News Highlights.

- According to the state -run Tea Board, output of tea in January 2016 declined by 16.3 per cent to 17.87 million kg compared to the same corresponding period previous year. Production in South India declined by 15.2 per cent to 14.56 million kg. During the period April –January, production was reported at 1127.67 million kg.

- The process of selecting best teas has begun in South India. The process of selecting the best tea from various agro climatic regions is based on a multi-layer screening process using a scoring system that capture various quality attributes of tea such as dry leaf appearance, infused or spent leaf appearance, liquor attributes such as colour, aroma, briskness and strength in an objective manner.

- Several companies have expressed interest in taking over Dem Dima Tea Estate of the Duncan Group in North Bengal. In a notification in end-January, the Union Commerce Ministry had announced its intent of acquiring seven of the 14 tea estates of the G. P. Goenka Group, which controls Duncan Group, in North Bengal.

- According to the Tea Board of India, tea exports increased by 11 per cent to Rs.3597.41 crore during April 2015–January 2016 of the current fiscal year compared to Rs.3240.90.78 crore during the same corresponding period previous year. In terms of volume, exports to neighbouring countries increased to 186.63 million kg. compared to 164.88 million kg during the same corresponding period previous year. During the first ten months of the fiscal year, exports to Pakistan increased by 560 percent to Rs.160.82 crore.

- Battery major Eveready Industries India Ltd is planning to rejig its tea business and drawing a new strategy for the same. Packet tea will be a key driver. The company is working on it and in the couple of months, it will be able to share a clearer picture on plans.

- The 6th edition of the Global Dubai Tea Forum, hosted by Dubai Multi Commodities Centre (DMCC), will take place from 5th-7th April 2016. The forum is expected to draw more than 300 delegates from over 30 tea producing and consuming countries, bringing together producers, merchant exporters, buyers, blenders, machine manufacturers, raw material suppliers and government entities to discuss opportunities and challenges in the industry. In 2015, the DMCC Tea Centre handled 41 million kilos of tea through its centre in Dubai with a growth rate of 208% over the past three years. It currently processes teas from 13 different countries.

- Sri Lanka’s economic growth slowed to 4.8 per cent in 2015 amid lower exports of tea according to official sources. According to the Department of Census and Statistics, in 2015 tea production dropped by 2.6 per cent to about USD 545 million, while exports fell by nearly seven percent to 306 million kg (673 million pounds).

- 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: 11 (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: 11 (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: 12 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	112.97	969136.10	928149.70
CTC Leaf	87.63	76768.00	60339.00
Orthodox Dust	96.42	10024.00	6652.00
Orthodox Leaf	132.50	135033.00	101417.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week, except slight weakness in CTC Leaf variety. Quantity offered on sale declined during the week compared to previous. Buying interest was noticed from Kerala State Civil Supplies. There was not much demand from the exporters in the market. Prices are likely to notice range –bound to firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 11 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	100.01	190889.00	166558.00
CTC Leaf	88.34	141771.00	90600.00
Orthodox Dust	96.60	4452.00	1490.00
Orthodox Leaf	96.04	4151.00	3241.00

(Source: Paramount Marketing, Coimbatore)

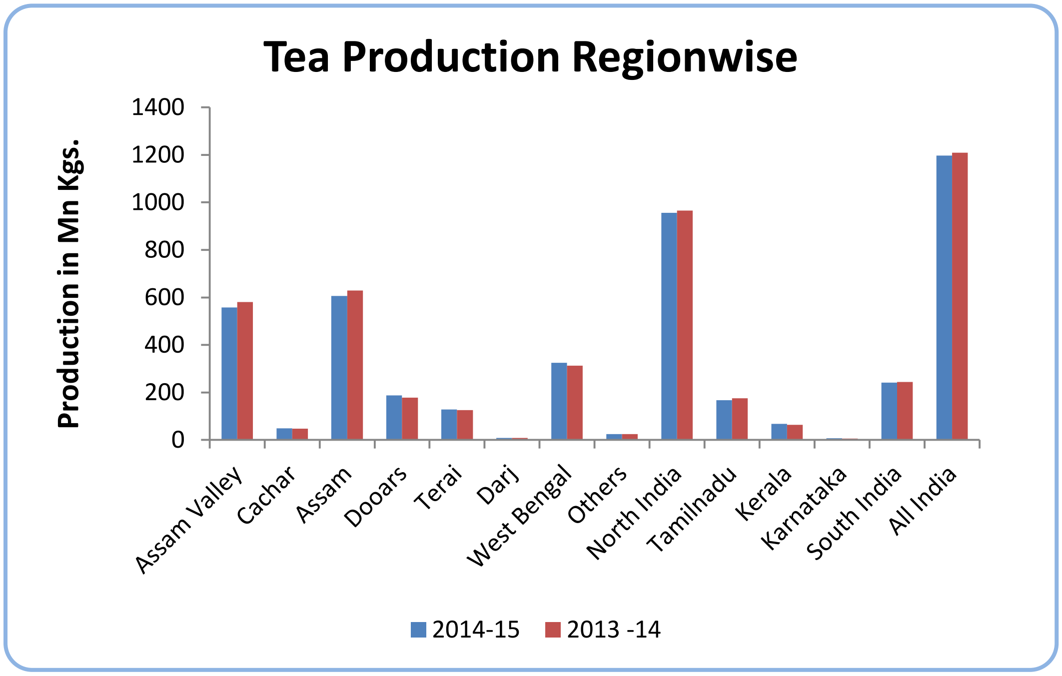
Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Nilgiri Broken variety. The quality of leaf arriving in the market is expected to improve in the coming days. Prices are likely to notice positive tone in the coming week.

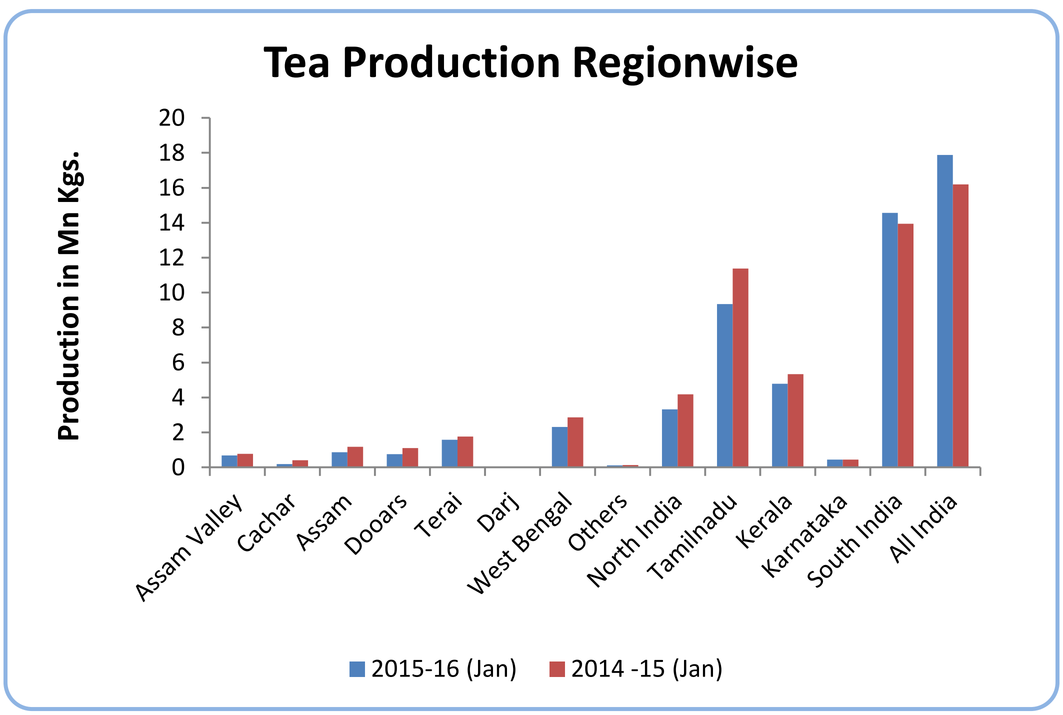
Coonoor Tea Auction: Sale No: 11 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	96.07	357883.00	328117.00
CTC Leaf	88.88	820265.00	632525.00
Orthodox Dust	99.97	47897.00	37908.00
Orthodox Leaf	102.21	48305.50	40566.50

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand from the blenders and local buyers in the market. There was some rain in the growing regions. Prices are likely to notice firm tone in the coming days.





(Source: Tea Board)

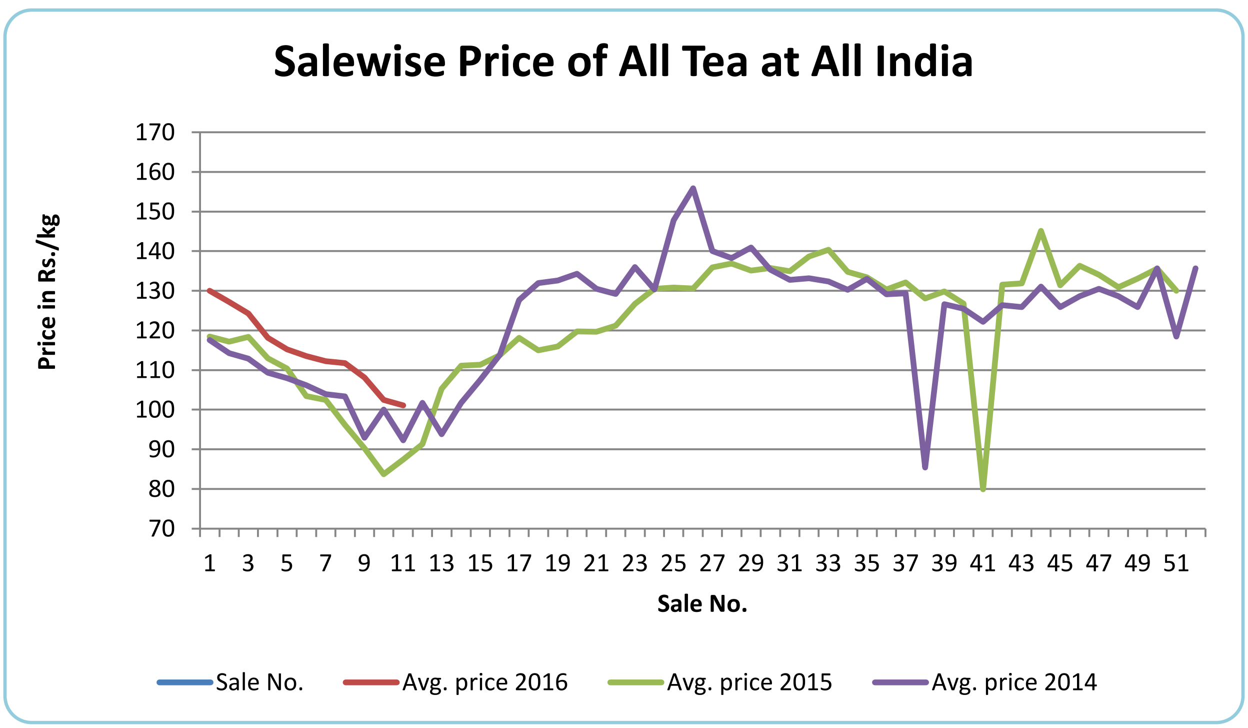
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam. In the current year in the month of January, production of tea in India declined by 16.30% to 17.87 million kg 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 2016	12.72	280.50	220.52	7.36	98.84	134.29	20.08	379.34	188.91
Jan 2015	9.24	188.22	203.70	7.68	96.90	126.17	16.92	285.12	168.51
Inc/Dec in %	37.66	49.03	8.26	-4.17	2.00	6.44	18.68	33.05	12.11
Jan-Dec 2014 (P)	107.41	2522.61	234.86	79.22	1074.80	135.67	186.63	3597.41	192.76
Jan-Dec 2013	93.06	2255.37	242.36	71.82	985.53	137.22	164.88	3240.90	196.56
Inc/Dec in %	15.42	11.85	-3.09	10.30	9.06	-1.13	13.19	11.00	-1.94

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(91.99)	105.35(104.98)	NS(77.08)	NS(NS)	107.11(95.85)	94.19(77.67)	NS(91.99)	105.35(104.98)
Total Tea	NS(94.69)	105.38(104.98)	NS(77.08)	NS(NS)	109.27(98.76)	94.73(78.34)	94.54(79.38)	78.88(66.16)

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

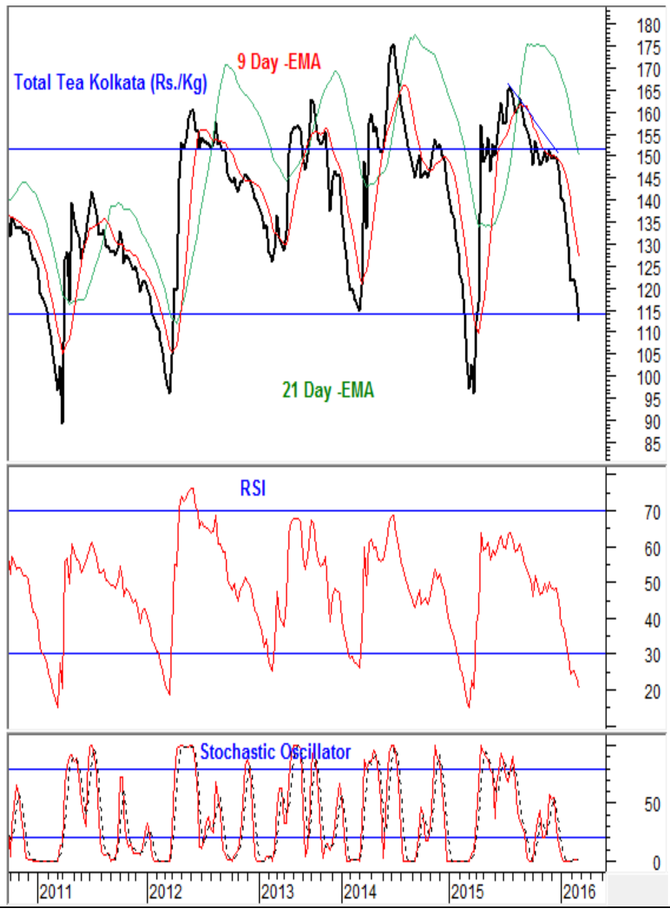
Variety	North India	South India	All India
CTC All Dust	105.35 (87.45)	97.84 (83.26)	100.20 (86.05)
Total Tea	105.38 (88.74)	99.29 (84.86)	101.12 (87.42)

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

	BOP	BOPF
Good Westerns	470 - 740	470 - 510
Average Westerns	440 - 460	430 - 460
Plainer Westerns	390 - 430	400 - 420
Western Mediums	400 - 570	350 - 440
Uva Teas	380 - 470	390 - 435
Nuwara Eliya Teas	390 - 550	370 - 420
Udapussellawa Teas	380 - 435	395 - 450
CTC (BP1 and PF1)	300 - 490	320 - 450

In this week's auction, 6.01 million kgs of tea was offered for sale compared to 6.23 million kgs of tea during the previous week. There was fair 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 noticed firm tone 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 Iran, Middle –Eastern countries and fair demand from Russia and CIS countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	13		12		11	
Dates	29th/30th March 2016 No. of Lots	No. of Kgs	21st/23rd March 2016 No. of Lots	No. of Kgs	14th/15th March 2016 No. of Lots	No. of Kgs
Ex Estate	882	995,438 kg	951	1,083,610 kg	908	1,024,010 kg
Main Sale Total	9,239	4,863,432 kg	9,692	5,163,519 kg	9,308	4,993,761 kg
High & Medium	1,062	523,340 kg	1,022	498,435 kg	1,002	497,574 kg
Low Growns Leafy Tippy	3,456 1,875	1,632,255 kg 1,061,556 kg	3,647 2,036	1,757,620 kg 1,160,081kg	3,419 1,949	1,619,221 kg 1,132,565 kg
Premium/Flowery	490	89,314 kg	513	101,779 kg	511	106,157 kg
Off Grades	1,845	1,054,908 kg	1,913	1,077,160 kg	1,826	1,029,835 kg
Dust	511	502,059 kg	561	568,444 kg	601	608,409 kg
Grand Total	10,121	5,858,870 kg	10,643	6,247,129 kg	10,216	6,017,771 kg
Reprints	388	218,913 kg	513	306,189 kg	837	493,923 kg
Scheduled to Close (Ex) Dates (Ms)		10.03.16 11.03.16		03.03.16 04.03.16		25.02.16 26.02.16

Scheduled Closing Dates

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
Auction No. 15	:	18/19 April 2016
Ex Estate	:	24.03.2016
Main Sale	:	24.03.2016

(Source: John Keells Tea Brokers)

<u>Kenya Tea Auction (Mombasa): Sale No: 11</u>

	SALE 11 HELD ON 14 & 15/03/2016			SALE 11 HELD ON 16 & 17/03/2015		
(in US$ per kg)						
COUNTRY	PRIMARY	SECONDARY	TOTAL	PRIMARY	SECONDARY	TOTAL
Kenya	2.41	1.30	2.33	2.91	1.11	2.76
Uganda	1.77	1.12	1.55	1.43	1.03	1.32
Rwanda	2.51	2.12	2.44	2.83	1.94	2.69
Burundi	2.22	1.63	2.15	2.80	1.73	2.72
Zambia	-	-	-	-	-	-
Tanzania	1.74	1.19	1.48	0.97	0.87	0.89
D R of Congo	1.88	-	1.88	-	-	-
Mozambique	1.69	1.10	1.67	-	-	-
Madagascar	-	-	-	-	-	-
Malawi	-	-	-	-	0.80	0.80
Zimbabwe	-	-	-	-	-	-
Ethiopia	-	-	-	-	-	-
Total	**2.36**	**1.30**	**2.24**	**2.76**	**1.16**	**2.57**

	OFFERED		SOLD*	
Year 2016	*Packages*	*Kilos*	**Packages**	**Kilos**
Kenya	112,699	7,535,643.00	100,859	6,740,026.00
Uganda	16,757	937,722.00	14,259	785,788.00
Rwanda	7,360	491,608.50	4,600	307,170.50
Burundi	4,220	274,553.00	2,680	178,656.00
Tanzania	2,320	117,240.00	2,000	100,652.00
Dem Rep of Congo	199	12,715.00	199	12,714.00
Mozambique	960	55,192.00	840	48,244.00
TOTAL	**144,515**	**9,424,673.50**	**125,437**	**8,173,250.50**

During the week less demand was noticed for 9,424,673 kilos of tea on offer. Brighter DUST1s were USC2 to USC12 higher, with mediums firm to USC20 lower. Lower Mediums were firm to USC4 lower. Prices of Brighter BP1's were firm to USC20 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 firm tone during the week. Well sorted clean coloury Fannings noticed firm tone and Dusts noticed positive tone during the week. Other Fannings and BMF's noticed firm tone. There was good demand from Pakistan Packers, Sudan, Iran, Yemen, Russia, Bazaar and other middle –eastern countries. Buying interest was noticed Kazakhstan, U.K., Egyptian packers and other CIS countries. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 11

ORTHODOX	OFFERED	SOLD	%

PTPN ESTATE	12.260	642.880 Kg	11.500	607.200 Kg	94.45
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	12.260	642.880 Kg	11.500	607.200 Kg	94.45

C.T.C	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	3.220	178.500 Kg	2.960	165.320 Kg	92.62
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	3.220	178.500 Kg	2.960	165.320Kg	92.62
GRAND TOTAL	15.480	821.380 Kg	14.460	772.520Kg	94.05

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	**BOP**	**BOPF**	**PF**	**DUST**	**BT**	**BP**
203-210	**185-222**	**178-196**	**167-195**	**161-187**	**140-160**	**332**

Orthodox Secondary Grades				
PF.II	**DUST.II**	**BT.II**	**BP.II**	**DUST.III**
162-183	**155-168**	**136-150**	**301-312**	**132-159**

CTC First and Secondary Grades						
BP.1	**PF.1**	**PD**	**D.1**	**FANN**	**D.2**	**D.3**
160	**168-227**	**177-230**	**192-230**	**135-177**	**160-197**	**-**

Market offerings increased to 15,480 paper sacks from 14,180 paper sacks. There was good demand in the market. Average price declined to USDcts 168.4263 instead of USDcts 172.42 during last week's auction. Average price of Orthodox variety increased to USDcts 173.77 and average price of CTC declined to USDcts 174.55. Secondary variety and Fannings noticed weak tone. Quantity sold increased to 94.05% during the period compared to 93.80% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	23/03/16	30/03/16	23/03/16	30/03/16
PTPN. IV	1.640 S	1.260 S	-	-
PTPN. VI	380 S	280 S	340 S	320 S
PTPN. VII	440 S	340 S	340 S	240 S
PTPN. VIII	7.100 S	7.420 S	940 S	820 S
PTPN. IX	120 S	120 S	-	-
PTPN. XII	- S	- S	460 S	360 S
Total Estate	9.680 S	9.420 S	2.080 S	1.740 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.680 S	9.420 S	2.080 S	1.740 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 44
(In Taka/kg)

QUOTATIONS	BROKENS		FANNINGS
Large/Bold	100-120	Best	NQTA
Medium	110-130	Good	NQTA
Small	120-135	Medium	120-140
Plain	80-100	Plain	80-100

Tea prices at Bangladesh tea auction noticed weak tone amid availability of poor quality leaf in the market. The average price of tea during this week's auction was around USD 1.70/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. 5,227 packages and 1,369 packages of CTC Leaf of new season noticed good demand. 545 packages and 85 packages of CTC Dust of new season noticed good buying interest following quality. In CTC Dust, good liquoring varieties noticed weak tone and medium levels witnessed easy 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	January	0.11	0.16	Up to January	0.11	0.16	- 0.05
Malawi	January	5.6	6.5	Up to January	5.6	6.5	- 0.9

(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	18-03-2016	11-03-2016
USD	66.50	68.70
Srilankan Rupee	0.4581	0.4753
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6557	0.6760
Bangladeshi Taka	0.8479	0.8760

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone during the week. Quantity offered on sale increased 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. According to industry sources, the production of first flush of tea is likely to decline by around 40% in the current season amid dry weather during the growing season. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. In Bangladesh, it was the last auction of the season and inferior quality leaf was on offer. Dry weather in North India is likely to affect the production of first flush of tea by around 40% according to industry sources. The future offering of tea is likely to increase at Sri Lankan tea auction and decline at Indonesian auction in the coming week. Prices are likely to witness easy tone in the coming days.