News Highlights.

- Output of first flush of tea is likely to decline this season amid delay in rains and increased pest proliferation in north West Bengal and the adjoining sub-Himalayan region. A labour strike at Kanan Devan Hill Plantations last year and frost in the Nilgiris this year, have already put pressure on tea supplies in southern India. As such tea prices are expected to increase in the coming days. First flush production, which accounts for nearly 20 per cent of the production in the Terai, Dooars and Darjeeling belt but about 35% in terms of value, requires adequate winter time rainfall.

- According to industry sources, first flush of tea is likely to decline by around 40% this season. However it is early to comment on the same. Some first flush production is there scheduled in for April and there are hopes of rain in the coming days.

- In Tripura, the industry has not grown much in the last few years despite the presence of there are 52 tea gardens employing more than 12000 families., but despite that the industry has not grown much in the last few years. There is an international glut and Tripura tea is not commanding good price compared to other regions. Recently, a one-day seminar on 'Development of Tripura tea Industry - Scope for Speciality Tea' was recently organiszed here to revive the tea industry which during the last few years has not shown much growth.

- The Centre has asked Iranian customs authorities to be more flexible in calculating import duties to correct the disproportionately high levies being imposed on low –priced South India tea in order to make Indian tea more competitive. Iran imposes 20 per cent import duty on tea and charges 9 per cent VAT. A correct calculation of import duty on low-value tea can make a considerable difference to exporters of low-priced tea.

- Each one of around 1.5 lakh workers of all the small tea gardens (STG) in India are going towill get an insurance cover of Rs.2 lakh against own payment of Rs.3.5 only per annum. Under direct support of Indian Tea Board(ITB), the accidental insurance scheme is likely to get introduced pan country from 1st April.

- A blend of 51 per cent tea from the Darjeeling hills with produce from other Himalayan regions used to be termed the 'previous brew' across tea drinking countries in Europe. This will give way to using only tea originating from the hills in northern West Bengal. Germany exports around two million kg of Darjeeling tea followed by Britain and America. From November, as GI will be fully implemented in Germany, a 10 per cent rise in prices of tea is expected according to industry sources.

- 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: 10 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	-	-	-
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	-	-	-

(Source: Parcon)

No Sale in Kolkata.

Guwahati Tea Auction: Sale No: 10 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	103.70	10,26,000	8,11,000
Dust	111.72	2,32,000	2,13,000

(Source: Associated Brokers)

Prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. There was some demand for quality tea in the market. Buying interest was noticed from packeteers and the upcountry buyers. Prices are likely to notice weak tone in the coming days.

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: 10 (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: 11 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	108.60	958938.80	844564.60
CTC Leaf	88.44	77074.00	58105.00
Orthodox Dust	90.32	14515.00	7846.00
Orthodox Leaf	127.26	146089.00	109417.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week except slight firmness in Orthodox Dust variety. Quantity offered on sale increased during the week compared to previous week. There was good demand for Orthodox Dust variety from blenders. There was not much demand from the exporters in the market. Prices are likely to notice range – bound to weak tone in the coming week.

Coimbatore Tea Auction: Sale No: 10 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	98.13	177142.00	137874.00
CTC Leaf	88.17	113239.00	73207.00
Orthodox Dust	87.67	4557.00	2909.00
Orthodox Leaf	93.38	7543.00	6292.00

(Source: Paramount Marketing, Coimbatore)

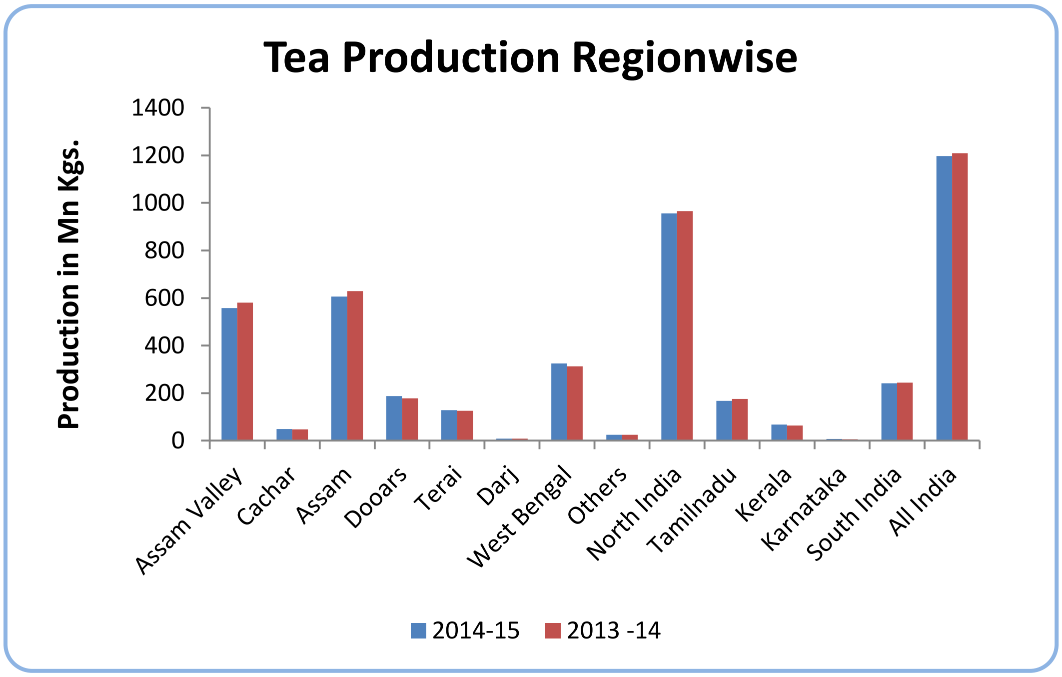
Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. The quality of tea arriving in the market is not up to the market. Weather is dry in the growing regions. Prices are likely to notice weak tone in the coming days.

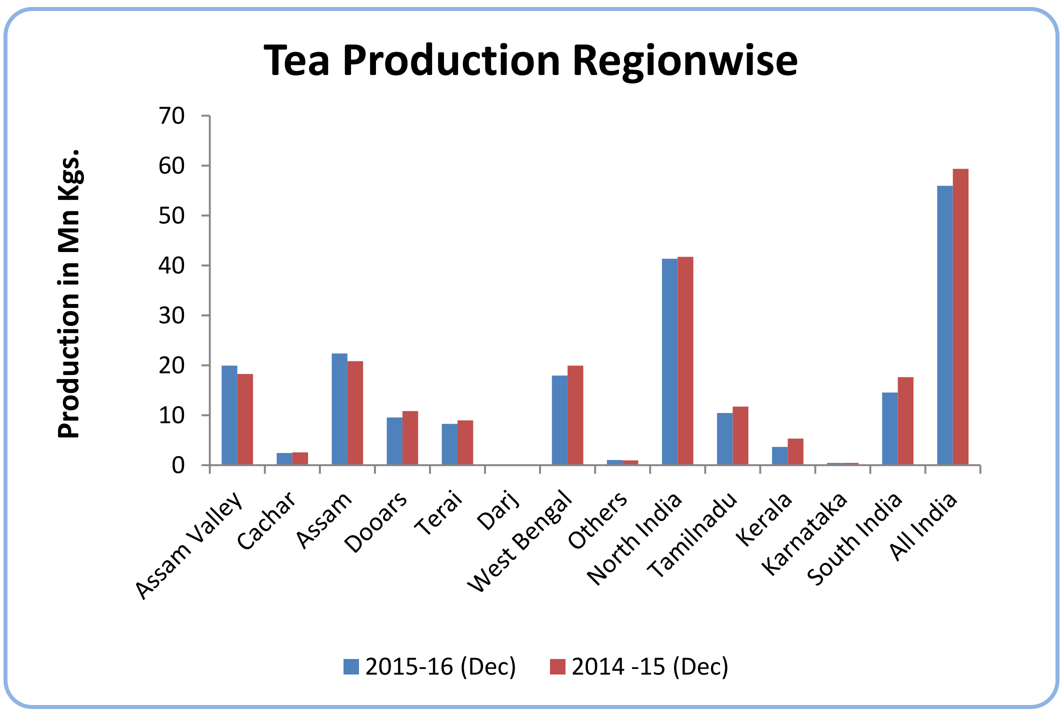
Coonoor Tea Auction: Sale No: 10 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	95.47	361531.00	330679.00
CTC Leaf	92.36	743264.00	475511.00
Orthodox Dust	104.46	56738.00	43279.00
Orthodox Leaf	102.74	66103.50	57824.50

(Source: Paramount Marketing, Coimbatore)

Prices witnessed easy tone during the week except slight firmness in Orthodox Dust variety. Quantity offered on sale declined during the week compared to previous week. There was not much demand for the Nilgiris Broken variety. Buying interest was noticed from the local and loose tea buyers. 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

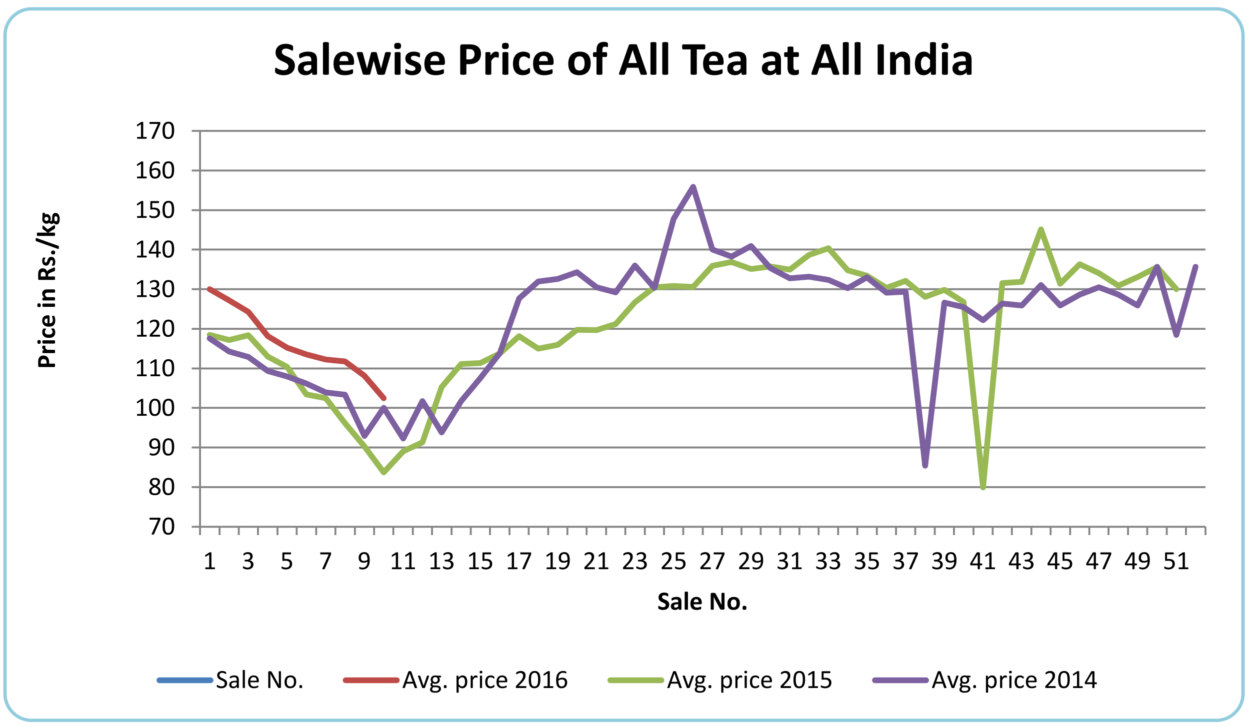
Assam. In the current year in the month of September, production of tea in India declined by 5.42% to 148.81 million kgs. in comparison to the same corresponding period last year following owing to lack of suitable temperature and rainfall mainly in north India.

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-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.

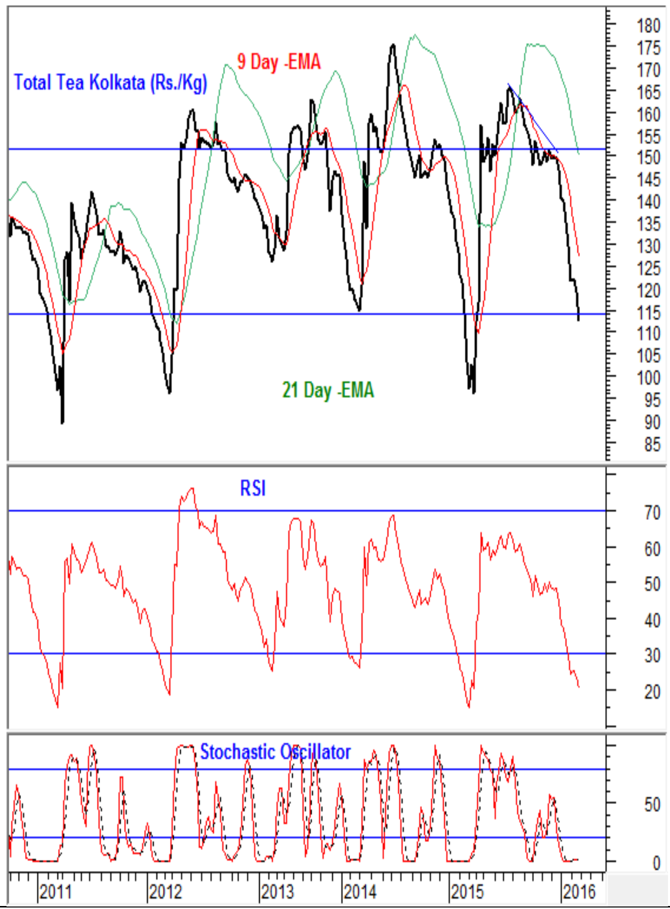
Weekly Average Prices at Indian Auction Centers for week ending 2016-03-05

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	NS(86.73)	NS(101.00)	102.43(NS)	NS(NS)	109.51(95.77)	100.18(79.32)	97.89(80.54)	79.83(65.12)
Total Tea	NS(86.73)	NS(100.98)	102.43(NS)	NS(NS)	111.94(98.44)	100.50(79.91)	97.71(80.69)	79.83(65.12)

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

Variety	North India	South India	All India
CTC All Dust	102.43 (92.55)	101.03 (84.19)	101.38 (88.52)
Total Tea	102.43 (92.55)	102.49 (85.80)	102.48 (89.20)

(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: 10 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	600 - 1150	480 - 620
Average Westerns	450 - 590	450 - 470
Plainer Westerns	400 - 440	410 - 440
Western Mediums	400 - 600	360 - 470
Uva Teas	320 - 490	350 - 460
Nuwara Eliya Teas	425 - 800	380 - 460
Udapussellawa Teas	390 - 445	410 - 470
CTC (BP1 and PF1)	320 - 480	300 - 470

In this week's auction, 6.233 million kgs of tea was offered for sale compared to 6.21 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 witnessed easy 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 weak tone during the week. There was good demand from Russia, Iran, Turkey and other Middle –Eastern countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	12		11		10	
Dates	21st/23rd March 2016		14th/15th March 2016		08th/ 09th March 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	951	1,083,610 kg	908	1,024,010 kg	908	1,016,909 kg
Main Sale Total	9,692	5,163,519 kg	9,308	4,993,761 kg	10,087	5,315,318 kg
High & Medium	1,022	498,435 kg	1,002	497,574 kg	1,073	519,903 kg
Low Growns Leafy	3,647	1,757,620 kg	3,419	1,619,221 kg	3,690	1,735,142 kg
Tippy	2,036	1,160,081kg	1,949	1,132,565 kg	2,239	1,291,102 kg
Premium/Flowery	513	101,779 kg	511	106,157 kg	542	112,316 kg
Off Grades	1,913	1,077,160 kg	1,826	1,029,835 kg	1,969	1,085,490 kg
Dust	561	568,444 kg	601	608,409 kg	574	571,365 kg
Grand Total	10,643	6,247,129 kg	10,216	6,017,771 kg	10,995	6,332,227 kg
Reprints	513	306,189 kg	837	493,923 kg	826	433,133 kg
Scheduled to Close (Ex)		03.03.16		25.02.16		18.02.16
Dates (Ms)		04.03.16		26.02.16		19.02.16

Scheduled Closing Dates

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

Auction No. 14 : 04th/05th April 2016

Ex Estate : 17.03.2016

Main Sale : 18.03.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 10

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
08	$2.56	$2.41	$2.38	$2.30
09	$2.67	$2.42	$2.50	$2.33
10	$2.85	$2.37	$2.64	$2.27

QUOTATIONS	BROKENS	FANNINGS	
Best	378 – 501	376 – 462	
Good	374 – 416	371 - 405	
Good Medium	356 – 493	328 - 408	
Medium	342 – 386	299 - 375	
Lower Medium	264 – 362	231 - 292	
Plain	222 – 279	194 – 276	(SL RUPEES)

During the week good demand was noticed for 9,097,239 kilos of tea on offer. Brighter DUST1s were firm to USC22 lower, with mediums firm to USC8 lower. Lower Mediums were firm to USC8 lower. Prices of Brighter BP1's were firm to USC22 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's noticed positive tone and PF's noticed steady tone during the week. Well sorted clean colour Fannings witnessed easy tone and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed firm tone. There was good demand from Pakistan Packers, Bazaar and Iran. Buying interest was noticed from Egyptian packers, Sudan and U.K. There was some demand from Yemen, Russia, Afghanistan, Kazakhstan, other Middle –East and CIS countries. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 10

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	12.020	628.480 Kg	11.240	588.400 Kg	93.62
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	12.020	628.480 Kg	11.240	588.400 Kg	93.62

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.160	117.940 Kg	2.020111.760 Kg		94.76
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.160	117.940 Kg	2.020	111.760 Kg	94.76
GRAND TOTAL	14.180	746.420 Kg	13.260	700.160Kg	93.80

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	**BOP**	**BOPF**	**PF**	**DUST**	**BT**	**BP**
201-208	185-222	180-215	160-202	163-193	146-166	321

Orthodox Secondary Grades				
PF.II	**DUST.II**	**BT.II**	**BP.II**	**DUST.III**
160-185	154-176	143-157	292	146-152

CTC First and Secondary Grades						
BP.1	**PF.1**	**PD**	**D.1**	**FANN**	**D.2**	**D.3**
158-173	175-223	178-233	200-244	135-168	170-194	-

Market offerings increased to 14,180 paper sacks from 12,640 paper sacks. There was good demand in the market. Average price declined to USDcts 172.42 instead of USDcts 173.89 during last week's auction. Average price of Orthodox variety declined to USDcts 171.22 and average price of CTC declined to USDcts 178.25. Secondary variety and Fannings noticed weak tone. Quantity sold declined to 93.80% during the period compared to 94.53% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	16/03/16	23/03/16	16/03/16	23/03/16
PTPN. IV	2.060 S	2.060 S	-	-
PTPN. VI	280 S	280 S	440 S	440 S
PTPN. VII	800 S	800 S	240 S	240 S
PTPN. VIII	8.920 S	8.520 S	2.080 S	1.280 S
PTPN. IX	220 S	220 S	-	-
PTPN. XII	- S	- S	460 S	460 S
Total Estate	12.280 S	11.880 S	3.220 S	2.420 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	12.280 S	11.880 S	3.220 S	2.420 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 43

(In Taka/kg)

QUOTATIONS	BROKENS		FANNINGS
Large/Bold	120-135 nom	Best	200-210
Medium	120-145	Good	180-190
Small	130-155	Medium	130-150
Plain	90-120	Plain	90-120

Tea prices at Bangladesh tea auction noticed positive tone amid availability of poor quality leaf in the market. The average price of tea during this week's auction was around USD 1.90/kg. Around 555.641 kg of tea was offered for sale and nearly 26.80 percent remained unsold.

There was good demand from blenders for clean and good liquoring varieties and fair demand from loose tea buyers. 8,525 packages of CTC Leaf of old season noticed good demand. 1,667 packages of CTC Dust noticed good buying interest following quality. In CTC Dust, good liquoring varieties noticed weak tone and medium levels noticed firm tone. Good liquoring Broken varieties noticed good demand in the market around lower levels. Good liquoring varieties in fannings noticed weak during the week. Good liquoring Dusts witnessed easy tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

Country	MONTH	2015 2016*	2014 2015*	CUMULATIVE	2015 2016*	2014 2015*	CUMULATIVE + INC./-DEC.
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	11-03-2016	04-03-2016
USD	67.11	68.70
Srilankan Rupee	0.4633	0.4753
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6620	0.6760
Bangladeshi Taka	0.8735	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. In North India, Sale No.9 -12 has been dropped off in Kolkata this season following lack of availability of leaf in the market. The arrival of first flush of tea is expected in few days. In South India, the quality of leaf coming in the market is not up to the mark. Prices are likely to notice range –bound to weak tone in the near –term.

In global market, prices noticed range –bound to weak tone during the week. Quantity offered on sale declined during the week compared to previous week. In Bangladesh, there is lack of availability of good quality leaf. There is not much export demand in the market around current levels. In North India, arrival of good quality leaf is expected by next month. The future of tea is likely to decline at Sri Lankan and Indonesian tea auctions in the coming week. Prices are likely to notice weak tone in the coming week.