News Highlights.

- There is no denying the fact that there is distress in some of the tea-gardens in West Bengal. Importantly, the entire industry is at a precipice. The rising demand for high quality teas in the export and the domestic market has led to a situation of declining demand for Dooars teas, whose the quality of which has been affected by climate-change. As per latest statistics between January and October 2015 production in West Bengal is lower at 274 million kgs compared to a year ago figure, with the gardens in Dooars accounting for a major part of the drop.

- The Tea Board of India has recently enforced a comprehensive guideline for safe usage of Plant Protection Formulations (PPFs) in the tea plantations in India called Plant Protection Code version 5or the Indian tea industry. The code aims to achieve sustainability through GAP including IPM, promotion of alternative control strategies to gradually reduce the dependence on chemicals.

- In tune with the winter season, Wagh Bakri Tea Group, a leading packaged tea company, is offering a Spiced Tea range enriched with health benefits of select seven spices. The range consists of Masala Tea, Tea Bags and 3-in-1 Instant Tea. The teas are fortified with 100% natural extract of cardamom, clove, black pepper, cinnamon, ginger, nutmeg, and piper longum, according to the company.

- 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.

- According to the Tea Board of India, India's output of tea increased by 3.9% in November 2015 to 106.88 million kg compared to the same corresponding period of previous year following more plucking in the top-tea producing State 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 largest importer of Ceylon tea is Russia and other members for the Commonwealth of Independent States. Iran, Iraq and Syria were some of the biggest consumers of Sri Lankan tea, and conflict in these areas has put a strain on the industry, according to the Tea Board report.

- According to the state-run Tea Board, the output of tea in Sri Lanka declined by 2.7 per cent in 2015 compared to 2014. The forecast production in 2015 was around 340 million kg.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 04 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	122.40	27,18,000	18,37,000
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	121.36	11,38,000	9,31,000

(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 Dust variety and fair for Leaf variety tea. Cleaner Liquoring sorts and Plainer teas noticed steady tone and others declined in line with quality. Buying interest was noticed from Hindustan Unilever Limited, Western India buyers and domestic buyers. There was no auction of Orthodox tea during the week. Prices are likely to witness easy tone in the coming week.

Guwahati Tea Auction: Sale No: 04 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	114.85	28,70,000	19,22,000
Dust	118.03	8,91,000	7,45,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week Quantity offered on sale declined during the week compared to previous week. There was good demand for Cleaner/Better Liquoring sorts and Plainer varieties. The other varieties noticed fair demand. The quality of tea offered in Dust variety was not up to the mark. Buying interest was noticed from the upcountry buyers, Hindustan Unilever Limited and Tata Global. Prices are likely to notice range –bound to weak tone in the near –term.

Siliguri Tea Auction: Sale No: 04 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	110.17	25,38,000	20,88,000
CTC Leaf	110.77	3,65,000	3,29,000

(Source: Contemporary Brokers)

Prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. Clean Liquoring sorts noticed steady tone. Others declined in line with quality. There was good demand from the internal buyers. Buying interest was seen from Hindustan Unilever Limited and Tata Global. Prices are likely to notice weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 04 (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: 04 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	123.46	915093.20	849140.20
CTC Leaf	93.94	65024.00	62153.00
Orthodox Dust	91.50	7099.00	3949.00
Orthodox Leaf	137.18	192084.00	164644.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed positive tone during the week except slight weakness noticed in Orthodox Leaf variety. Quantity offered on sale increased during the week compared to previous week. There was not much demand from importers in Iran around current levels. Prices in South India have increased during the last few weeks amid decline in production in North India and lower availability. Prices are likely to witness firm tone in the coming week.

Coimbatore Tea Auction: Sale No: 04 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	104.16	198067.00	194179.00
CTC Leaf	96.59	83030.00	79000.00
Orthodox Dust	91.36	12389.00	11851.00
Orthodox Leaf	86.51	8440.00	5369.00

(Source: Paramount Marketing, Coimbatore)

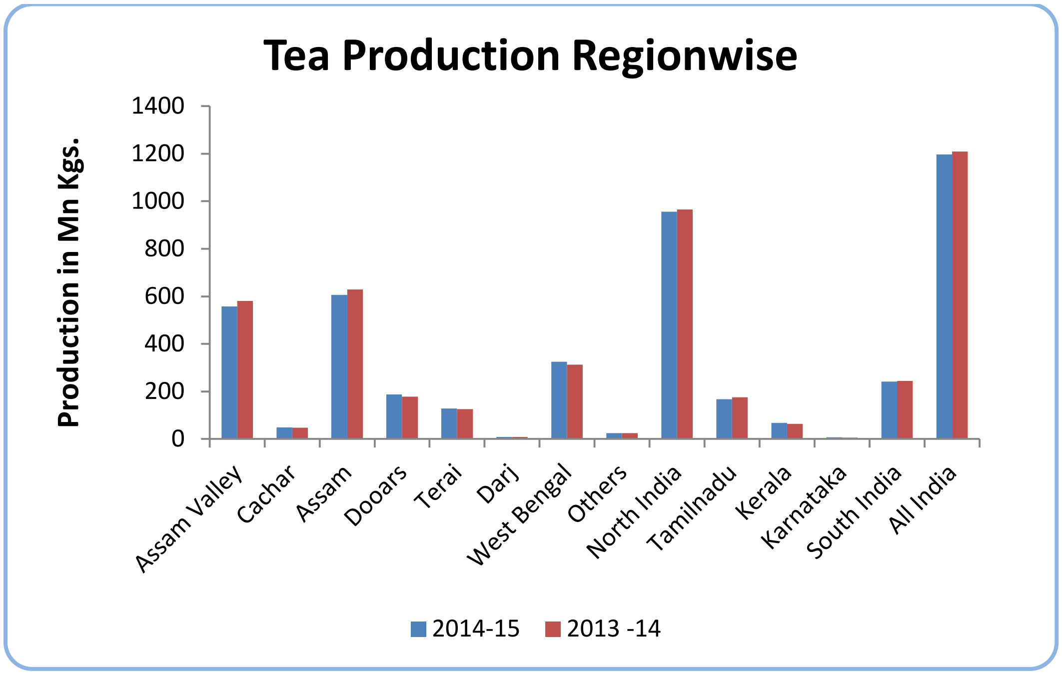
Prices noticed firm tone during the week except slight weakness in Orthodox Leaf variety. Quantity offered on sale declined during the week compared to previous week. Demand from local buyers and blenders supported the market. Prices are likely to notice range –bound to firm tone in the near –term.

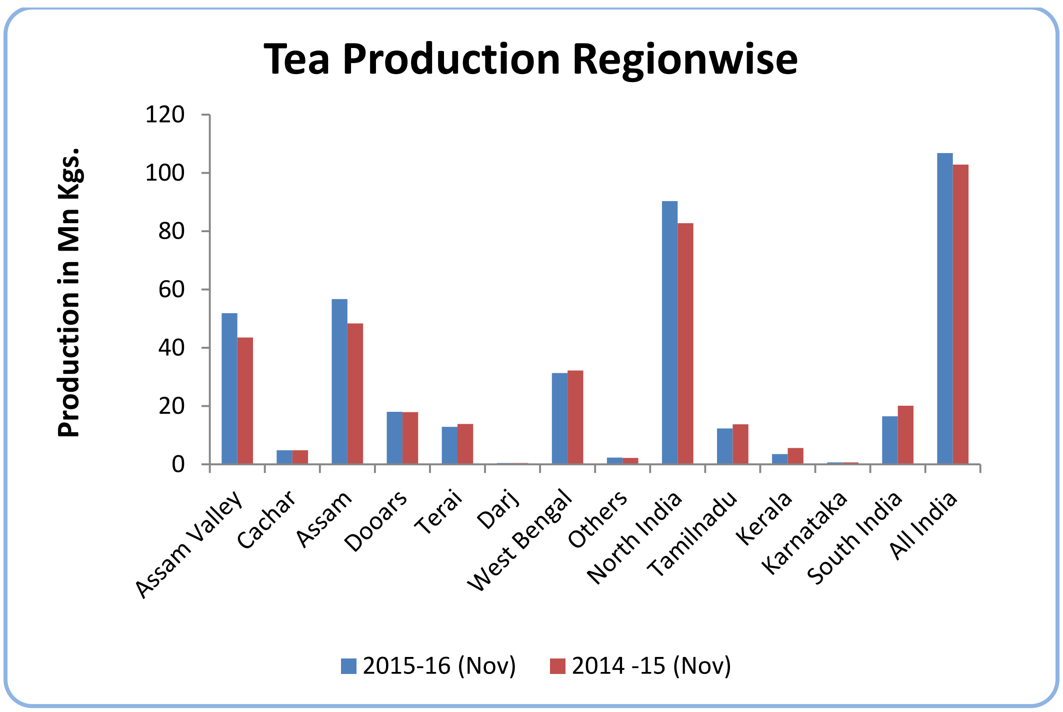
Coonoor Tea Auction: Sale No: 04 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	107.48	190990.00	184538.00
CTC Leaf	101.57	443478.00	402379.00
Orthodox Dust	92.69	46104.00	40063.00
Orthodox Leaf	105.55	43538.00	31514.50

(Source: Paramount Marketing, Coimbatore)

Prices witnessed firm tone during the week except slight weakness in Orthodox Dust variety. Quantity offered on sale declined during the week compared to previous week. Arrivals are lower during the last few days. Buying interest was noticed from Kerala State Civil Supplies and loose tea buyers. Prices are likely to notice positive tone in the near –term.





(Source: Tea Board)

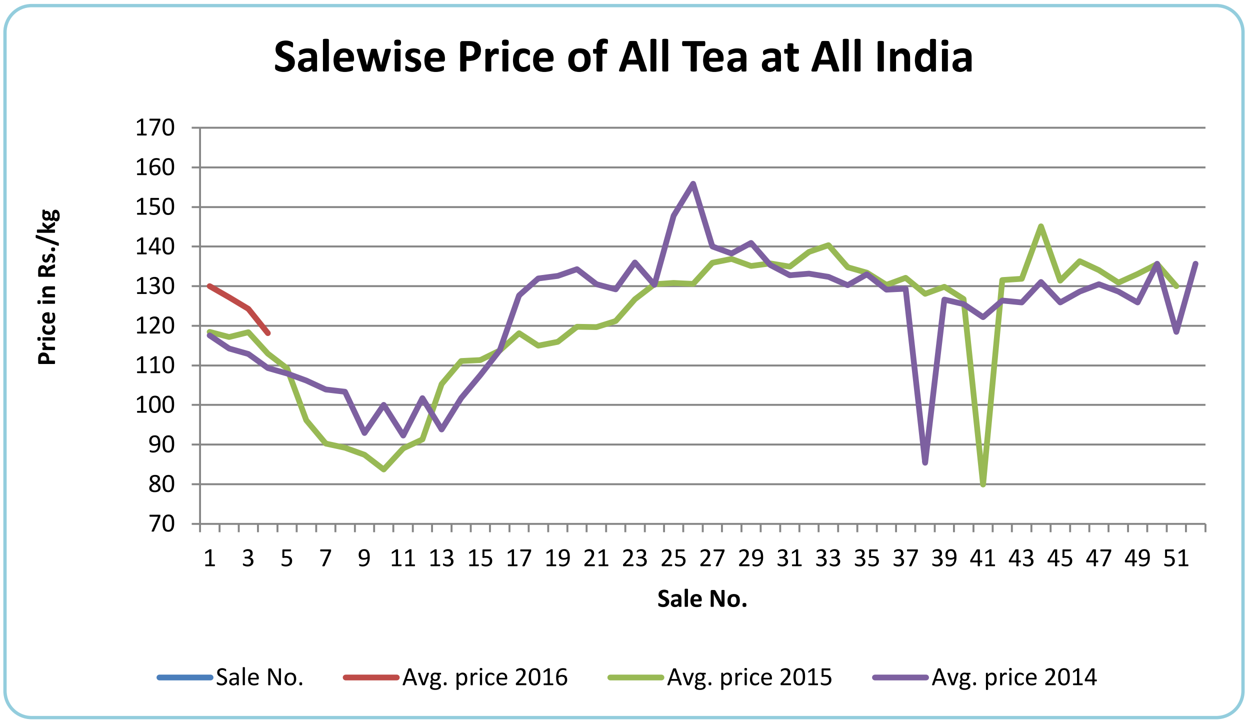
The above graph shows region wise production comparison, between 2015-16 (Sep) and 2014-15 (Sep).during the last two years and in the month of September in comparison with to previous year. In the year 2014 (Apr – Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased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



The above graph shows the All India price comparison of All Teas at All India in 2014, 2015 and 2016. 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 2016-01-23

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	131.62(135.29)	115.34(108.54)	116.50(119.21)	NS(NS)	119.64(94.95)	96.80(78.38)	97.91(80.16)	78.17(56.12)
Total Tea	134.99(136.57)	115.43(108.62)	116.50(119.21)	NS(NS)	122.57(99.08)	97.05(78.78)	97.63(80.23)	78.13(56.12)

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

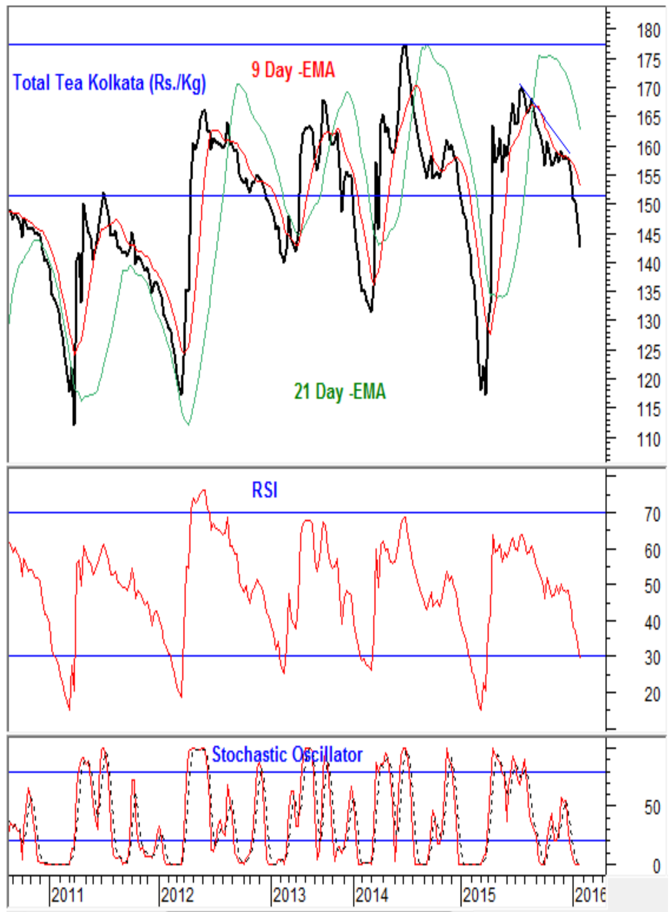
Variety	North India	South India	All India
CTC All Dust	120.21 (120.62)	102.91 (81.51)	116.91 (112.01)
Total Tea	121.42 (121.43)	105.16 (83.91)	118.14 (112.96)

(Source: Tea Board)

Tea – Technical Outlook — Total Tea -Kolkata

Technical Commentary:
Tea prices noticed weak tone during the week. Prices are likely to decline towards 110 levels in the coming days. MACD is declining in the negative territory supporting the overall weak tone of the market. Stochastic oscillator is steady in the oversold region supporting some recovery in the coming days.

The tea prices are likely to decline towards 110 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	120.00	110.00	134.99	150.00	200.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 04 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	480 - 510	490 - 550
Average Westerns	460 - 470	470 - 480
Plainer Westerns	425 - 450	430 - 460
Western Mediums	480 - 560	470 - 490
Uva Teas	330 - 530	330 - 480
Nuwara Eliya Teas	320 - 415	310 - 440
Udapussellawa Teas	350 - 430	340 - 440
CTC (BP1 and PF1)	375 - 435	310 - 510

In this week's auction, 7.00 million kgs of tea was offered for sale compared to 7.43 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's and BOPF's noticed firm tone. High Grown and Mid Grown CTC's noticed mixed tone following quality 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 easy tone. In the Tippy catalogues, better made FBOP and FF1's noticed firm tone during the week. The below best noticed weak tone and plainer variety declined during the week. There was some demand from Dubai, Turkey, Iraq, Saudi Arabia and CIS countries.

DETAILS OF TEAS AWAITING SALE

SALE NO : 5 SCHEDULED FOR 01ST/ 02ND FEBRUARY 2016

	LOT	QUANTITY kgs
Ex Estate	900	1,041,214
High & Medium	1,024	509,009
Low Grown : Leafy	3,930	1,953,102
Low Grown : Tippy	2,129	1,273,143
Premium Flowery	512	108,978
Off Grades	2,009	1,096,730
Dust	535	518,955
TOTAL	**11,039**	**6,501,131**
Re-print	630	371,008

LOW GROWN CATALOGUES

Leafy	Closed on	14/01/2016	Violations Excluded
Tippy	Closed on	14/01/2016	Violations Excluded

OTHER MAIN SALE CATALOGUES

High & Medium	Closed on	14/01/2016	Violations Excluded
Dust	Closed on	14/01/2016	Violations Excluded
Premium Flowery	Closed on	14/01/2016	Violations Excluded
Off Grades	Closed on	14/01/2016	Violations Excluded
BOP1A	Closed on	14/01/2016	Violations Excluded
Ex Estate	Closed on	14/01/2016	Violations Excluded

No of Pkgs : 161,260
CTC : 7,930 Pkgs - 445,935 kgs

SALE NO. 5 - SALE OF 02ND FEBRUARY 2015

Lots	: 7,480	**Re-print Lots**	: 1,277
Quantity	: 4,287,019 kgs	**Re-print Quantity**	: 694,015 kgs

BUYERS' PROMPT : 08/02/2016
SELLERS' PROMPT : 09/02/2016

SALE NO : 6 SCHEDULED FOR 09TH/ 10TH FEBRUARY 2016

	LOT	QUANTITY kgs
Ex Estate	802	924,867
High & Medium	992	499,409
Low Grown : Leafy	4,213	2,104,361
Low Grown : Tippy	2,343	1,393,133
Premium Flowery	521	114,910
Off Grades	1,891	1,014,177
Dust	512	500,774
TOTAL	**11,274**	**6,551,631**
Re-print	928	515,108

LOW GROWN CATALOGUES

Leafy	Closed on	22/01/2016	Violations Excluded
Tippy	Closed on	22/01/2016	Violations Excluded

OTHER MAIN SALE CATALOGUES

High & Medium	Closed on	22/01/2016	Violations Excluded
Dust	Closed on	22/01/2016	Violations Excluded
Premium Flowery	Closed on	22/01/2016	Violations Excluded
Off Grades	Closed on	22/01/2016	Violations Excluded
BOP1A	Closed on	22/01/2016	Violations Excluded
Ex Estate	Closed on	21/01/2016	Violations Excluded

No of Pkgs : 159,829
CTC : 7,895 Pkgs - 446,047 kgs

SALE NO. 6 - SALE OF 10TH/ 11TH FEBRUARY 2015

Lots	: 12,239	**Re-print Lots**	: 989
Quantity	: 7,005,966 kgs	**Re-print Quantity**	: 531,173 kgs

BUYERS' PROMPT : 16/02/2016
SELLERS' PROMPT : 17/02/2016

(Source: Forbes And Walker Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 04

CTC QUOTATIONS	BP1 - USC	PF1 - USC	PD - USC	D1 - USC
Best	304 - 360	270 - 342	290 - 342	326 - 382
Good	302 - 330	270 - 307	285 - 311	315 - 346
Good Medium	292 - 322	262 - 306	258 - 319	286 - 360
Medium	282 - 306	240 - 270	247 - 271	248 - 297
Lower Medium	170 - 292	190 - 235	220 - 252	170 - 252
Plainer	140 - 280	130 - 256	120 - 250	138 - 216

During the week good demand was noticed for 12,275,549 kilos of tea on offer. Brighter DUST1s were firm up to USC8 and lower up to USC20, with mediums firm to USC20 lower. Lower Mediums were firm to USC10 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 noticed mixed tone and Dusts noticed steady tone during the week. Other Fannings and BMF's noticed firm tone. There was good demand from Afghanistan, Yemen, Bazaar, Russia, Iran and Middle –East countries. There was some demand from UK, Pakistan and Egyptian packers. There was not much demand from Sudan. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 04

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	10.060	536.360 Kg	9.800	522.440 Kg	97.40
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	10.060	536.360 Kg	9.800	522.440 Kg	97.40

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.780	157.460 Kg	2.660	150.700 Kg	95.71
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.780	157.460 Kg	2.660	150.700 Kg	95.71
GRAND TOTAL	12.840	693.820 Kg	12.460	673.140 Kg	97.02

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	**BOP**	**BOPF**	**PF**	**DUST**	**BT**	**BP**
199-204	**190-212**	**180-218**	**178-233**	**171-196**	**155-170**	**-**

Orthodox Secondary Grades				
PF.II	**DUST.II**	**BT.II**	**BP.II**	**DUST.III**
161-186	**157-169**	**157-163**	**-**	**150-157**

CTC First and Secondary Grades						
BP.1	**PF.1**	**PD**	**D.1**	**FANN**	**D.2**	**D.3**
164-191	**174-212**	**172-228**	**186-248**	**160-185**	**173-196**	**-**

Market offerings increased to 12,840 paper sacks from 11,360 paper sacks. There was good demand in the market. Average price declined to USDcts 182.41 instead of USDcts 184.66 during last week's auction. Average price of Orthodox variety declined to USDcts 181.52 and average price of CTC declined to USDcts 184.55. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 97.02% during the period compared to 99.39% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	03/02/16	10/02/16	03/02/16	10/02/16
PTPN. IV	1.960 S	860 S	-	-
PTPN. VI	580 S	440 S	1.020 S	560 S
PTPN. VII	1.220 S	860 S	140 S	100 S
PTPN. VIII	7.280 S	7.280 S	1.280 S	1.000 S
PTPN. IX	540 S	520 S	-	-
PTPN. XII	- S	- S	680 S	680 S
Total Estate	11.580 S	9.960 S	3.120 S	2.340 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	11.580 S	9.960 S	3.120 S	2.340 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 37
(In $/kg)

QUOTATIONS	BROKENS		FANNINGS
Large/Bold	2.18 - 2.37	Best	2.59 - 2.63
Medium	2.24 - 2.37	Good	2.50 - 2.58
Small	2.31 - 2.48	Medium	2.23 - 2.37
Plain	1.41 - 1.54	Plain	1.47 - 1.60

Tea prices at Bangladesh tea auction noticed firm tone 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 2.13 million kgs of tea was offered for sale and nearly 30 percent remained unsold.

There was good demand from blenders for bright liquoring varieties and fair demand from loose tea buyers. 33,901 packages of CTC Leaf of old season noticed good demand. 5,147 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 mixed 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)

					To date	To date	To date	Difference +/-	
		2013	**2014**	**2015**	**2013**	**2014**	**2015**	**2013 vs 2014**	**2014 vs 2015**
Sri Lanka	Dec	30.2	24.3	23.5	340.0	338.0	328.9	-2.0	-9.1
Malawi	Dec	4.0	1.8	3.8	46.5	45.9	39.4	-0.6	-6.5
Bangladesh	Nov	7.9	6.31	7.75	58.8	59.15	61.53	0.35	2.38
Kenya	Nov	35.5	38.6	40.4	398.8	400.0	352.8	1.2	-47.2
North India	Nov	85.4	82.8	90.4	918.3	923.5	922.3	5.2	-1.2
South India	Nov	25.1	20.2	16.5	222.9	224.6	212.6	1.7	-12.0

(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 0.12% and in South India, production has declined by 5.34% respectively till November 2015. Plucking has been lower in South India amid rains in the growing regions.

Currency	29-01-2016	22-01-2016
USD	67.87	67.73
Srilankan Rupee	0.4715	0.4673
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6639	0.6617
Bangladeshi Taka	0.8662	0.8577

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone during the week. Quantity offered on sale declined during the week compared to previous week. In North India, prices declined amid lack of good quality tea. There was no auction of Orthodox tea at Kolkata during the week. Prices have increased in South India amid lower quantity of tea on offer and good domestic demand. There is not much export demand in the market around current levels. Prices are likely to notice range –bound to firm tone in the near –term amid good domestic demand in the market.

In the global market, prices noticed range –bound to firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Demand for quality leaf supported prices. Weather remains conducive in the tea growing regions. Tea output of Sri Lanka declined slightly by 2.7 per cent in 2015 compared to 2014 amid unfavourableunfavorable weather in the growing regions. The future offering of tea is likely to decline at Sri Lankan tea auction and increase at Indonesian tea auction in the coming week. Prices are likely to notice firm tone in the coming days.