



News Highlights.

- In the Union Budget 2016 -17, there was no announcement for the tea sector which wanted concessions for small planters, waiver of import duty on processing machines and promotion of the products in international markets.
- Siliguri, the heartland of Indian tea is hosting the 4th India Tea Forum this week organized by the Confederation of Indian Industry (CII) in association with many other bodies including West Bengal State Government and Indian Tea Board. It is a two days mega long event with an aim towards large scale interaction between all sectors of stake holders associated with the tea industry. Among the participants at the event are top executives from Tata Global Beverages, Wagh Bakri Tea, Girnar Tea, Society Tea, J Thomas & Company Pvt Ltd, Small Tea Growers Association, Mohani Tea Leaves Pvt Ltd, JV Gokal & Company, Paramount Tea Marketing Pvt Ltd, Siliguri Tea Auction Committee, Siliguri Tea Traders Association, Jivraj Tea Ltd, Parcon, Duncuns, Goodricke and Tata Tea and many others.
- An exotic clonal tea from Upper Namring tea estate in Darjeeling has fetched a high price of Rs.10000/kg. This is the highest price this season for first flush of tea. The exotic clonal tea is a new plantation, planted at Namring about five years ago. It is grown at about 4,500 feet altitude and takes about five years to develop completely.
- At the starting of the season, high price of the tea has buoyed the mood of the tea industry. The Darjeeling tea industry has not been doing well for the last few years. In 2012-2013, Darjeeling tea fetched Rs 550-600 per kilo on an average according to industry sources.
- The Assam Chah Mazdoor Sangha (ACMS) took up an agitation programme across 800 tea gardens of sState in protest against the Centre's withdrawal of subsidized ration for tea garden workers. Activists of the organization staged a dharna in front of their respective tea gardens during the week and went on a strike for two hours in support of their demands.
- The Tea Board has announced the average price for green leaf at Rs.16.50/kg for March 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. The average price was Rs.12.50/kg in December 2015 and has been increasing thereon.
- Global tea output declined by 4.2% in the calendar year 2015 following unfavourable weather in the producing countries. Global black tea production declined to 2089.89 million kg in 2015 compared to 2186.63 million kg in the previous year. The biggest decline of 45.90 million kg was recorded by Kenya at 399.20 million kg followed by India with production declining by 16.21 million kg to 1191.10. Production also declined in other countries like Malawi, Uganda, Tanzania etc.



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: 08 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	108.89	8,92,000	7,14,000
Dust	115.22	1,91,000	1,72,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Prices declined in all categories following quality. There was some demand from the internal buyers. There was not much demand from the blenders. Prices are likely to notice range –bound to firm tone in the near –term.

Siliguri Tea Auction: Sale No: 09 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	102.50	6,40,000	4,80,000
CTC Leaf	101.70	60,000	54,000

(Source: Contemporary Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Clean and Well Made teas noticed good demand and others declined in line with quality. There was good demand from the internal buyers in the market and some enquiry was noticed from the exporters. Prices are likely to notice range –bound to weak tone in the near –term.

**Jalpaiguri Tea Auction: Sale No: 09 (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: 10 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	110.83	975302.20	792528.90
CTC Leaf	92.05	72835.00	53060.00
Orthodox Dust	85.59	8439.00	5268.00
Orthodox Leaf	132.83	132338.00	99018.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week except slight firmness in Orthodox Leaf variety. Quantity offered on sale declined during the week compared to previous week. There was some export demand for Orthodox Leaf variety. Buying interest was noticed from Kerala State Civil Supplies and internal buyers in the market. Prices are likely to notice weak tone in the coming days.

Coimbatore Tea Auction: Sale No: 09 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	99.39	196616.00	142188.00
CTC Leaf	95.25	124900.00	74312.00
Orthodox Dust	84.27	2018.00	1322.00
Orthodox Leaf	88.72	5116.00	4226.00

(Source: Paramount Marketing, Coimbatore)

Prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. There was not much demand from the loose tea buyers. Weather is mostly dry in the growing regions. Prices are likely to notice range –bound to weak tone in the near –term.

Coonoor Tea Auction: Sale No: 09 (Price in Rs./kg)

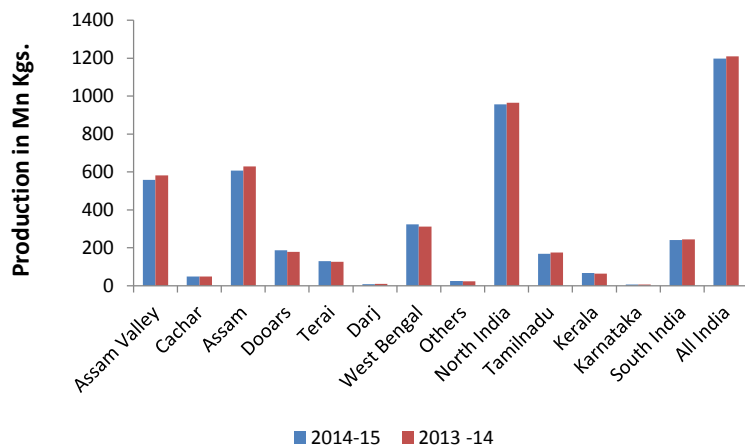
Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	99.10	363897.00	252201.00
CTC Leaf	100.62	720975.00	461438.00
Orthodox Dust	101.64	56190.00	45986.00
Orthodox Leaf	105.60	58422.00	47540.00

(Source: Paramount Marketing, Coimbatore)

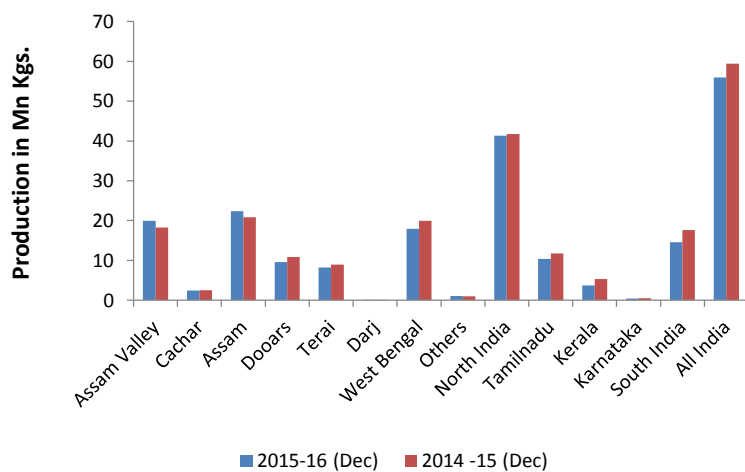


Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. Arrival of good quality leaf is expected in the coming days. There was some demands from the blenders around current levels. Prices are likely to notice weak tone in the coming week.

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.

Comment [U1]: Please consider whether this information is still required. This pertains to Sept 2015. Also the data below refers to the period upto Jan 2015

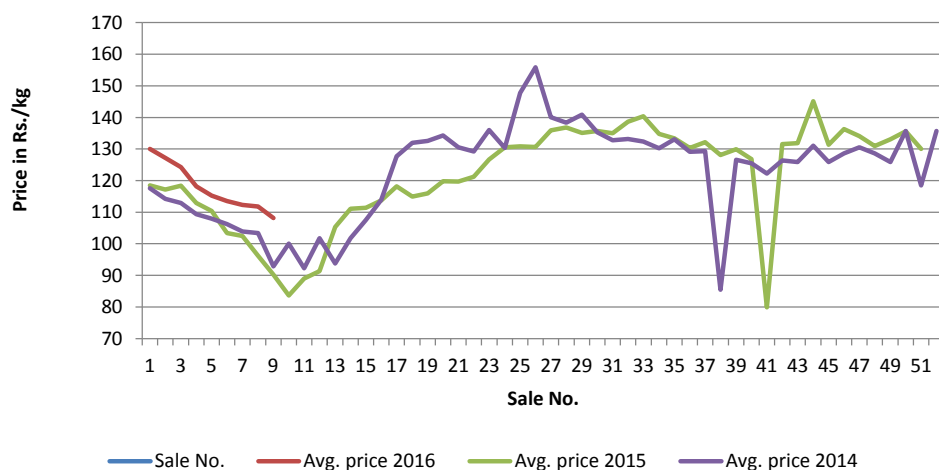
REGIONWISE QUARTERLY EXPORTS:

(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

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, 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 2016-02-27

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	109.77(96.04)	108.52(104.08)	NS(82.23)	NS(NS)	114.44(98.60)	106.62(78.55)	103.37(80.90)	82.49(63.62)
Total Tea	109.77(96.04)	108.51(104.10)	NS(82.23)	NS(NS)	116.29(101.85)	106.78(79.05)	103.11(80.76)	82.49(63.62)

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

Variety	North India	South India	All India
CTC All Dust	109.09 (92.01)	106.22 (83.98)	107.49 (89.79)
Total Tea	109.09 (92.01)	107.41 (85.87)	108.13 (90.24)

(Source: Tea Board)

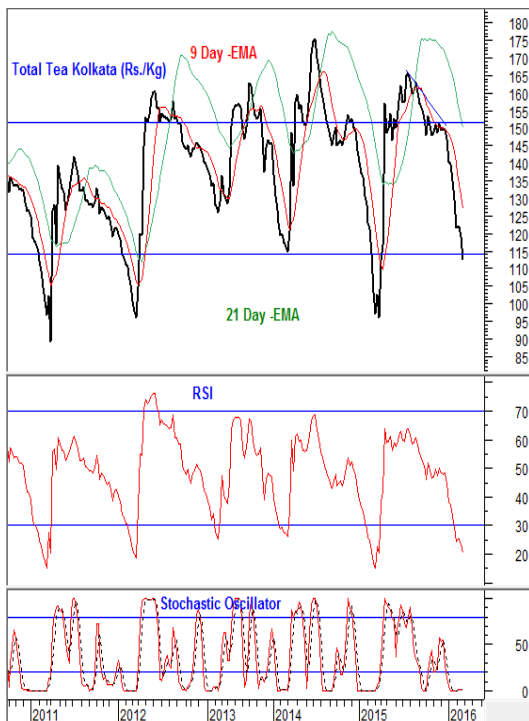
Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:

Tea prices witnessed easy tone during the week. Prices are likely to decline towards 100 levels in the coming days 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 100 levels in the coming days. Traders can wait for better buying levels for their medium –term requirement.



Strategy: Wait For Better Buying Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	100.00	90.00	109.77	150.00	200.00



International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 09 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	500 - 1100	480 - 610
Average Westerns	450 - 490	420 - 470
Plainer Westerns	400 - 440	390 - 410
Western Mediums	410 - 840	335 - 435
Uva Teas	330 - 480	310 - 440
Nuwara Eliya Teas	375 - 780	400 - 510
Udapussellawa Teas	380 - 420	370 - 440
CTC (BP1 and PF1)	320 - 445	300 - 490

In this week's auction, 6.21 million kgs of tea was offered for sale compared to 6.12 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's noticed positive tone and BOPF's noticed firm tone. High Grown and Mid Grown CTC's witnessed easy 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 weak tone. In the Tippy catalogues, better made FBOP and FF1's noticed weak tone during the week. The below best and plainer variety noticed easy tone during the week. There was fair demand from Russia and selective demand from Iran. Some buying interest was noticed from Turkey and other Middle –Eastern countries.



DETAILS OF TEAS AWAITING SALE

AUCTION NO.	11		10		09	
Dates	14 th /15 th March 2016		08 th / 09 th March 2016		01 st /02 nd March 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	908	1,024,010 kg	908	1,016,909 kg	907	1,026,973 kg
Main Sale Total	9,308	4,993,761 kg	10,087	5,315,318 kg	9,792	5,183,749 kg
High & Medium	1,002	497,574 kg	1,073	519,903 kg	1,040	514,274 kg
Low Grown	3,419	1,619,221 kg	3,690	1,735,142 kg	3,569	1,656,659 kg
	1,949	1,132,565 kg	2,239	1,291,102 kg	2,104	1,219,524 kg
Tippy						
Premium/Flowery	511	106,157 kg	542	112,316 kg	447	95,628 kg
Off Grades	1,826	1,029,835 kg	1,969	1,085,490 kg	2,027	1,108,854 kg
Dust	601	608,409 kg	574	571,365 kg	605	588,810 kg
Grand Total	10,216	6,017,771 kg	10,995	6,332,227 kg	10,699	6,210,722 kg
Reprints	837	493,923 kg	826	433,133 kg	660	395,927 kg
Scheduled to Close (Ex)		25.02.16		18.02.16		11.02.16
Dates (Ms)		26.02.16		19.02.16		12.02.16



Scheduled Closing Dates

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

Auction No. 12 : 21st/23rd March 2016

Ex Estate : 03.03.2016

Main Sale : 04.03.2016

Auction No. 13 : 29th/30th March 2016

Ex Estate : 10.03.2016

Main Sale : 11.03.2016

(Source: John Keells Tea Brokers)

**Kenya Tea Auction (Mombasa): Sale No: 09**

QUOTATIONS	BROKENS	FANNINGS
Best	393 - 512	387 - 460
Good	385 - 413	385 - 419
Good Medium	385 - 470	335 - 422
Medium	370 - 427	296 - 366
Lower Medium	263 - 362	233 - 308
Plain	213 - 290	191 - 276(SL RUPEES)

During the week good demand was noticed for 9,357,930 kilos of tea on offer. Brighter DUST1s were USC4 to USC26 lower, with mediums firm to USC20 lower. Lower Mediums were firm to USC12 lower. Prices of Brighter BP1's were firm to USC26 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 steady tone during the week. Well sorted clean coloury Fannings and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed steady to firm tone. There was good demand from Pakistan Packers, Yemen, Bazaar, Iran, Egyptian packers and Middle –East countries. There was some demand from U.K. and Russia. Buying interest was noticed from Sudan, Kazakhstan and other CIS countries. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)



Indonesia Tea Auction (Jakarta): Sale No: 09

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	10.700	551.660 Kg	10.300	530.080 Kg	96.09
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---
TOTAL	10.700	551.660 Kg	10.300	530.080 Kg	96.09
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.940	108.220 Kg	1.680	93.680 Kg	86.56
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---
TOTAL	1.940	108.220 Kg	1.680	93.680 Kg	86.56
GRAND TOTAL	12.640	659.880 Kg	11.980	623.760Kg	94.53

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
200-214	181-202	180-215	169-208	164-191	145-165	317-347

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
161-195	157-165	143-157	313	143-150

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
162-174	171-220	176-227	197-217	147-173	162-190	-

Market offerings declined to 12,640 paper sacks from 13,120 paper sacks. There was good demand in the market. Average price declined to USDcts 173.89 instead of USDcts 174.34 during last week's auction. Average price of Orthodox variety increased to USDcts 172.61 and average price of CTC declined to USDcts 181.21. Secondary variety and Fannings noticed weak tone. Quantity sold increased to 94.53% during the period compared to 94.00% during last auction.



OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	08/03/16	16/03/16	08/03/16	16/03/16
PTPN. IV	1.780 S	2.060 S	-	-
PTPN. VI	280 S	280 S	340 S	440 S
PTPN. VII	960 S	800 S	160 S	240 S
PTPN. VIII	8.580 S	8.920 S	1.360 S	2.080 S
PTPN. IX	440 S	220 S	-	-
PTPN. XII	- S	- S	300 S	460 S
Total Estate	12.040 S	12.280 S	2.160 S	3.220 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	12.040 S	12.280 S	2.160 S	3.220 S

(Source: TEH)



Bangladesh Tea Auction (Chittagong): Sale No: 42

(In Taka/kg)

QUOTATIONS	BROKENS		FANNINGS
Large/Bold	140-150	Best	210-215
Medium	140-170	Good	202-208
Small	150-180	Medium	150-180
Plain	90-120	Plain	90-120

Tea prices at Bangladesh tea auction noticed positive tone amid good demand for quality leaf and lower availability in the market. The average price of tea during this week's auction was around USD 2.00/kg. Around 1.17 million kgs of tea was offered for sale and nearly 13.60 percent remained unsold.

There was good demand from blenders for clean and good liquoring varieties and fair demand from loose tea buyers. 18,641 packages of CTC Leaf of old season noticed good demand. 2,878 packages of CTC Dust noticed good buying interest following quality. In CTC Dust, good liquoring varieties noticed steady tone and medium levels noticed firm tone. Good liquoring Broken varieties noticed withdrawals in the market. Good liquoring varieties in fannings noticed positive tone during the week. Good liquoring Dusts witnessed 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>2016*</u>	<u>2014</u> <u>2015*</u>	<u>CUMULATIVE</u>	<u>2015</u> <u>2016*</u>	<u>2014</u> <u>2015*</u>	<u>CUMULATIVE</u> <u>+ INC./-DEC.</u>
Sri Lanka	January*	25.08*	23.26*	Up to January*	25.08*	23.26*	+ 1.82
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	December	46.39	45.07	Up to December	399.21	445.10	- 45.89
Bangladesh	December	4.82	4.73	Up to December	66.35	63.88	+ 2.47
Malawi	December	3.8(E)	1.8	Up to December	39.4	45.9	- 6.5

(Source: John Keells Tea Brokers)

Global tea output declined by 4.2% in the calendar year 2015 following unfavourable weather in the producing countries. Global black tea production declined to 2089.89 million kg in 2015 compared to 2186.63 million kg in the previous year. The biggest decline of 45.90 million kg was recorded by Kenya at 399.20 million kg followed by India with production declining by 16.21 million kg to 1191.10. Production also declined in other countries like Malawi, Uganda, Tanzania etc. In Sri Lanka, production of tea has increased by 1.82 million kgs. to 25.08 million kgs. in January 2016 compared to same corresponding period in 2015. 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	04-03-2016	26-02-2016
USD	67.12	68.70
Srilankan Rupee	0.4633	0.4753
Indonesian Rupiah	0.0052	0.0051
Kenyan Shilling	0.6619	0.6760
Bangladeshi Taka	0.8552	0.8760

Overall Outlook and Recommendation:

In the domestic market, prices noticed mostly weak tone. Quantity offered on sale declined during the week compared to previous week. Arrival of First Flush of tea is expected in the market this month. The new crop arrival is expected to be of good quality and will fetch higher prices this season. In South India, there is not much export demand. Weather is dry and arrivals are declining. Prices are likely to notice range –bound to weak tone in the coming week.

In the global market, prices noticed mixed tone. Quantity offered on sale declined during the week compared to previous week. In Bangladesh, prices noticed recovery amid good demand for quality leaf. In North India, the first flush of tea is expected this month. 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 range –bound to firm tone in the near –term.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>
© 2015 Indian Agribusiness Systems Pvt Ltd.