News Highlights.

- Uttarakhand Tea Board (UTB) is preparing 14 lakh plants of black and green exotic varieties in Jakholi and Agastmuni towns. The Board is planning to grow tea on 160 hectare land in these towns. People in the villages are migrating to the district to take part in tea cultivation. The sState government will extend support in giving subsidy, training and marketing facility for tea-cultivation. The target is to start the production in the next three years.

- The incessant mist since the beginning of this year had initially raised concerns of lower production. However it has come as a boon for those engaged in manufacturing specialityspecialty teas such as mist-kissed tea bushes, are producing high quality leaves. The speciality green tea grades now manufactured have come out with exemplary flavour because of the mist impact. The tea producers have received orders from Japan, Europe, the US and many parts of India for Avataa Twirl, Virgin, White and Long Ding multiple-brewing tea as also Oolong tea. The cost of production of speciality teas is almost three times the cost of producing regular teas, mostly because of lower volumes.

- Tea companies in West Bengal including Goodricke and McLeod Russel are planning to set up solar plants in the unused land in their tea estates as West Bengal has joined the list of sStates that have done away with 5% vale –added tax on solar photovoltaic cells and other solar equipment. The removal of VAT is expected to reduce the cost of solar generation on par with that of thermal power generation or even less.

- According to the Tea Board of India, India's output of tea increased by 3.9% to 106.88 million kg compared to the same period previous year following more plucking in the top-tea producing sState of Assam. In Assam, output of tea increased by 17.3 per cent to 56.73 million kg compared to the same period previous year.

- According to the Tea Board of India, India's exports of tea increased by 1.5 per cent in November to 192.19 million kg compared to the same period previous year. The overall exports during April – November period (2015) increased by 6 per cent to Rs.2746.04 crores compared to the same period in 2014. In the first eight months of the current fiscal year, India's exports of tea to Pakistan increased by 42% to Rs.116.42 crores.

- According to company sources, the world's largest coffee chain Starbucks sees a major business opportunity in India and will bring its international specialty tea brand Teavana to India this year. Starbucks had acquired tea brand Teavana in the US two years ago. The fast rising middle-class population here provides a great market opportunity. .Starbucks operates in India under a 50:50 joint venture with Tata Global Beverages and runs 75 outlets across seven cities under the label of Tata-Starbucks since October 2012.

- According to a report from Canadean, the global consumption of iced tea is increasing steadily amid the growing demand for health-conscious consumers. The volume of iced –tea consumption is expected to reach 37bn litres in 2015, with growth seen in all regions. The consumption of iced-tea is increasing following its association with the health and wellness trend. The US consuming around 3bn litres of iced tea is the main driver for growth in the western markets. The other major consumers are China, North America and Europe.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 02 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	140.19	29,65,000	20,97,000
ORTHODOX	173.02	1,73,000	1,56,000
DARJEELING	-	-	-
DUST	138.15	11,09,000	8,77,000

(Source: Parcon)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. Dooars noticed firm tone and Assams noticed steady to weak tone in line with quality. Buying interest was noticed from Tata Global, Hindustan Unilever Limited and Western India buyers. In the Orthodox category, Brokens noticed firm tone and Whole Leaf noticed mixed tone. There was some demand from Middle – East and CIS countries. Prices are likely to notice weak tone in the coming days.

Guwahati Tea Auction: Sale No: 02 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	127.46	17,27,000	12,88,000
Dust	130.89	9,43,000	7,42,000

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. Arrivals were lower in the market amid local festival during the week. There was good demand for cleaner and better liquoring teas and fair for other varieties. Good quality tea noticed firm tone and others declined in line with quality. Buying interest was noticed from Hindustan Unilever Limited and Tata Global. Prices are likely to notice easy tone in the coming week.

Siliguri Tea Auction: Sale No: 02 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	117.00	4,04,000	3,67,000
CTC Leaf	119.35	32,24,000	27,86,000

(Source: Parcon)

Prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. The Common and the Plainer varieties noticeds good demand. Other varieties declined in line with quality. There was good demand from domestic and local buyers. Buying interest was noticed from Hindustan Unilever Limited, Duncans and Tata Global. Prices are likely to notice easy tone in the near –term.

Jalpaiguri Tea Auction: Sale No: 02 (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: 02 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	121.39	877404.50	868587.50
CTC Leaf	90.85	65377.00	63553.00
Orthodox Dust	89.82	13545.00	11861.00
Orthodox Leaf	139.98	227606.00	201190.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Arrivals have had declined and good demand for quality leaf supported prices. There was some enquiry from exporters around current levels. Prices are likely to continue positive tone in the near –term.

Coimbatore Tea Auction: Sale No: 02 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	93.86	230094.00	227691.00
CTC Leaf	89.54	127370.00	124391.00
Orthodox Dust	81.36	6122.00	6122.00
Orthodox Leaf	90.44	13229.00	11586.00

(Source: Paramount Marketing, Coimbatore)

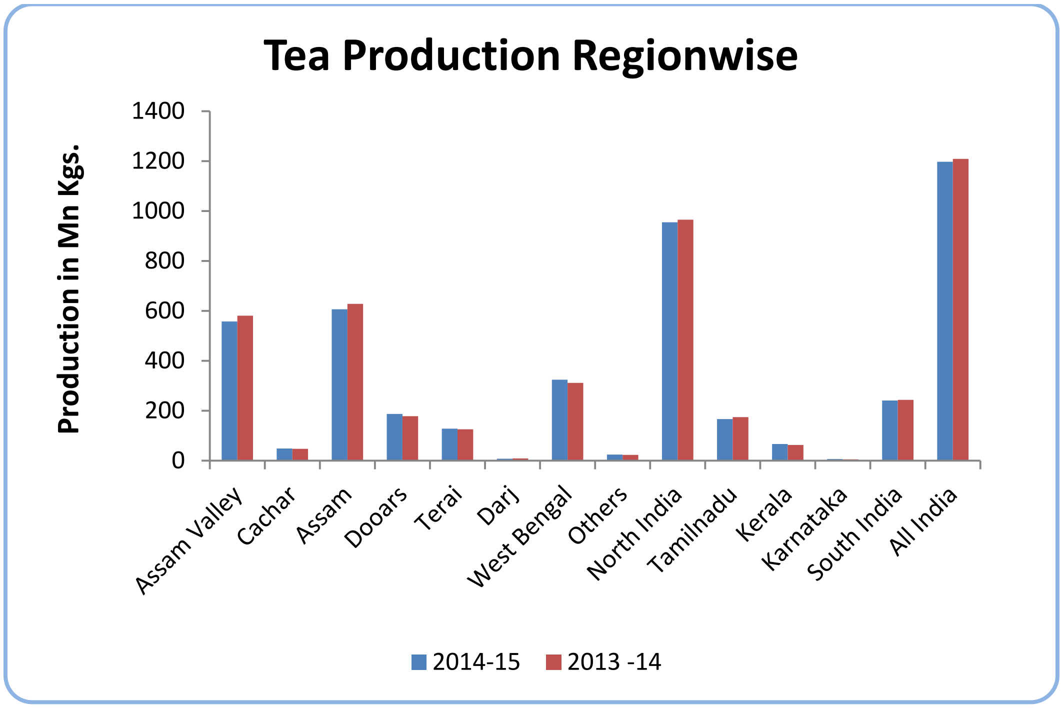
Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand from blenders and loose tea buyers. Arrival of good quality leaf is expected in the near –term. Prices are likely to notice firm tone in the coming week.

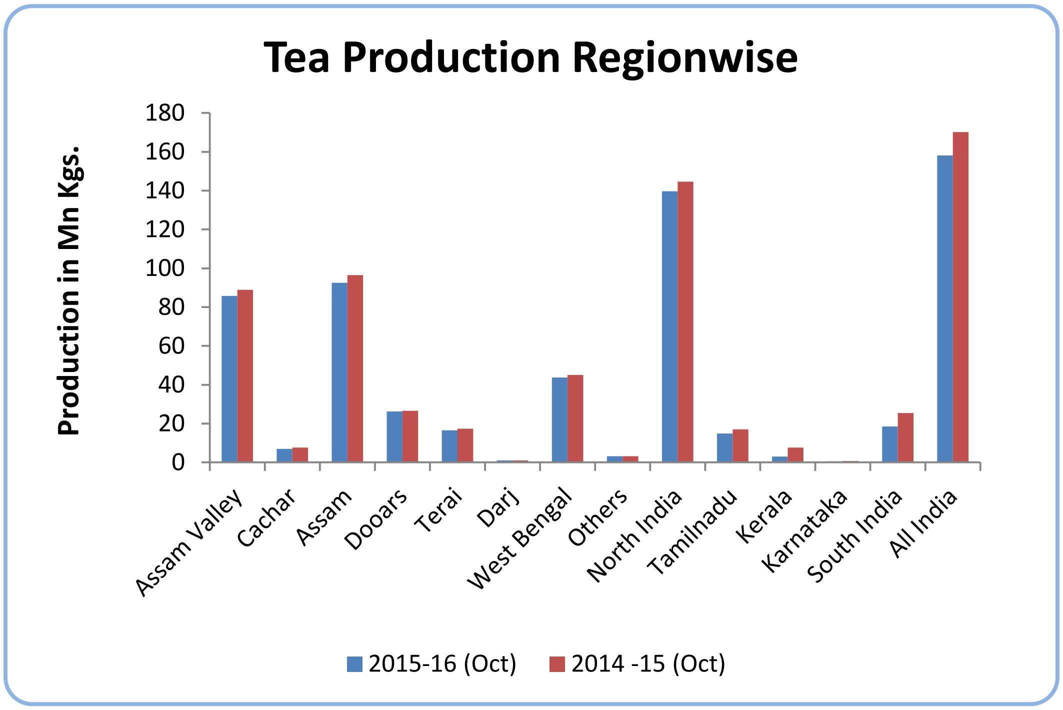
Coonoor Tea Auction: Sale No: 02 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	97.74	290275.00	258536.00
CTC Leaf	92.69	633852.00	580663.00
Orthodox Dust	97.71	52187.00	49271.00
Orthodox Leaf	111.14	52946.50	39148.50

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except slight weakness in Orthodox Dust variety. Quantity offered on sale declined during the week compared to previous week. There was good demand from blenders and local buyers in the market. Good demand was noticed for Niligiris Broken variety. Prices are likely to notice firm tone in the coming days.





(Source: Tea Board)

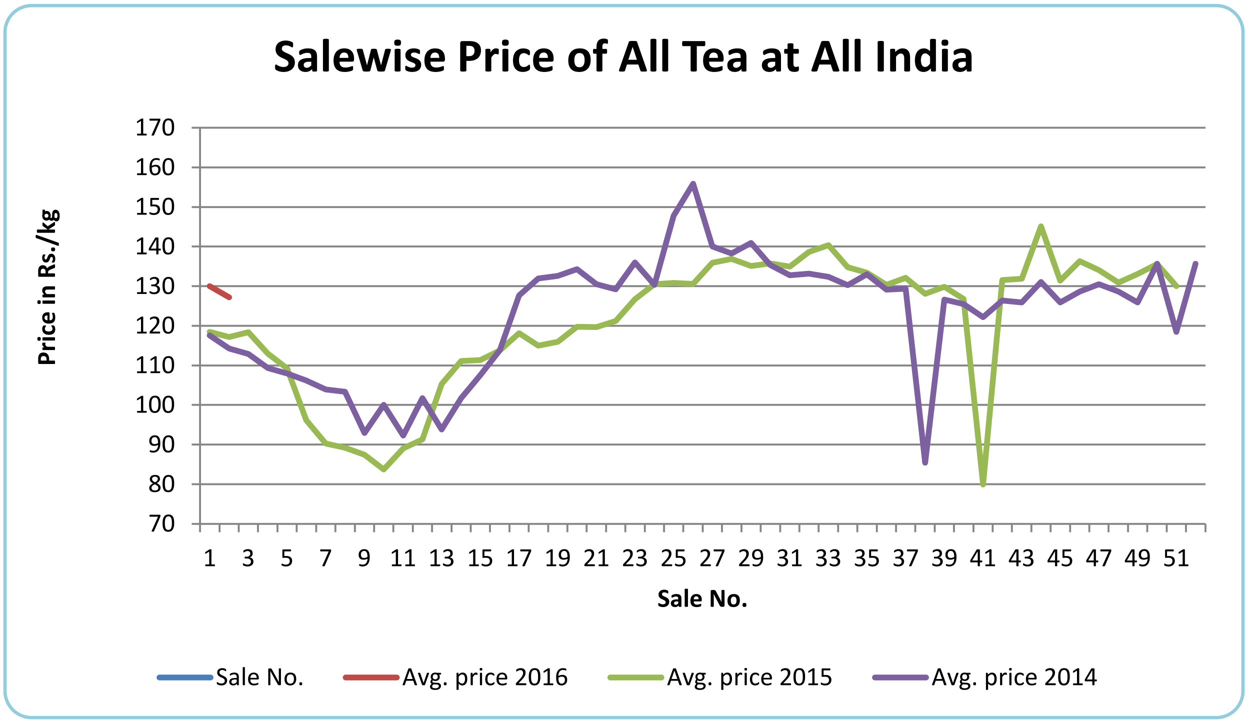
The above graph shows region wise production comparison, between 2015-16 (Sep) and 2014-15 (Sep).during the last two years and in the month of September in comparison with to previous year. In the year 2014 (Apr – Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased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

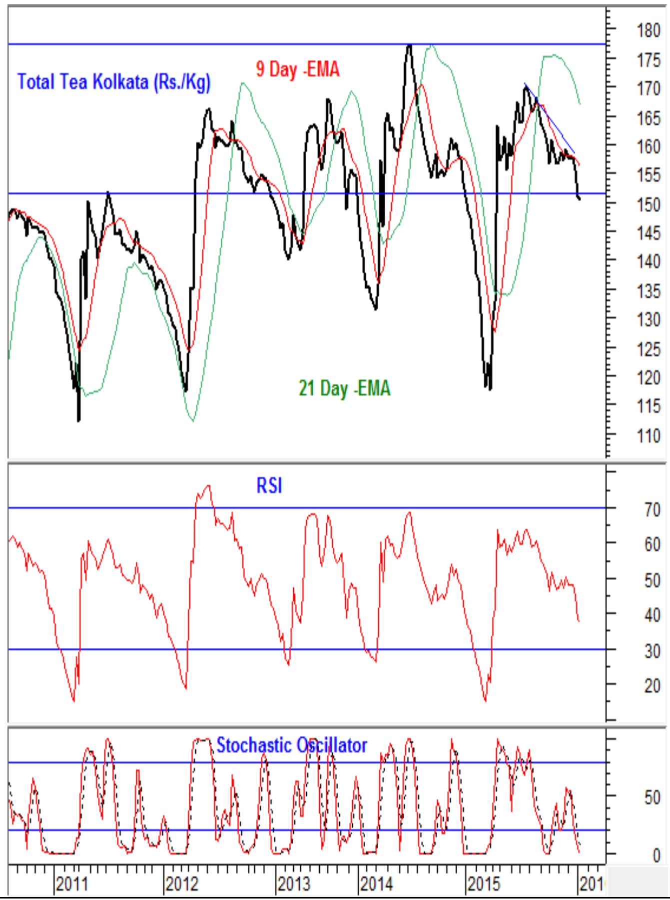
Weekly Average Prices at Indian Auction Centers for week ending 2016-01-09

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	145.47(144.55)	129.16(113.50)	124.25(122.51)	NS(NS)	113.81(96.74)	89.47(72.14)	91.40(78.43)	74.67(51.03)
Total Tea	149.74(146.27)	129.21(113.60)	124.25(122.51)	NS(NS)	116.16(99.65)	90.39(72.71)	91.43(78.36)	74.69(51.03)

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

Variety	North India	South India	All India
CTC All Dust	132.67 (126.34)	96.65 (77.43)	125.75 (115.96)
Total Tea	134.35 (127.53)	98.37 (79.19)	127.19 (117.14)

(Source: Tea Board)

Tea – Technical Outlook	**Total Tea -Kolkata**
Technical Commentary: Tea prices declined slightly during the week. Prices are likely to continue the weak tone towards 130 levels in the medium –term. MACD has entered the negative territory supporting the overall weak tone of the market. Stochastic oscillator is in the oversold region supporting some recovery 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	149.74	180.00	200.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 02 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	460 - 520	450 - 540
Average Westerns	420 - 450	420 - 440
Plainer Westerns	385 - 410	390 - 410
Western Mediums	380 - 580	320 - 480
Uva Teas	330 - 425	310 - 450
Nuwara Eliya Teas	330 - 380	310 - 400
Udapussellawa Teas	340 - 445	370 - 440
CTC (BP1 and PF1)	330 - 440	320 - 490

In this week's auction, 5.97 million kgs of tea was offered for sale compared to 6.10 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 mixed tone following quality and Low Grown CTC's noticed weak 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 easy tone. In the Tippy catalogues, better made FBOP and FF1's witnessed steady tone during the week. The below best and plainer variety declined during the week. There was some demand from Russia and Middle –East countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	04		03		02	
Dates	26th/27th January 2016 No. of Lots	No. of Kgs	19th/20th January 2016 No. of Lots	No. of Kgs	11th/12th January 2016 No. of Lots	No. of Kgs
Ex Estate	891	1,052,269 kg	1,043	1,262,031 kg	827	945,549 kg
Main Sale Total	11,079	5,992,168 kg	11,391	6,172,546 kg	9,669	5,025,371 kg
High & Medium	1,154	557,229 kg	1,174	589,631 kg	1,022	516,010 kg
Low Growns Leafy	4,143	2,014,699 kg	4,317	2,116,730 kg	3,720	1,741,633 kg
Tippy	2,272	1,328,280 kg	2,498	1,468,043 kg	1,997	1,118,351 kg
Premium/Flowery	606	128,700 kg	611	137,645 kg	555	112,127 kg
Off Grades	2,207	1,251,648 kg	2,151	1,201,072 kg	1,841	998,205 kg
Dust	697	711,612 kg	640	659,425 kg	534	539,045 kg
Grand Total	11,970	7,044,437 kg	12,434	7,434,577 kg	10,496	5,970,920 kg
Reprints	421	246,659 kg	824	467,978 kg	426	259,077 kg
Scheduled to Close (Ex) Dates (Ms)		07.01.16 08.01.16		30.12.15 31.12.15		17.12.15 18.12.15

Scheduled Closing Dates

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

Auction No. 05 : 01st/02nd February 2016

Ex Estate : 14.01.2016

Main Sale : 14.01.2016

Auction No. 06 : 09th/10th February 2016

Ex Estate : 21.01.2016

Main Sale : 22.01.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 02

AUCTION AVERAGE PRICES

SALE 02 HELD ON 11 & 12/01/2016 — SALE 02 HELD ON 12 & 13/01/2015

(in US$ per kg)

COUNTRY	PRIMARY	SECONDARY	TOTAL	PRIMARY	SECONDARY	TOTAL
Kenya	2.73	1.30	2.66	2.40	1.10	2.32
Uganda	1.77	1.12	1.56	1.39	0.83	1.23
Rwanda	2.96	2.19	2.87	2.53	1.69	2.41
Burundi	2.68	1.53	2.62	2.46	1.70	2.35
Zambia	-	-	-	-	-	-
Tanzania	1.56	1.14	1.39	1.20	0.75	1.06
D R of Congo	-	-	-	-	-	-
Mozambique	-	-	-	0.97	0.75	0.86
Madagascar	-	-	-	-	-	-
Malawi	-	-	-	-	-	-
Zimbabwe	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	-
Total	**2.64**	**1.25**	**2.51**	**2.26**	**1.02**	**2.12**

	OFFERED		SOLD*	
Year 2016	*Packages*	*Kilos*	**Packages**	**Kilos**
Kenya	108,060	7,325,038.00	104,060	7,062,846.00
Uganda	22,140	1,252,644.00	20,900	1,180,593.00
Rwanda	6,220	414,496.00	4,400	292,865.50
Burundi	2,680	168,760.00	2,380	152,048.00
Tanzania	720	38,512.00	580	29,358.00
Dem Rep of Congo	-	-	-	-
Mozambique	-	-	-	-
TOTAL	**139,820**	**9,199,450.00**	**132,320**	**8,717,710.50**

During the week good demand was noticed for 9,199,450 kilos of tea on offer. Brighter DUST1s were USC24 to USC38 lower, with mediums lower up to USC48. Lower Mediums were firm up to USC18. 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 noticed firm tone and PF's noticed easy tone during the week. Well sorted clean coloury Fannings and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed weak tone. There was good demand from Egyptian packers, Afghanistan, Yemen and Middle –East countries. There was some demand from Sudan, UK, Pakistan packers, Kazakhstan, CIS countries and Bazaar. There was not much demand from Iran. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 02

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	8.660	449.760 Kg	8.500	442.000 Kg	98.27
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	8.660	449.760 Kg	8.500	442.000 Kg	98.27

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.140	121.680 Kg	2.100	119.280 Kg	98.03
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.140	121.680 Kg	2.100	119.280 Kg	98.03
GRAND TOTAL	10.800	571.440 Kg	10.600	561.280 Kg	98.22

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
205	173-198	173-217	175-231	164-190	156-176	310-347

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
165-176	155-174	149-162	222-318	150-158

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
158-179	177-225	179-243	181-247	150-176	160-188	-

Market offerings increased to 10,800 paper sacks from 9,140 paper sacks. There was good demand in the market. Average price increased to USDcts 182.40 instead of USDcts 181.56 during last week's auction. Average price of Orthodox variety increased to USDcts 181.63 and average price of CTC declined to USDcts 184.97. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 98.22% during the period compared to 84.15% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	20/01/16	27/01/16	20/01/16	27/01/16
PTPN. IV	1.920 S	760 S	-	-
PTPN. VI	480 S	340 S	540 S	660 S
PTPN. VII	1.040 S	760 S	80 S	140 S
PTPN. VIII	4.520 S	7.580 S	1.020 S	1.200 S
PTPN. IX	860 S	620 S	-	-
PTPN. XII	- S	- S	900 S	780 S
Total Estate	8.820 S	10.060 S	2.540 S	2.780 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	8.820 S	10.060 S	2.540 S	2.780 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 35
(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 declined amid higher volumes of poor quality on offer. The average price of tea during this week's auction was around USD 2.44/kg. Around 1.81 million kgs of tea was offered for sale and nearly 23 percent remained unsold.

There was good demand from blenders for bright liquoring varieties and fair demand from loose tea buyers. 28,539 packages and 1 package of CTC Leaf of old season noticed lower demand. 4,680 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 easy 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	November	40.38	38.61	Up to November	352.82	400.03	- 47.21
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 352.82 million kg till November 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	15-01-2016	08-01-2016
USD	67.68	66.70
Srilankan Rupee	0.4709	0.4657
Indonesian Rupiah	0.0049	0.0048
Kenyan Shilling	0.6617	0.6524
Bangladeshi Taka	0.8581	0.8549

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. In North India, prices declined following quality and arrivals were lower. In South India, prices noticed firm tone amid good demand for quality leaf in the market. Buying interest was noticed from loose tea buyers and blenders. Good export demand added to the positive tone of the market. Prices are likely to notice range –bound to firm tone in the coming week.

In the global market, prices noticed mostly weak tone except slight firmness at Indonesian auction. Quantity offered on sale increased during the week compared to previous week. Arrivals are declining in North India and Vietnam. Weather is conducive in other tea growing regions. The future offering of tea is likely to increase at Sri Lankan auction and decline at Indonesian auction in the coming week. Prices are likely to notice firm tone in the coming days.