News Highlights.

- The Union Ministry of Commerce and Industry has asked the Tea Board to take over the management of seven tea estates in North Bengal. The tea gardens are Birpara, Hamtapara, Garganda, Lankapara, Dhumchipara and Dimdima located in Terai and Dooars belt. The sven tea gardens will be managed by the Tea Board and the owners have to clear pending dues to workers. The Tea Act empowers the Central government to assume management control of a tea undertaking or tea unit if the unit has made losses in three out of five years or the average yield of the tea has been lower than the district average yield by 25 per cent or more.

- Prices touched new three year high at Coonoor Tea Trade Association at Sale No.4 held last week. Since the last quarter of 2015, prices have been rising due to an increase in demand and 2016 opened with the average price ruling Rs.90.41/kg. For the first time in the history of the 53 year-old Association, average prices crossed Rs.100/kg mark in 2013 reaching Rs.104.11/kg at Sale No: 10 on March 8.

- Wagh Bakri Tea Group is likely to hive off its retail business as a separate entity. The company is the third largest packaged tea company in India with a turnover of over 950 crore and tea distribution of over 30 million kg. As the company is growing, business needs to be scaled up and retail format may be looked as a separate entity according to company officials.

- According to a Technopak Advisors report, the per capita consumption of tea is 711 gm in India. In the estimated $6.6-billion non-alcoholic beverages market, tea commands the lion’s share at $2.3 billion.

- Frost in the Nilgiris and strike at Kanan Devan Hill Plantations and other companies a few months ago in South India are likely to lower tea production. Arrivals at the main auction centre of Kochi have declined to nearly half recently and prices are increasing. Exports are also declining in the process. The price of premium tea is steady and the price of cheaper dust variety teas have increased amid lower availability in the market.

- The Tea Board has announced the average price for green leaf at Rs.15/kg for February in the Nilgiris district. All Bought Leaf factories in the Nilgiris district are instructed to stick to this average green leaf price while buying green leaf from the farmers. On representations of small growers, Tea Board announced the average price for their green leaf for the first time in December 2015.

- Tata Global Beverages Limited has entered the premium tea segment with the launch of Fusion Tea. Fusion is by far the most expensive black tea available in India. The objective is to update the black tea consumer according to company sources. Relevant considering TGBL estimates the branded tea market to be worth Rs 13600 crore by value per annum with premium teas enjoying a value share of 18% and a volume share of 11%. The company is doing many launches this year to acquire new costumers and increase market share.

- 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: 05 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	119.79	24,11,000	16,17,000
ORTHODOX	151.89	92,000	86,000
DARJEELING	-	-	-
DUST	114.23	11,07,000	8,35,000

(Source: Parcon)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was fair demand in the market for both categories of tea. Selected Few Liquoring Assams noticed steady tone and others declined in line with quality. Withdrawals were noticed in the market. Buying interest was noticed from Western India and internal buyers. There was some demand Hindustan Unilever Limited and Duncans. In the Orthodox variety, exporters were active for the little quantity on offer. Prices declined following quality. There was demand from North India buyers. Prices are likely to witness easy tone in the coming days.

Guwahati Tea Auction: Sale No: 05 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	110.66	27,39,000	18,77,000
Dust	121.78	7,21,000	5,39,000

(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 Select/ Cleaner Better Liquoring teas and fair for the remainder varieties. Prices for Dust variety tea declined in line with quality. There was good demand from the upcountry buyers. New season will begin next month and currently there are no export enquiries in the market. Prices are likely to notice weak tone in the coming week.

Siliguri Tea Auction: Sale No: 05 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	104.80	20,80,000	16,40,000
CTC Leaf	109.90	3,20,000	2,77,000

(Source: Contemporary Brokers)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Clean Dust Grades. Dust and Leaf variety prices declined in line with quality. Buying interest was noticed from internal buyers and blenders. Prices are likely to witness easy tone in the near –term.

Jalpaiguri Tea Auction: Sale No: 05 (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: 05 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	125.57	862402.00	810536.00
CTC Leaf	100.79	64277.00	63581.00
Orthodox Dust	92.33	9070.00	5674.00
Orthodox Leaf	138.77	199153.00	158598.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Prices have increased during the last few weeks amid lack of availability of good quality leaf in the market. There was good demand for Dust variety from blenders and loose tea buyers. Prices are likely to notice positive tone in the coming days.

Coimbatore Tea Auction: Sale No: 05 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	107.57	213837.00	200972.00
CTC Leaf	98.17	114990.00	107234.00
Orthodox Dust	81.64	6470.00	5115.00
Orthodox Leaf	91.13	11810.00	11452.00

(Source: Paramount Marketing, Coimbatore)

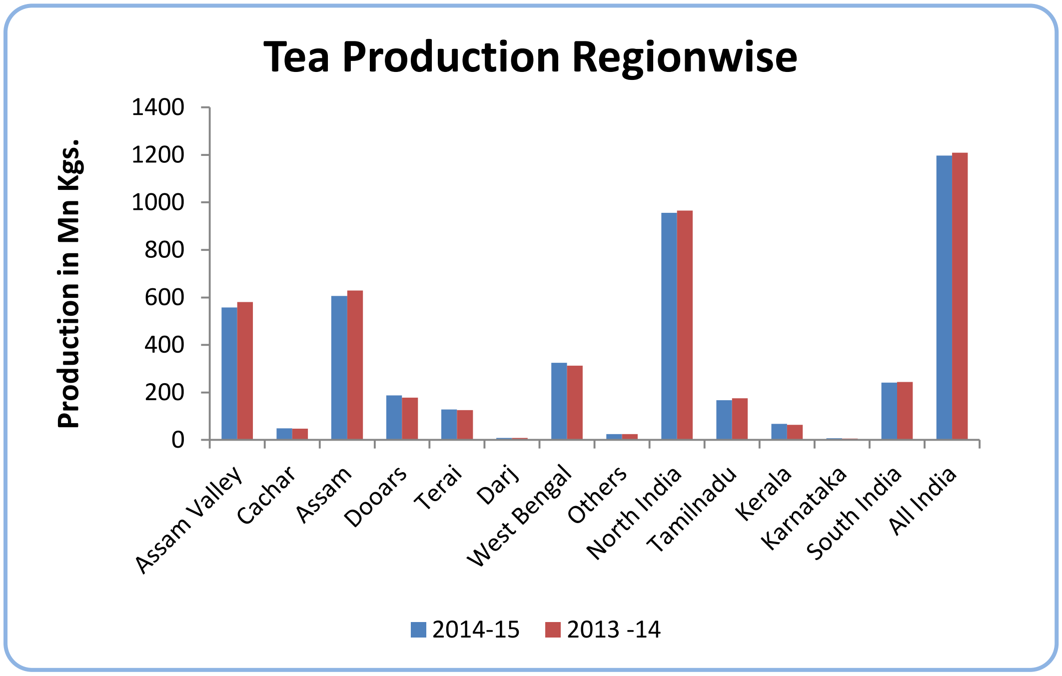
Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrivals have picked up slightly during the week. There was some demand from the exporters for Orthodox Leaf Variety. Prices are likely to notice range –bound to firm tone in the coming week.

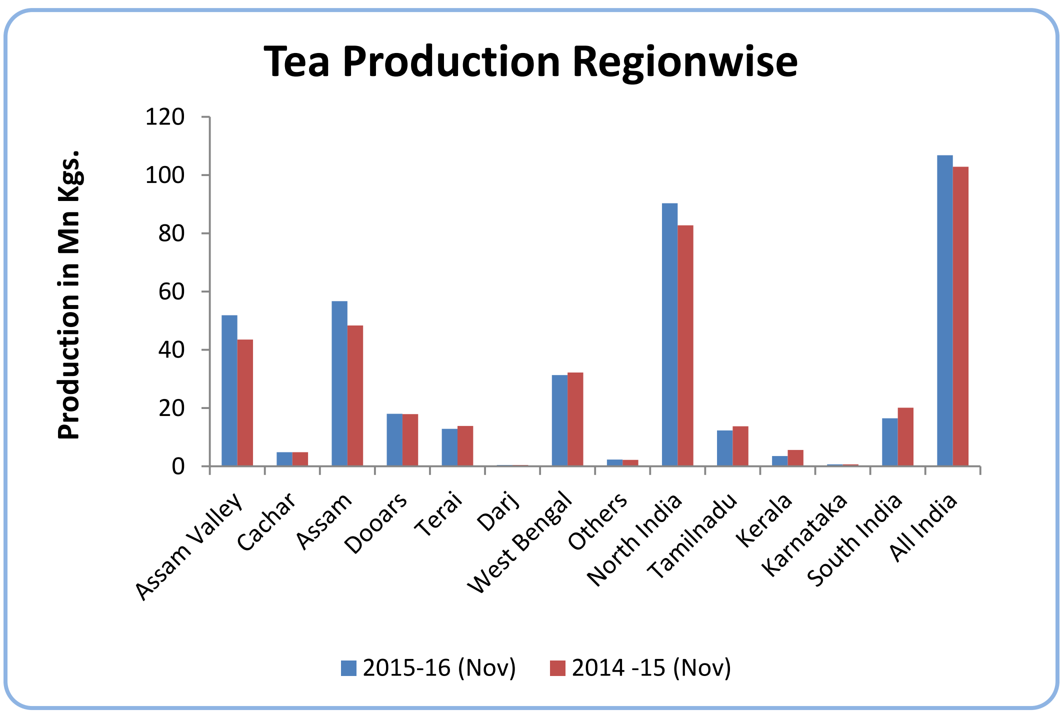
Coonoor Tea Auction: Sale No: 05 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	112.56	208575.00	194917.00
CTC Leaf	102.36	484833.00	461701.00
Orthodox Dust	91.47	52721.00	45170.00
Orthodox Leaf	107.72	55986.50	42816.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week except slight firmness in Orthodox Leaf variety. Quantity offered on sale increased during the week compared to previous week. There was some demand for Nilgiri Broken variety. Arrivals are expected to increase in the coming days. Prices are likely to notice weak tone in the near –term.





(Source: Tea Board)

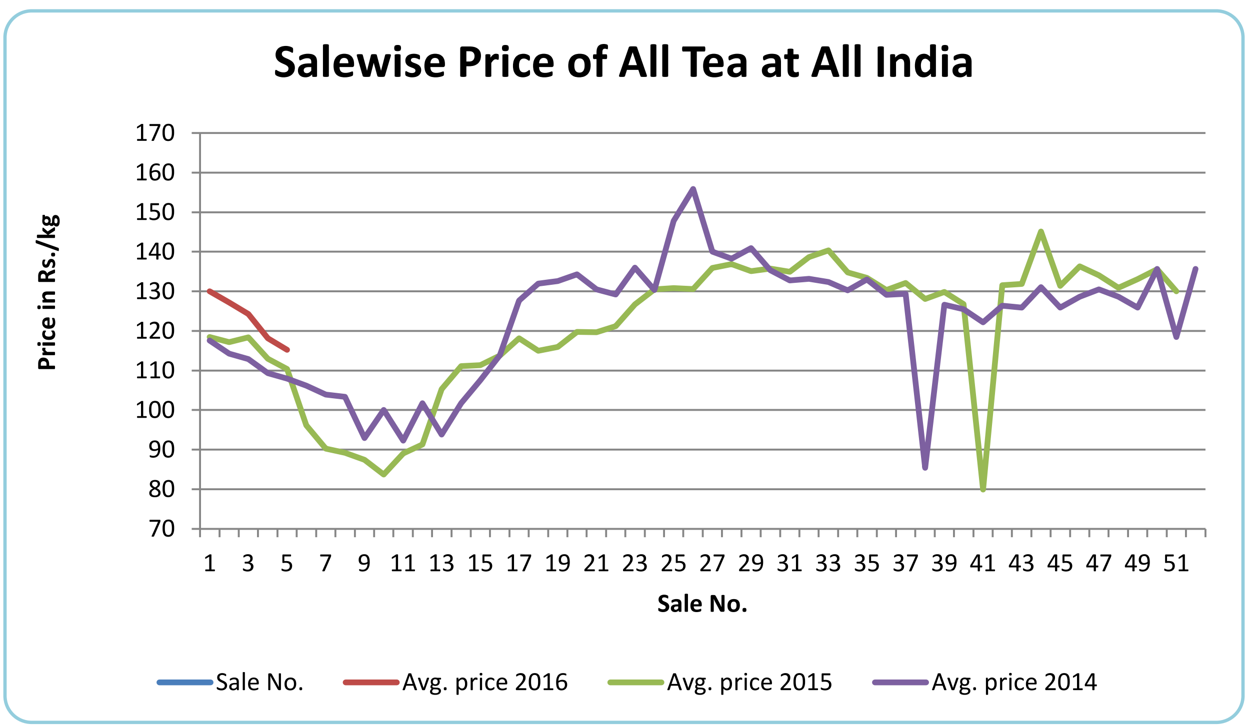
The above graph shows region wise production comparison, between 2015-16 (Sep) and 2014-15 (Sep).during the last two years and in the month of September in comparison with to previous year. In the year 2014 (Apr – Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased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

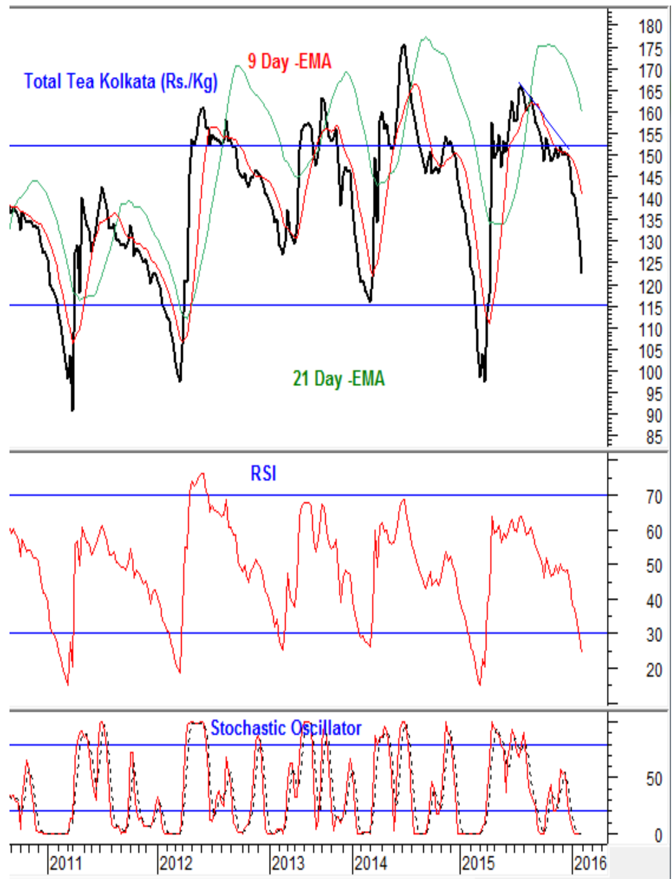
Weekly Average Prices at Indian Auction Centers for week ending 2016-01-30

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	122.06(131.11)	115.69(105.44)	110.25(111.55)	NS(NS)	121.41(96.43)	102.74(78.93)	101.11(81.06)	80.16(56.67)
Total Tea	123.07(132.84)	115.74(105.44)	110.25(111.55)	NS(NS)	123.81(99.69)	102.88(79.35)	100.84(81.07)	80.14(56.67)

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

Variety	North India	South India	All India
CTC All Dust	116.26 (117.51)	108.12 (83.52)	114.56 (109.27)
Total Tea	116.67 (118.53)	110.14 (85.61)	115.21 (110.34)

(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 near –term and are holding below 9 –Day and 21 –Day EMA supporting the overall weak tone of the market. RSI is declining in the oversold region denoting some recovery in the near –term. ***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	110.00	100.00	123.07	150.00	200.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 05 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	460 - 550	470 - 580
Average Westerns	430 - 450	440 - 460
Plainer Westerns	400 - 420	400 - 430
Western Mediums	395 - 540	350 - 445
Uva Teas	380 - 530	320 - 480
Nuwara Eliya Teas	330 - 510	350 - 445
Udapussellawa Teas	400 - 445	320 - 470
CTC (BP1 and PF1)	325 - 435	300 - 520

In this week's auction, 6.50 million kgs of tea was offered for sale compared to 7.00 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 weak 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 weak tone during the week. The below best and plainer variety noticed firm tone during the week following quality. There was less demand from Russia, Iran and other middle –east countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	07		06		05	
Dates	16th/17th February 2016		09th/10th February 2016		01st/ 02nd February 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	929	1,082,855 kg	802	924,867 kg	900	1,041,214 kg
Main Sale Total	10,366	5,510,253 kg	10,472	5,626,764 kg	10,139	5,459,917 kg
High & Medium	1,055	529,897 kg	992	499,409 kg	1,024	509,009 kg
Low Growns Leafy	4,047	1,956,895 kg	4,213	2,104,361 kg	3,930	1,953,102 kg
Tippy	2,177	1,256,579 kg	2,343	1,393,133 kg	2,129	1,273,143 kg
Premium/Flowery	552	111,560 kg	521	114,910 kg	512	108,978 kg
Off Grades	1,946	1,056,567 kg	1,891	1,014,177 kg	2,009	1,096,730 kg
Dust	589	598,755 kg	512	500,774 kg	535	518,955 kg
Grand Total	11,295	6,593,108 kg	11,274	6,551,631 kg	11,039	6,501,131 kg
Reprints	1,275	664,832 kg	928	515,108 kg	630	371,008 kg
Scheduled to Close (Ex)		28.01.16		21.01.16		14.01.16
Dates (Ms)		29.01.16		22.01.16		14.01.16

Scheduled Closing Dates

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

Auction No. 08 : 23rd/24th February 2016

Ex Estate : 05.02. 2016

Main Sale : 05.02. 2016

Auction No. 09 : 01st / 02nd March 2016

Ex Estate : 11.02. 2016

Main Sale : 12.02. 2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 05

(in US$ per kg)

	SALE 05 HELD ON 01 & 02/02/2016			SALE 05 HELD ON 02 & 03/02/2015		
COUNTRY	PRIMARY	SECONDARY	TOTAL	PRIMARY	SECONDARY	TOTAL
Kenya	2.61	1.37	2.54	2.43	1.09	2.32
Uganda	1.72	1.16	1.53	1.41	0.76	1.18
Rwanda	2.95	2.18	2.84	2.62	1.84	2.47
Burundi	2.63	1.63	2.54	2.46	1.79	2.38
Zambia	-	-	-	-	-	-
Tanzania	1.71	1.11	1.53	1.02	0.71	0.94
D R of Congo	1.81	-	1.81	1.75	0.55	0.77
Mozambique	1.29	1.21	1.26	-	-	-
Madagascar	-	-	-	-	-	-
Malawi	-	-	-	-	-	-
Zimbabwe	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	-
Total	**2.53**	**1.32**	**2.41**	**2.34**	**1.02**	**2.17**

AUCTION NO 05 – 1ST & 2ND FEBRUARY, 2016

	OFFERED		SOLD*	
Year 2016	*Packages*	*Kilos*	**Packages**	**Kilos**
Kenya	121,140	8,150,316.00	115,320	7,776,171.00
Uganda	22,839	1,274,195.00	21,719	1,204,131.00
Rwanda	7,680	515,182.00	6,339	425,421.00
Burundi	3,280	211,336.00	2,840	186,168.00
Tanzania	3,979	215,281.00	2,779	144,716.00
Dem Rep of Congo	160	9,424.00	160	9,424.00
Mozambique	320	17,808.00	200	10,420.00
TOTAL	**159,398**	**10,393,542.00**	**149,357**	**9,756,451.00**
Year 2015				
Kenya	103,040	6,857,491.50	92,000	6,136,978.00
Uganda	22,182	1,236,160.00	16,540	899,290.00
Rwanda	6,240	404,438.00	4,500	291,900.00
Burundi	3,760	231,116.00	3,340	202,329.00
Tanzania	2,480	126,807.50	1,920	91,896.50
Dem Rep of Congo	473	24,002.00	473	24,002.00
Mozambique	40	2,651.00	-	-
TOTAL	**138,215**	**8,882,666.00**	**118,773**	**7,646,395.50**

During the week good demand was noticed for 10,393,542 kilos of tea on offer. Brighter DUST1s were USC4 to USC8 firm, with mediums firm to USC8 lower. Lower Mediums were firm up to USC20. Prices of Brighter BP1's were USC6 to USC20 higher. 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 steady tone and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed firm tone. There was good demand from Afghanistan, Pakistan Packers, Yemen, Egyptian Packers, Russia, and Middle –East countries. There was some demand from UK, Bazaar, Sudan, Kazakhstan and other CIS countries. 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: 05

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	11.580	609.540 Kg	10.320	541.980 Kg	88.92
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	11.580	609.540 Kg	10.320	541.980 Kg	88.92

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	3.080	174.740 Kg	2.960	168.720 Kg	96.55
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	3.080	174.740 Kg	2.960	168.720 Kg	96.55
GRAND TOTAL	14.660	784.280 Kg	13.280	710.700Kg	90.62

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
202-214	181-210	180-220	181-238	163-200	160-175	322-347

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
160-186	150-175	156-167	300-316	143-154

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 14,660 paper sacks from 12,840 paper sacks. There was good demand in the market. Average price increased to USDcts 183.16 instead of USDcts 182.41 during last week's auction. Average price of Orthodox variety increased to USDcts 182.45 and average price of CTC increased to USDcts 185.26. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 90.62% during the period compared to 97.02% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox				C.T.C			
	10/02/16		17/02/16		10/02/16		17/02/16	
PTPN. IV	860	S	960	S	-		-	
PTPN. VI	440	S	540	S	560	S	520	S
PTPN. VII	860	S	760	S	100	S	140	S
PTPN. VIII	7.280	S	7.080	S	1.000	S	1.020	S
PTPN. IX	520	S	560	S	-		-	
PTPN. XII	-	S	-	S	680	S	580	S
Total Estate	9.960	S	10.060	S	2.340	S	2.260	S
Pagilaran	-	S	-	S	-	S	-	S
Total Private	-	S	-	S	-	S	-	S
Grand Total	9.960	S	10.060	S	2.340	S	2.260	S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 38
(In Taka/kg)

QUOTATIONS	BROKENS		FANNINGS
Large/Bold	165-175	Best	205-210
Medium	165-190	Good	195-204
Small	170-195	Medium	165-180
Plain	90-110	Plain	90-110

Tea prices at Bangladesh tea auction noticed weak tone amid availability of lower quality leaf in the market. The average price of tea during this week's auction was around USD 2.44/kg. Around 2.09 million kgs of tea was offered for sale and nearly 29 percent remained unsold.

There was good demand from blenders for clean and good liquoring varieties and fair demand from loose tea buyers. 32,859 packages of CTC Leaf of old season noticed good demand. 5,378 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	05-02-2016	29-01-2016
USD	67.57	67.87
Srilankan Rupee	0.4699	0.4715
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6611	0.6639
Bangladeshi Taka	0.8590	0.8662

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone. Quantity offered on sale increased during the week compared to previous week. In North India, arrivals are lower as factories are closed for the yearly maintenance work. Arrival of first flush of tea will begin next month. In South India, prices are firming up amid lack of availability of good quality tea in the market and good domestic demand. There was not much export demand in the market. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, prices noticed mixed tone. Quantity offered on sale declined during the week compared to previous week. In Bangladesh prices are lower amid lack of availability of good quality tea. In North India, the new season will begin next month. There is not much demand in the market around current levels. The future offering of tea will increase at Sri Lankan tea auction and decline at Indonesian tea auction in the coming week. Prices are likely to notice range –bound to firm tone in the near –term.