News Highlights.

- The Tea Board Of India has invited expression of interest (EoI) from interested parties for taking over management control of Demdima tea estate in West Bengal for 5-11 year period. The garden is owned by Santipara Tea Company – an associate of GP Goenka-controlled Duncan Industries – that is recently in news for lining up nearly a dozen of sick gardens which defaulted paying almost every statutory due. The future management will not be liable for payment of past dues including payment to creditors.

- Food testing laboratories are foraying into tea following a recent launch of the fifth version of the plant protection code (PPC), which regulates the use of pesticides. Brussels-based laboratory Eurofins Scientific is looking to strengthen its position in the tea testing segment in India. The European tea market has always been very sensitive in terms of quality. They have been insisting that quality testing be done in Europe, preferably Germany and not anywhere else.

- The tea belt in northern West Bengal is heading towards yet another turmoil following almost all tea trade unions joint warning of aggressive movement to begin by the end of February to protest against newly proposed food grain distribution system for workers.

- India's tea output declined by 1.3 per cent in 2015 to 1191 million kg in 2015 compared to 2014 according to the state-run Tea Board. Unfavourable weather and strikes by plantation workers have affected output. Output declined by 5.8 per cent in December 2015 to 55.95 million kg compared to the same period in 2014.

- According to the agriculture industry regulator, Kenya expects 115-120 billion shillings from its tea exports in 2016 depending on the exchange rate compared to a 23 per cent rise to 125.25 billion shillings in the previous year. The Agricultural, Fisheries and Food Authority (AFFA) reported that total output fell 10 percent to 399.21 million kg in 2015 but earnings rose increased due to a 38 percent jump in the average auction price of tea to $2.98 per kg.

- Kenya reported 1.38 billion U.S. dollars in revenues from its tea industry last year, with exports contributing the lion's share of income according to tea marketers. Agriculture, Fisheries and Food Authority (AFFA) Interim Director General Alfred Busolo told at a media briefing in Nairobi that exports totaled 1.23 billion dollars in 2015, an increase of 23 percent from the previous year.

- According to Tea Board, Burundi's tea export revenues increased by 52% in 2015 following decline in output in Kenya. Tea output in Kenya declined by 10 per cent in 2015 following dry weather in the growing regions. The decline in output of tea in Kenya resulted in higher prices and earnings for Burundi's tea.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 07 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	120.05	15,32,000	10,26,000
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	115.58	3,72,000	2,95,000

(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 tea and fair for Leaf variety. Prices declined in line with quality. Withdrawals were noticed in the Leaf variety. Buying interest was noticed from Western India and local buyers. There was some demand from the exporters and Hindustan Unilever Limited. The first flush of tea is expected in the market by next month. Prices are likely to notice range –bound to firm tone in the near –term.

Guwahati Tea Auction: Sale No: 07 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	108.75	11,85,000	8,95,000
Dust	106.12	2,19,000	1,66,000

(Source: Associated Brokers)

Prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. Prices declined in line with quality. Buying interest was noticed from North India and Western India buyers. Blenders lent some support to the market. Prices are likely to notice weak tone in the coming week.

Siliguri Tea Auction: Sale No: 07 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	100.80	17,60,000	14,20,000
CTC Leaf	104.77	3,00,000	2,70,000

(Source: Contemporary Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Good Liquoring teas noticed steady tone and other varieties noticed mixed tone. Buying interest was noticed from internal buyers. There was not much demand from the exporters. Prices are likely to notice easy tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 07 (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: 08 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	121.81	929965.30	858137.30
CTC Leaf	99.77	62805.00	61331.00
Orthodox Dust	93.63	9511.00	9511.00
Orthodox Leaf	127.59	180877.00	158115.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There is not much demand in the market around current levels. Buying interest was noticed from the loose tea and local buyers. Weather remains conducive for the crop. Prices are likely to witness easy tone in the coming days.

Coimbatore Tea Auction: Sale No: 07 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	108.07	208685.00	166724.00
CTC Leaf	101.73	120161.00	90323.00
Orthodox Dust	81.52	6713.00	6713.00
Orthodox Leaf	90.83	6833.00	4006.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There is not much demand from the exporters in Iran. Buying support from the blenders and internal buyers lent some support to the market. Prices are likely to notice firm tone in the coming week.

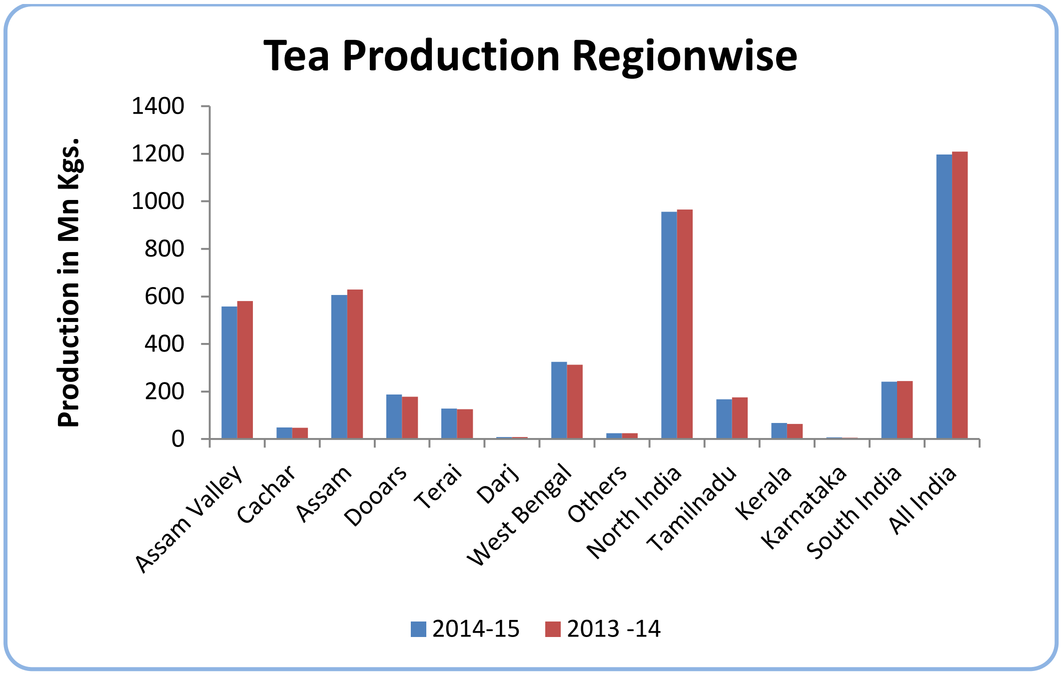
Coonoor Tea Auction: Sale No: 07 (Price in Rs./kg)

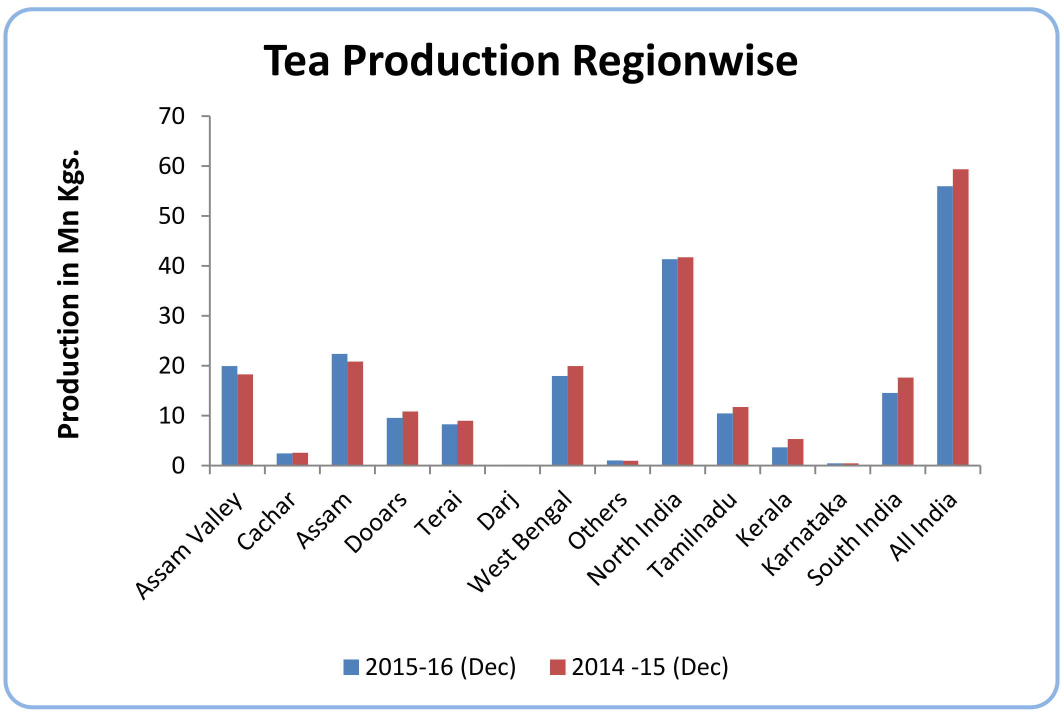
Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	107.94	280333.00	188164.00
CTC Leaf	110.83	599508.00	488348.00
Orthodox Dust	108.37	47797.00	36171.00
Orthodox Leaf	114.95	55140.50	38926.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except slight weakness in CTC Dust variety. Quantity offered on sale increased during the week compared to previous week. Good demand was noticed for Nilgiris Broken variety.

Buying interest was noticed from Hindustan Unilever Limited and North India buyers. Prices are likely to notice positive tone in the near –term





(Source: Tea Board)

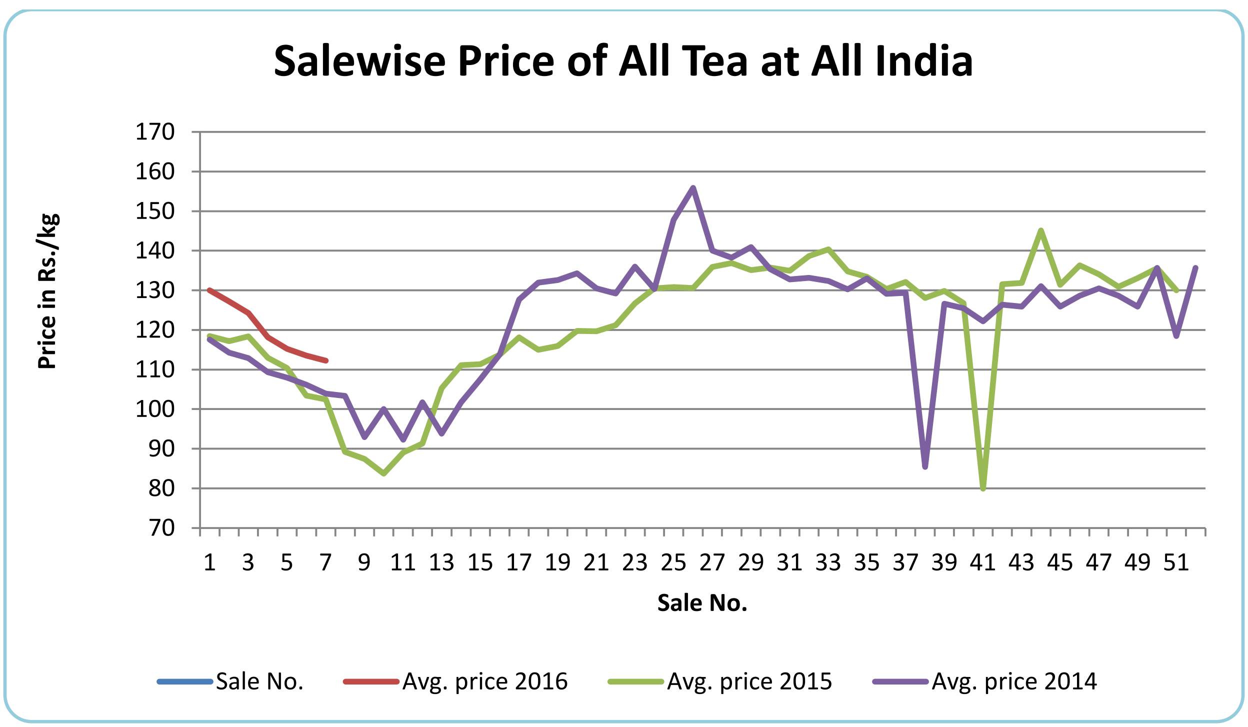
The above graph shows region wise production comparison, between 2015-16 (Sep) and 2014-15 (Sep).during the last two years and in the month of September in comparison with to previous year. In the year 2014 (Apr – Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased 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-Dec 2015 (P)	122.47	2811.41	229.56	95.20	1274.52	133.88	217.67	4085.93	187.71
Jan-Dec 2014	119.89	2850.49	237.76	87.55	1203.53	137.47	207.44	4054.02	195.43
Inc/Dec in %	2.15	-1.37	-3.45	8.74	5.90	-2.61	4.93	0.79	-3.95
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 2016-02-13

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	122.26(121.37)	113.29(101.16)	101.94(97.64)	NS(NS)	121.57(99.95)	110.64(78.95)	105.64(80.87)	84.45(60.67)
Total Tea	123.87(122.72)	113.39(101.12)	101.94(97.64)	NS(NS)	123.63(103.51)	110.58(79.29)	105.38(80.83)	84.45(60.67)

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

Variety	North India	South India	All India
CTC All Dust	111.35 (107.36)	111.56 (84.20)	111.41 (101.50)
Total Tea	111.97 (108.15)	112.97 (86.12)	112.27 (102.45)

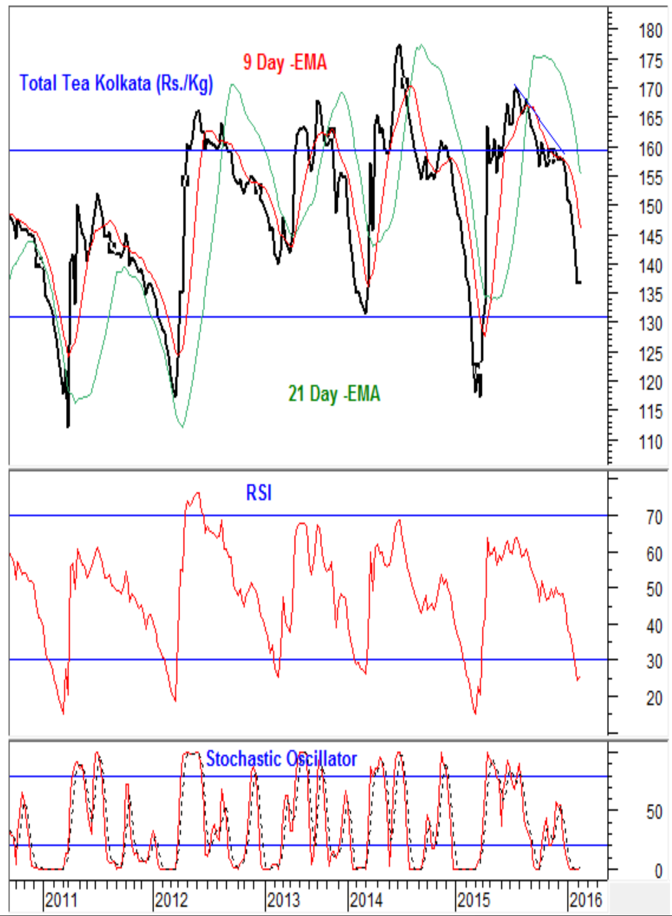
(Source: Tea Board)

Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:
Tea prices noticed steady to slightly firm tone during the week. Prices are likely to notice some recovery in the coming days and are holding below 9 –Day and 21 –Day EMA supporting the overall weak tone of the market. RSI is increasing in the oversold region denoting some recovery in the coming days.

The tea prices are likely to notice short –term recovery towards 130-140 levels. Traders can purchase around current levels for their near –term requirement.



Strategy: Wait For Better Buying Levels

Weekly Supports & Resistances		**S1**	**S2**	**PCP**	**R1**	**R2**
Total Tea	Kolkata	110.00	100.00	123.33	150.00	200.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 06 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	480 - 610	480 - 630
Average Westerns	430 - 470	430 - 470
Plainer Westerns	385 - 420	380 - 420
Western Mediums	390 - 600	330 - 440
Uva Teas	360 - 490	300 - 470
Nuwara Eliya Teas	390 - 650	350 - 440
Udapussellawa Teas	340 - 420	370 - 430
CTC (BP1 and PF1)	300 - 440	300 - 470

In this week's auction, 6.59 million kgs of tea was offered for sale compared to 6.55 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 weak tone. High Grown and Mid Grown CTC's noticed weak tone following quality and Low Grown CTC's witnessed 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 weak tone during the week. The below best and plainer variety noticed mixed tone during the week. There was less demand from Russia, Iran and other Middle –Eastern countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	09		08		07	
Dates	01st/02nd March 2016 No. of Lots	No. of Kgs	23rd/24th February 2016 No. of Lots	No. of Kgs	16th/17th February 2016 No. of Lots	No. of Kgs
Ex Estate	907	1,026,973 kg	966	1,116,967 kg	929	1,082,855 kg
Main Sale Total	9,792	5,183,749 kg	9,449	4,999,164 kg	10,366	5,510,253 kg
High & Medium	1,040	514,274 kg	1,026	519,419 kg	1,055	529,897 kg
Low Growns Leafy Tippy	3,569 2,104	1,656,659 kg 1,219,524 kg	3,688 2,062	1,754,830 kg 1,190,902 kg	4,047 2,177	1,956,895 kg 1,256,579 kg
Premium/Flowery	447	95,628 kg	547	103,166 kg	552	111,560 kg
Off Grades	2,027	1,108,854 kg	1,587	881,156 kg	1,946	1,056,567 kg
Dust	605	588,810 kg	539	549,691 kg	589	598,755 kg
Grand Total	10,699	6,210,722 kg	10,415	6,116,131 kg	11,295	6,593,108 kg
Reprints	660	395,927 kg	908	537,167 kg	1,275	664,832 kg
Scheduled to Close (Ex) Dates (Ms)		11.02.16 12.02.16		05.02.16 05.02.16		28.01.16 29.01.16

Scheduled Closing Dates

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

Auction No. 10 : 08th/09th March 2016

Ex Estate : 18.02.2016

Main Sale : 19.02.2016

Auction No. 11 : 14th/15th March 2016

Ex Estate : 25.02.2016

Main Sale : 26.02.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 07

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
05	$2.33	$2.55	$2.18	$2.42
06	$2.37	$2.52	$2.21	$2.39
07	$2.44	$2.50	$2.29	$2.39

QUOTATIONS	BROKENS	FANNINGS
Best	411 – 497	426 - 505
Good	404 – 428	404 - 451
Good Medium	404 – 446	376 - 451
Medium	421 – 457	298 - 404
Lower Medium	255 – 420	255 - 315
Plain	215 – 289	177 - 292 (SL RUPEES)

During the week good demand was noticed for 9,915,132 kilos of tea on offer. Brighter DUST1s were steady to USC14 higher, with mediums firm to USC10 lower. Lower Mediums were firm to USC8 lower. Prices of Brighter BP1's were firm to USC18 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 firm tone and Dusts noticed steady tone during the week. Other Fannings and BMF's noticed firm tone. There was good demand from Afghanistan, Pakistan Packers, Yemen, Kazakhstan, Sudan, Middle – East countries, Russia, Bazaar and Iran. There was some demand from UK and Egyptian packers. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 07

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	11.120	577.440 Kg	10.820	561.880 Kg	97.31
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	11.120	577.440 Kg	10.820	561.880 Kg	97.31

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.520	142.240 Kg	2.280	128.040 Kg	90.02
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.520	142.240 Kg	2.280	128.040 Kg	90.02
GRAND TOTAL	13.640	719.680 Kg	13.100	689.920 Kg	95.86

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
200-206	190-212	191-192	179-229	156-204	152-172	310-347

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
160-195	165-176	151-164	200-315	142-151

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
160-181	167-205	179-217	192-250	143-190	163-184	-

Market offerings declined to 13,640 paper sacks from 15,120 paper sacks. There was good demand in the market. Average price increased to USDcts 175.68 instead of USDcts 173.19 during last week’s auction. Average price of Orthodox variety increased to USDcts 175.33 and average price of CTC declined to USDcts 177.45. Secondary variety and Fannings noticed weak tone. Quantity sold increased to 95.86% during the period compared to 86.94% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	24/02/16	02/03/16	24/02/16	02/03/16
PTPN. IV	2.600 S	2.600 S	-	-
PTPN. VI	720 S	720 S	640 S	640 S
PTPN. VII	1.160 S	1.160 S	140 S	140 S
PTPN. VIII	7.300 S	7.300 S	1.440 S	1.440 S
PTPN. IX	580 S	580 S	-	-
PTPN. XII	- S	- S	520 S	520 S
Total Estate	12.360 S	12.360 S	2.840 S	2.840 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	12.360 S	12.360 S	2.840 S	2.840 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 40
(In Taka/kg)

QUOTATIONS	BROKENS		FANNINGS
Large/Bold	140-150	Best	211-220
Medium	140-175	Good	205-210
Small	150-200	Medium	140-165
Plain	80-110	Plain	90-110

Tea prices at Bangladesh tea auction noticed weak tone amid higher availability of lower quality leaf in the market. The average price of tea during this week's auction was around USD 2.10/kg. Around 2.20 million kgs of tea was offered for sale and nearly 21.70 percent remained unsold.

There was good demand from blenders for clean and good liquoring varieties and fair demand from loose tea buyers. 35,606 packages of CTC Leaf of old season noticed good demand. 4,814 packages of CTC Dust noticed good buying interest following quality. In CTC Dust, good liquoring varieties noticed steady tone and medium levels noticed steady tone. Good liquoring Broken varieties noticed firm tone. Good liquoring varieties in fannings noticed positive 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	December	23.51	24.30	Up to December	328.96	338.03	- 9.07
North India	December	41.36(E)	41.77	Up to December	963.63 (E)	965.20	- 1.57
South India	December	14.59(E)	17.61	Up to December	227.47 (E)	242.11	- 14.64
Kenya	November	40.38	38.61	Up to November	352.82	400.03	- 47.21
Bangladesh	November	7.75(E)	6.31	Up to November	61.53	59.15	+ 2.38
Malawi	December	3.8(E)	1.8	Up to December	39.4	45.9	- 6.5

(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 9.07 million kgs. to 328.96 million kgs. till December 2015 compared to same corresponding period in 2014. In North India, production has declined by nearly 0.16% and in South India, production has declined by 6.05% respectively till December 2015. Plucking has been lower in South India amid rains in the growing regions.

Currency	19-02-2016	12-02-2016
USD	68.81	68.25
Srilankan Rupee	0.4781	0.4739
Indonesian Rupiah	0.0051	0.0050
Kenyan Shilling	0.6774	0.6705
Bangladeshi Taka	0.8765	0.8676

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone during the week. Quantity offered on sale declined during the week compared to previous week. In North India, the first flush of tea is expected in the market by next month. The quality of leaf is likely to improve in the coming days. In South India, good demand for Nilgiris Broken variety lent support to the market. There is not much demand from the exporters in Iran. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Prices firmed up slightly in Kenya and Indonesia amid lower offerings and good demand in the market. Weather remains conducive in the growing regions. In North India, the new crop is expected in the market by next month. The future offering of tea will decline at Sri Lankan and Indonesia tea auctions. Prices are likely to notice range –bound to firm tone in the coming week.

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