

News Highlights.

- According to the tea producers in Nilgiris, output of tea increased by 3 per cent in 2015 to 15.45 million kg compared to 2014. In December 2015, production of tea declined by 19 per cent to 0.74 million kg compared to the same period in 2014. Higher production in the earlier months supported increase in output.
- Darjeeling tea growers are hoping to increase exports to Europe as protected geographical indication (PGI) of the commodity is in place from this year and under this status, European Union now has to sell 'pure' form of this tea.
- Darjeeling Tea Association is planning to send a delegation to Germany soon in order to increase the exports of the aromatic tea in European countries. Germany's Hamburg is the main trading and distribution centre for teas in Europe. In 2011, the European Commission had registered Darjeeling Tea as a PGI product, the first commodity from India to get such a tag. The European blenders who had been mixing any tea with Darjeeling tea and sold selling it as 'Darjeeling Tea', were given a five-year transition period to shift to the new regulatory norm.
- The National Bank for Agriculture and Rural Development (Nabard) is offering schemes for the small tea growers. This is the first time that Nabard has come forward to help the tea growers. Any producer organisationorganization, industrial co-operative societies and other registered federations set up by producers are eligible for the scheme. Credit is provided in the form of grant, loans, or a combination of both. Another scheme is the umbrella programme for national resource management. This offers customisedcustomized financial assistance comprising loan and grant, to producer organisationsorganizations or companies, based on financial product contours (different tenures, interest rates, loan-grant ratios), use of innovative technologies or processes (cluster development, landscape approach) and needs of specific agro-climatic zones.
- The Indian tea sector's competitive export advantage may decline in the later part of the year with the economic sanctions on Iran being eased. Under the current Rupee-Rial agreement, it works fine for both the countries by shielding off revenue from tea export realizations outside normal foreign exchange regulations. Eventually Iran may ask the traders to shift over to the Dollar norm. Years of economic blockade had limited the country to stockpile its Dollar reserve and India had successfully pitched in the Rupee-Rial agreement.
- So longUntil now, India was able to shield off at least 12 per cent of its tea trade earnings from the Dollar-Rupee volatility on this account. However, this part of the tea trade will eventually shift over to Dollar based transactions. According to data from Tea Board, off the total tea exports revenue of Rs. 3,613.90 crore during January-November 2015, Iran contributed the second largest pie at Rs. 425.11 crore or 11.8 per cent.
- 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 corresponding period of 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 corresponding period of previous year.

- The Mombasa tea auction, the world's largest sale of the leaves, must switch to electronic trading to dispel perceptions that it's a "house of collusion" according to Kenyan President. Ending the auction's open-outcry system would ensure transparency and accountability, while benefiting farmers. The President had urged the East African Tea Trade Association, which manages the auction, to accelerate automation.

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, Broken 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: 03 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	112.94	43,95,000	29,58,000
Dust	121.58	14,95,000	11,95,000

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was fair demand in the market. Better Liquoring Assams noticed steady tone and others declined in line with quality. There was not much demand from the exporters. Buying interest was noticed from Hindustan Unilever Limited and Tata Global. Prices are likely to witness easy tone in the coming days.

Siliguri Tea Auction: Sale No: 03 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	116.25	-	-
CTC Leaf	118.20	-	-

(Source: Contemporary Brokers)

Prices noticed weak tone during the week. Good demand was noticed for Clean/Liquoring sorts. Some enquiry was noticed liquoring dust. Other varieties declined in line with quality. Buying interest was noticed from Hindustan Unilever Limited, Tata Global, Mohani and Duncans. Demand from the local buyers lent some support to the market. Prices are likely to notice weak tone in the coming week.

Jalpaiguri Tea Auction: Sale No: 03 (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: 03 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	121.49	870027.40	774005.60
CTC Leaf	91.48	50339.00	43046.00
Orthodox Dust	88.89	7137.00	7137.00
Orthodox Leaf	137.57	199281.00	161137.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Dust variety tea prices noticed firm tone amid good demand from the blenders and local buyers. There was not much demand from the exporters around current levels. Prices are likely to notice positive tone in the coming days.

Coimbatore Tea Auction: Sale No: 03 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	101.03	209959.00	180223.00
CTC Leaf	93.17	99596.00	90649.00
Orthodox Dust	80.29	7530.00	7530.00
Orthodox Leaf	90.44	11335.00	7302.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. CTC variety tea noticed firm tone and Orthodox variety tea noticed weak tone. Quantity offered on sale declined during the week compared to previous week. There was some demand from the loose tea buyers. Prices are likely to notice range –bound to firm tone in the near –term.

Coonoor Tea Auction: Sale No: 03 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	100.54	257869.00	235086.00
CTC Leaf	95.17	587368.50	542601.50
Orthodox Dust	96.88	49950.00	42979.00
Orthodox Leaf	103.46	51174.50	31619.00

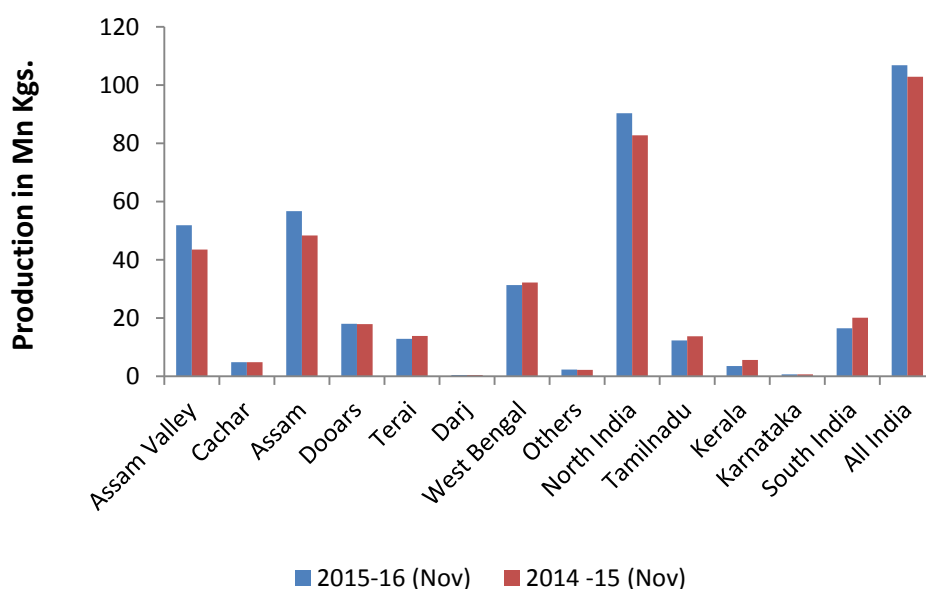
(Source: Paramount Marketing, Coimbatore)

Prices noticed range –bound to firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was less demand from importers in Iran. Buying interest was noticed from Hindustan Unilever Limited and Tata Global. Prices are likely to notice firm tone in the coming week.

Tea Production Regionwise



Tea Production Regionwise



(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.

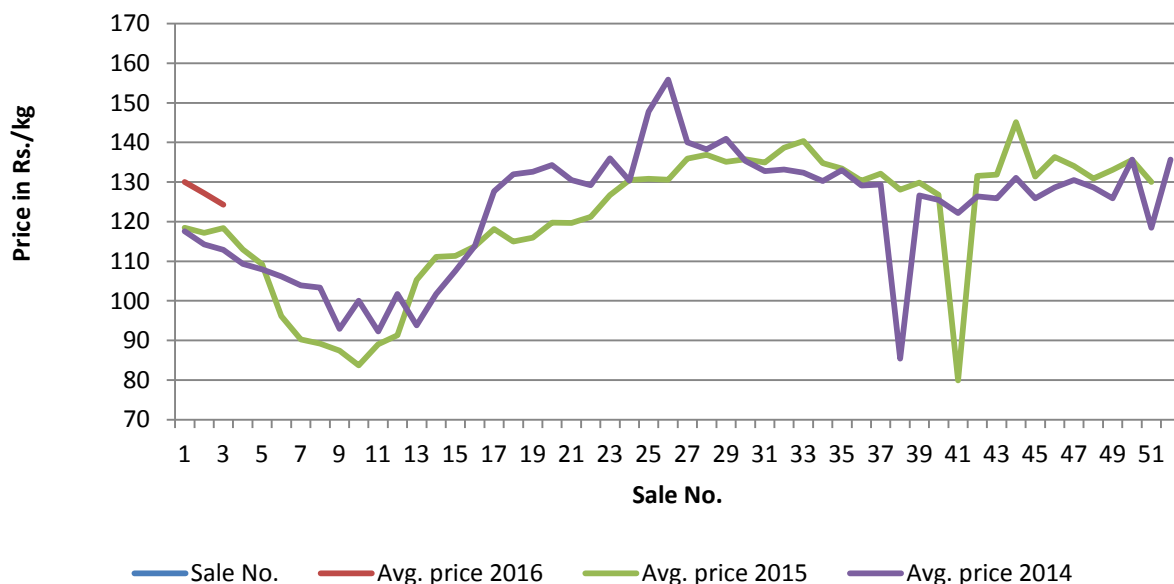
REGIONWISE QUARTERLY EXPORTS:

(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-Nov 2015 (P)	107.07	2480.05	231.63	85.12	1133.85	133.21	192.19	3613.90	188.04
Jan-Nov 2014	107.86	2574.29	238.67	81.44	1114.03	136.79	189.30	3688.32	194.84
Inc/Dec in %	-0.73	-3.66	-2.92	4.52	1.78	-2.62	1.53	-2.02	-3.49
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 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 2016-01-16

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	139.57(143.80)	128.57(122.39)	119.06(123.11)	NS(NS)	118.93(97.20)	94.44(77.25)	94.73(78.72)	79.50(52.94)
Total Tea	142.78(144.22)	128.72(122.68)	119.06(123.11)	NS(NS)	122.63(100.05)	95.14(77.81)	94.59(78.66)	79.45(52.94)

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

Variety	North India	South India	All India
CTC All Dust	128.91 (131.32)	102.34 (80.90)	122.77 (117.74)
Total Tea	130.43 (131.87)	105.19 (82.78)	124.26 (118.38)

(Source: Tea Board)

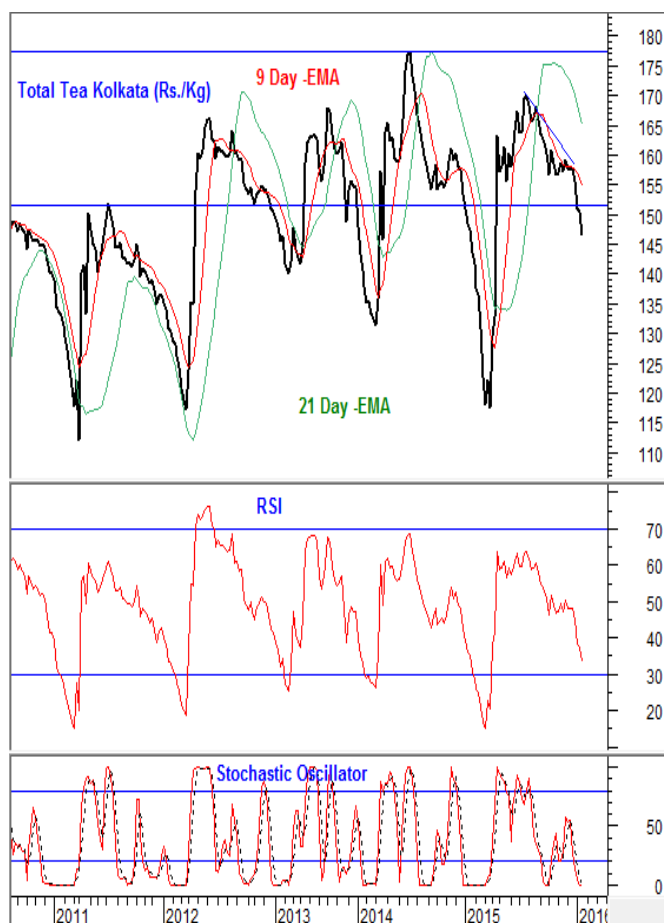
Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:

Tea prices witnessed easy tone during the week. Breaking of the support level of 150 denotes weakness towards 130 levels in the medium –term. Prices are holding below 9 –Day and 21 –Day denoting weakness in the medium –term. RSI is declining in the neutral region supporting easy tone of the market 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	142.78	180.00	200.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 03 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	460 - 620	480 - 560
Average Westerns	420 - 450	440 - 470
Plainer Westerns	390 - 410	385 - 430
Western Mediums	370 - 600	350 - 490
Uva Teas	330 - 530	330 - 480
Nuwara Eliya Teas	320 - 415	310 - 440
Udapussellawa Teas	350 - 430	340 - 440
CTC (BP1 and PF1)	350 - 430	310 - 510

In this week's auction, 7.43 million kgs of tea was offered for sale compared to 5.97 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 firm tone. High Grown and Mid Grown CTC's noticed mixed tone following quality 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 easy tone. In the Tippy catalogues, better made FBOP and FF1's noticed positive tone during the week. The below best noticed firm tone and plainer variety declined during the week. There was some demand from Russia, Iran and Middle –East countries.

DETAILS OF TEAS AWAITING SALE

	05		04		03	
AUCTION NO.						
Dates	01 st / 02 nd February 2016		26 th /27 th January 2016		19 th /20 th January 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	900	1,041,214 kg	891	1,052,269 kg	1,043	1,262,031 kg
Main Sale Total	10,139	5,459,917 kg	11,079	5,992,168 kg	11,391	6,172,546 kg
High & Medium	1,024	509,009 kg	1,154	557,229 kg	1,174	589,631 kg
Low Growns Leafy	3,930	1,953,102 kg	4,143	2,014,699 kg	4,317	2,116,730 kg
	2,129	1,273,143 kg	2,272	1,328,280 kg	2,498	1,468,043 kg
Tippy						
Premium/Flowery	512	108,978 kg	606	128,700 kg	611	137,645 kg
Off Grades	2,009	1,096,730 kg	2,207	1,251,648 kg	2,151	1,201,072 kg
Dust	535	518,955 kg	697	711,612 kg	640	659,425 kg
Grand Total	11,039	6,501,131 kg	11,970	7,044,437 kg	12,434	7,434,577 kg
Reprints	630	371,008 kg	421	246,659 kg	824	467,978 kg
Scheduled to Close (Ex)		14.01.16		07.01.16		30.12.15
Dates (Ms)		14.01.16		08.01.16		31.12.15

Scheduled Closing Dates

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

Auction No. 07 : 16th/17th February 2016

Ex Estate : 28.01.2016

Main Sale : 29.01.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 03
AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2015	2016	2015	2016
01	\$2.18	\$2.90	\$2.02	\$2.73
02	\$2.32	\$2.66	\$2.13	\$2.51
03	\$2.35	\$2.73	\$2.17	\$2.58

QUOTATIONS	BROKENS	FANNINGS
Best	437 - 596	411 - 610
Good	420 - 476	400 - 432
Good Medium	432 - 454	377 - 437
Medium	434 - 505	360 - 394
Lower Medium	248 - 400	269 - 337
Plain	184 - 376	163 - 374 (SL RUPEES)

During the week good demand was noticed for 10,449,664 kilos of tea on offer. Brighter DUST1s were firm up to USC18, with mediums USC10 to USC20 higher. Lower Mediums were USC12 to USC18 lower. 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 firm tone. There was good demand from Pakistan packers, Afghanistan, Yemen, Bazaar, Kazakhstan, Sudan, other CIS and Middle – East countries. There was some demand from Russia, UK and Egyptian packers. 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: 03

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	8.820	466.540 Kg	8.820	466.540 Kg	100.00
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	8.820	466.540 Kg	8.820	466.540 Kg	100.00

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.540	144.140 Kg	2.480	140.440 Kg	97.43
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	2.540	144.140 Kg	2.480	140.440 Kg	97.43

GRAND TOTAL	11.360	610.680 Kg	11.300	606.980Kg	99.39
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(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
198-200	186-216	176-218	174-236	167-180	160-180	349

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
162-185	153-169	154-170	294-316	146-155

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
162-193	177-220	180-240	188-247	164-181	163-196	-

Market offerings increased to 11,360 paper sacks from 10,800 paper sacks. There was good demand in the market. Average price increased to USDcts 184.66 instead of USDcts 182.40 during last week's auction. Average price of Orthodox variety increased to USDcts 182.03 and average price of CTC increased to USDcts 192.90. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 99.39% during the period compared to 98.22% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	27/01/16	03/02/16	27/01/16	03/02/16
PTPN. IV	760 S	860 S	-	-
PTPN. VI	340 S	440 S	660 S	560 S
PTPN. VII	760 S	860 S	140 S	100 S
PTPN. VIII	7.580 S	7.280 S	1.200 S	1.000 S
PTPN. IX	620 S	520 S	-	-
PTPN. XII	- S	- S	780 S	680 S
Total Estate	10.060 S	9.960 S	2.780 S	2.340 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	10.060 S	9.960 S	2.780 S	2.340 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 36

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	170-185	Best	202-205
Medium	180-190	Good	193-199
Small	185-195	Medium	177-187
Plain	125-140	Plain	125-140

Tea prices at Bangladesh tea auction noticed almost steady tone amid higher volumes of poor quality tea on offer. 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 23 percent remained unsold.

There was good demand from blenders for bright liquoring varieties and fair demand from loose tea buyers. 32,122 packages of CTC Leaf of old season noticed good demand. 4,847 packages of CTC Dust noticed good buying interest following quality. 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 weak tone during the week. Good liquoring Dusts noticed easy tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

<u>Country</u>	<u>MONTH</u>	<u>2015</u>	<u>2014</u>	<u>CUMULATIVE</u>	<u>2015</u>	<u>2014</u>	<u>CUMULATIVE</u> <u>+ INC./-DEC.</u>
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	22-01-2016	15-01-2016
USD	67.73	67.68
Srilankan Rupee	0.4673	0.4709
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6617	0.6617
Bangladeshi Taka	0.8577	0.8581

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. CTC variety tea prices firmed up amid good demand from the blenders and loose tea buyers. Orthodox variety tea prices noticed weak tone amid less demand from the exporters. Weather was mostly dry in the growing regions. Demand is expected to pick up for quality tea in the near –term. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, prices noticed mostly firm tone except steady tone noticed at Bangladesh tea auction, where except steady tone was noticed. At Bangladesh tea auction, there was fair demand amid higher volumes of poor quality tea on offer. Quantity offered on sale increased during the week compared to previous week. Good demand during the winter season supported prices. The future offering of tea is likely to decline at Sri Lankan and Indonesian auctions in the coming week. Prices are likely to continue positive tone in the near – term.

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