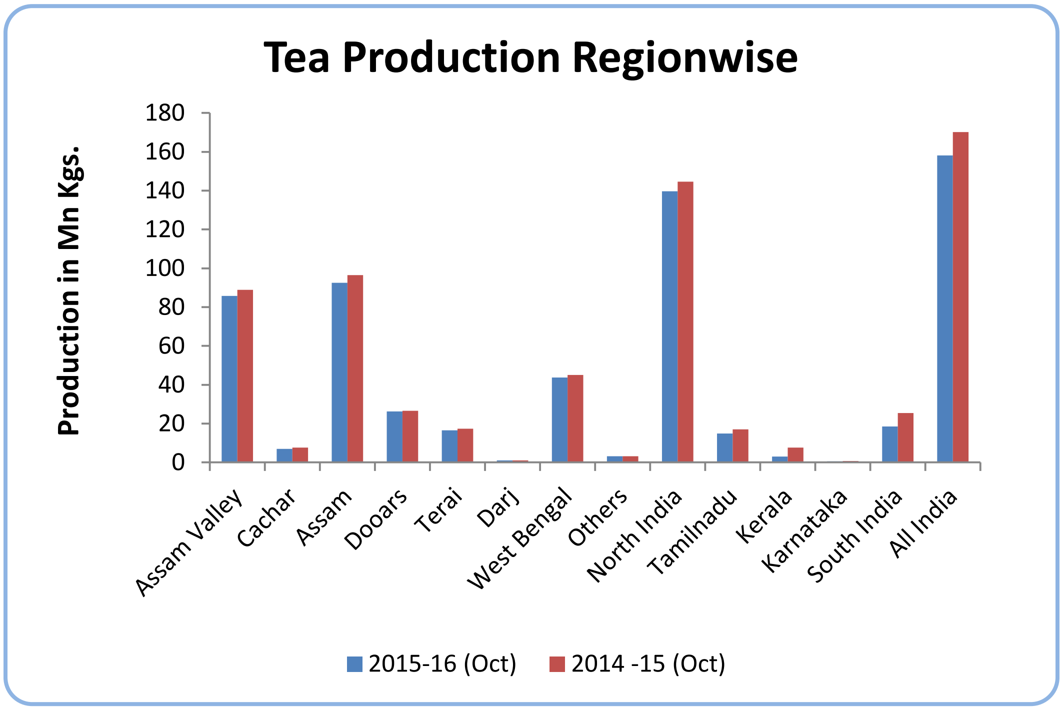
Coonoor Tea Auction: Sale No: 01 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	90.89	390466.00	361043.00
CTC Leaf	88.10	787298.00	761249.00
Orthodox Dust	97.96	67642.00	61996.00
Orthodox Leaf	106.70	87155.00	67133.50

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand from blenders and local buyers lent support to CTC tea variety. There was not much demand from the exporters around current levels. Prices are likely to notice firm tone in the coming week





(Source: Tea Board)

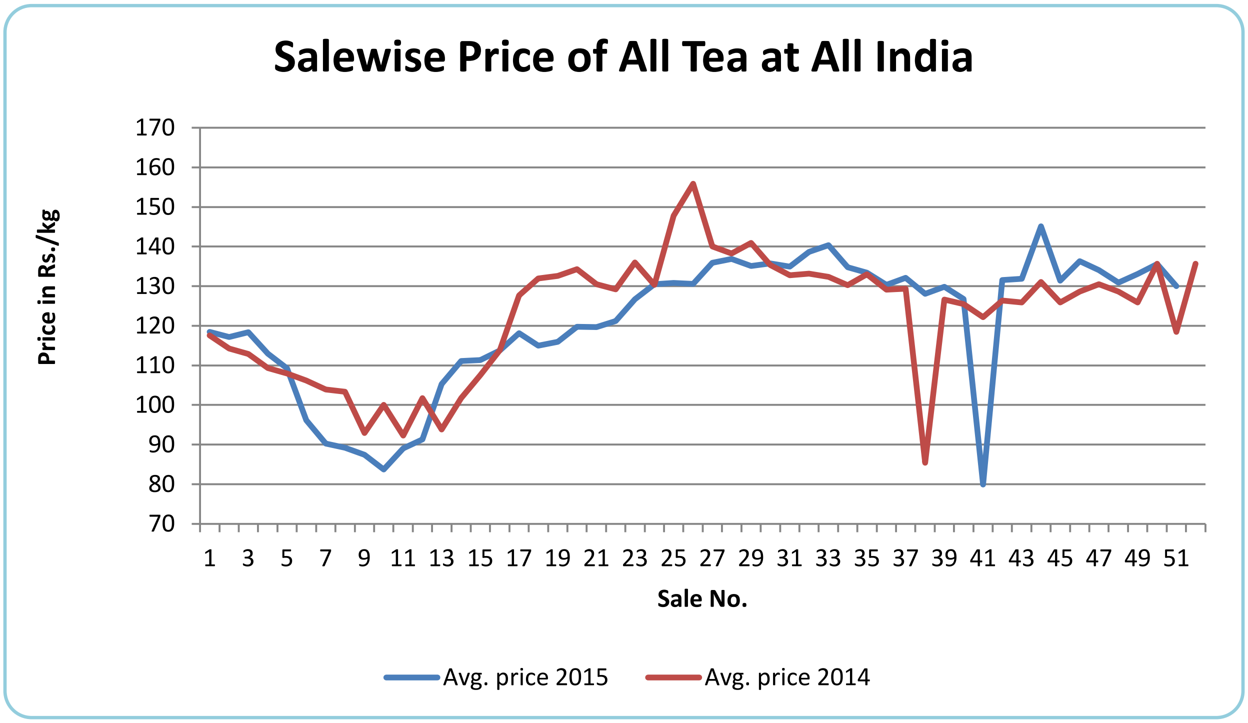
The above graph shows region wise production comparison, between 2015-16 (Sep) and 2014-15 (Sep).during the last two years and in the month of September in comparison with to previous year. In the year 2014 (Apr – Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased 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 declined during the week compared to previous week amid lack of availability of good quality leaf.

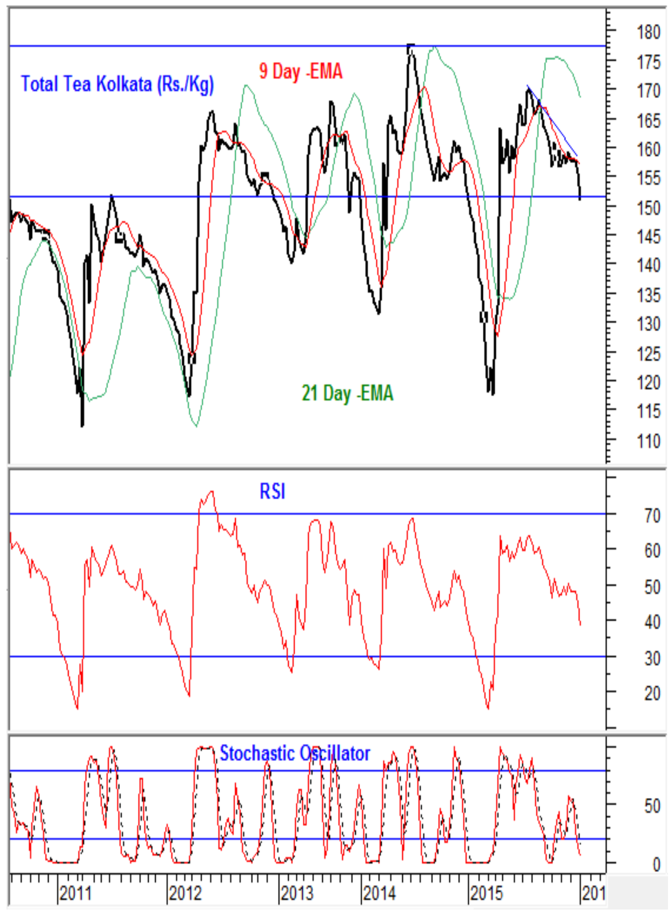
Weekly Average Prices at Indian Auction Centers for week ending 2016-01-02

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	147.26(147.87)	125.94(119.08)	124.80(121.53)	NS(NS)	108.58(99.48)	NS(71.27)	88.49(76.15)	74.70(50.09)
Total Tea	150.97(151.02)	125.97(119.21)	124.80(121.53)	NS(NS)	111.67(102.77)	NS(71.83)	88.39(76.45)	74.71(50.09)

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

Variety	North India	South India	All India
CTC All Dust	133.00 (129.51)	97.65 (75.00)	128.38 (116.59)
Total Tea	134.76 (131.40)	100.33 (76.99)	130.03 (118.46)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata
Technical Commentary: Tea prices witnessed easy tone during the week. Breaking of support of 150 levels will denote weakness towards 130 levels in the medium –term. Prices are holding below 9 –Day and 21 –Day EMA supporting overall weak tone of the market 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 130 levels 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	130.00	110.00	150.97	180.00	200.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 01 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 540	480 - 520
Average Westerns	440 - 460	450 - 470
Plainer Westerns	400 - 420	415 - 445
Western Mediums	370 - 530	350 - 460
Uva Teas	310 - 530	310 - 500
Nuwara Eliya Teas	325 - 450	310 - 440
Udapussellawa Teas	385 - 395	375 - 395
CTC (BP1 and PF1)	330 - 415	300 - 490

In this week's auction, 6.10 million kgs of tea was offered for sale compared to 6.48 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's noticed firm tone and BOPF's noticed mixed tone. High Grown and Mid Grown CTC's noticed firm 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 easy tone during the week. The below best and plainer variety declined during the week. There was good demand from Turkey, Dubai, Iraq, Saudi Arabia and CIS countries.

DETAILS OF TEAS AWAITING SALE

SALE NO : 2 SCHEDULED FOR 11TH/ 12TH JANUARY 2016

	LOT	QUANTITY kgs
Ex Estate	827	945,549
High & Medium	1,022	516,010
Low Grown : Leafy	3,720	1,741,633
Low Grown : Tippy	1,997	1,118,351
Premium Flowery	555	112,127
Off Grades	1,841	998,205
Dust	534	539,045
TOTAL	**10,496**	**5,970,920**
Re-print	426	259,077

LOW GROWN CATALOGUES

Leafy	Closed on	18/12/2015	Violations Excluded
Tippy	Closed on	18/12/2015	Violations Excluded

OTHER MAIN SALE CATALOGUES

High & Medium	Closed on	18/12/2015	Violations Excluded
Dust	Closed on	18/12/2015	Violations Excluded
Premium Flowery	Closed on	18/12/2015	Violations Excluded
Off Grades	Closed on	18/12/2015	Violations Excluded
BOP1A	Closed on	18/12/2015	Violations Excluded
Ex Estate	Closed on	17/12/2015	Violations Excluded

No of Pkgs : 148,505
CTC : 8,115 Pkgs - 459,350 kgs

SALE NO. 2 - SALE OF 12TH/ 13TH JANUARY 2015

Lots	: 11,653	**Re-print Lots**	: 1,029	**BUYERS' PROMPT**	**: 18/01/2016**
Quantity	: 6,798,687 kgs	**Re-print Quantity**	: 593,771 kgs	**SELLERS' PROMPT**	**: 19/01/2016**

SALE NO : 3 SCHEDULED FOR 19TH/ 20TH JANUARY 2016

	LOT	QUANTITY kgs
Ex Estate	1,043	1,262,031
High & Medium	1,174	589,631
Low Grown : Leafy	4,317	2,116,730
Low Grown : Tippy	2,498	1,468,043
Premium Flowery	611	137,645
Off Grades	2,151	1,201,072
Dust	640	659,425
TOTAL	**12,434**	**7,434,577**
Re-print	824	467,978

LOW GROWN CATALOGUES

Leafy	Closed on	30/12/2015	Violations Excluded
Tippy	Closed on	30/12/2015	Violations Excluded

OTHER MAIN SALE CATALOGUES

High & Medium	Closed on	30/12/2015	Violations Excluded
Dust	Closed on	29/12/2015	Violations Excluded
Premium Flowery	Closed on	30/12/2015	Violations Excluded
Off Grades	Closed on	29/12/2015	Violations Excluded
BOP1A	Closed on	29/12/2015	Violations Excluded
Ex Estate	Closed on	30/12/2015	Violations Excluded

No of Pkgs : 183,597
CTC : 10,452 Pkgs - 585,963 kgs

SALE NO. 3 - SALE OF 20TH/ 21ST JANUARY 2015

Lots	: 12,379	**Re-print Lots**	: 88	**BUYERS' PROMPT**	**: 26/01/2016**
Quantity	: 73,774,467 kgs	**Re-print Quantity**	: 59,973 kgs	**SELLERS' PROMPT**	**: 27/01/2016**

(Source: Forbes & Walker Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 01

CTC QUOTATIONS	BP1 - USC	PF1 - USC	PD - USC	D1 - USC
Best	310 - 394	330 - 385	330 - 392	376 - 410
Good	300 - 340	320 - 342	326 - 344	375 - 390
Good Medium	302 - 337	300 - 344	320 - 343	310 - 412
Medium	282 - 324	270 - 330	276 - 310	260 - 320
Lower Medium	170 - 283	194 - 260	244 - 260	250 - 264
Plainer	138 - 280	115 - 256	110 - 240	136 - 236

During the week good demand was noticed for 9,738,454 kilos of tea on offer. Brighter DUST1s were firm up to USC12, with mediums USC8 firm and lower up to USC18. Lower Mediums were firm up to USC8 and lower up to USC15. Prices of Brighter BP1's were firm to USC14 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's 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 positive tone. There was good demand from Egyptian packers, UK, Kazakhstan and CIS countries. There was some demand from Yemen, Middle –east countries, Afghanistan, Russia, Bazaar and Sudan. There was not much demand from Pakistan Packers and Iran. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 01

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	7.660	402.440 Kg	6.480	341.000 Kg	84.73
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	7.660	402.440 Kg	6.480	341.000 Kg	84.73

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.480	84.320 Kg	1.200	68.600 Kg	81.36
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	1.480	84.320 Kg	1.200	68.600 Kg	81.36
GRAND TOTAL	9.140	486.760 Kg	7.680	409.600Kg	84.15

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
200-210	169-210	171-220	172-223	161-204	151-160	-

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
160-184	152-171	142-150	200-314	140-148

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
170-192	170-222	175-244	189-242	131-180	175-188	-

Market offerings increased to 9,140 paper sacks from 6,900 paper sacks. There was fair demand in the market. Average price declined to USDcts 181.56 instead of USDcts 182.43 during last week's auction. Average price of Orthodox variety increased to USDcts 179.96 and average price of CTC declined to USDcts 188.90. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 84.15% during the period compared to 83.02% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	13/01/16	20/01/16	13/01/16	20/01/16
PTPN. IV	2.320 S	2.120 S	-	-
PTPN. VI	420 S	320 S	680 S	520 S
PTPN. VII	1.440 S	1.240 S	200 S	100 S
PTPN. VIII	4.040 S	3.040 S	1.000 S	680 S
PTPN. IX	440 S	320 S	-	-
PTPN. XII	- S	- S	260 S	200 S
Total Estate	8.660 S	7.040 S	2.140 S	1.500 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	8.660 S	7.040 S	2.140 S	1.500 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 34
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	185-188	Best	199-205
Medium	188-194	Good	195-198
Small	192-197	Medium	190-193
Plain	140-165	Plain	145-165

Tea prices at Bangladesh tea auction increased amid good demand in winter season. Sales declined following lower quality of tea on offer. The average price of tea during this week's auction was around USD 2.44/kg. Around 2.02 million kgs of tea was offered for sale and nearly 24 percent remained unsold.

There was good demand from blenders for bright liquoring varieties and fair demand from loose tea buyers. 32,216 packages of CTC Leaf noticed good demand. 4,703 packages of CTC Dust 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 easy tone during the week. Good liquoring Dusts noticed firm tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

					Todate	Todate	Todate	Difference +/-	
		2013	2014	2015	2013	2014	2015	2013 vs 2014	2014 vs 2015
Sri Lanka	Nov	30.7	29.9	25.2	309.7	313.7	305.3	4.0	-8.4
Bangladesh	Nov	7.9	6.31	7.75	58.8	59.15	61.53	0.35	2.38
Malawi	Nov	2.5	1.1	0.8	42.2	44.1	35.6	1.9	-8.5
Kenya	Nov	35.5	38.6	40.4	398.8	400.0	352.8	1.2	-47.2
North India	Oct	140.1	144.6	139.6	833.8	840.7	831.9	6.9	-8.8
South India	Oct	25.0	25.4	18.5	197.1	204.4	196.1	7.3	-8.3

(Source: Forbes & Walker 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	08-01-2016	31-12-2015
USD	66.70	66.13
Srilankan Rupee	0.4657	0.4584
Indonesian Rupiah	0.0048	0.0048
Kenyan Shilling	0.6524	0.6469
Bangladeshi Taka	0.8549	0.8471

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone during the week. Quantity offered on sale increased during the week. In North India, season is almost over and the first flush of tea is expected in March. Most of the factories are closed for maintenance work. In South India, demand for good quality leaf supported the market. There was some enquiry from the exporters. Prices are likely to notice firm tone in the near –term.

In the global market, prices noticed mixed tone. Prices increased at some auction centers amid good demand during the winter season. Weather is mostly dry in the growing regions. The future offering of tea is likely to increase at Sri Lankan auction and decline at Indonesian auction in the coming week. In North India and Vietnam, season is almost over. Prices are likely to notice range –bound to firm tone in the coming week.