News Highlights.

- India's food safety regulator, Food Safety and Standard Authority in India (FSSAI), has set the prescribed limit of iron filings in loose or packaged tea powder at 150 milligrams per kilogram. The regulatory body has directed enforcement officials in all the sStates and Union Territories to implement the directive till the issuance of the final notification in this regard.

- Unfavourable weather in the major tea growing regions of Darjeeling, Dooars and Assam is likely to reduce tea production in India this year by around 5 -10% according to industry sources. There is lack of rain in Darjeeling and parts of Dooars and continuous rains in certain parts of Assam. Ideally the tea gardens should have received 10 inches of rainfall and the gardens had received around 2 inches of sporadic rainfall in March. The output of second flush of tea is likely to decline. The 87 tea estates in Darjeeling produce 8.5-9 million kg annually. According to sources, the extent of crop damage is likely to be clear in next few days.

- The Government is looking to conduct a review of existing taxes and levies governing the production and sale of the key cash crop. Tea farmers in Rift Valley are however, demanding that the Government deliver on promises made two years ago to review the tax policy and harmoniseharmonize it with the existing business environment in competitor tea-exporting countries.

- According to the data released by Tea Board Of India, output of tea increased by 5% in February to 17.02 million kg compared to the same corresponding period previous year. Production in South India increased by 5.75% to 14.75 million kg as plucking gained in the southern sStates.

- According to the data released by Tea Board Of India, exports of tea increased by 10.28% in Jan-Feb 2016 period to 36.26 million kg compared to the same corresponding period previous year. Exports in North India increased by 25.17% to 21.88 million kg during this period. The overall tea shipments were at Rs 3,508.38 crore in the April-February period of the 2015-16 fiscal, according to the Tea Board data.

- Helped by Kenya, the global black tea production in the first two months of current calendar has increased by 19.31 per cent over the same corresponding period of last year. “Global black tea output has increased to 188.66 million kg (mkg) till February. Kenya topped the production table at 94.28 mkg. This was the highest increase in production in any country so far this calendar. The next highest increase of 5.62 mkg was in Malawi where production rose to 11.40 mkg. India recorded a loss of 2.65 mkg to reach 34.89 mkg.

- The African Tea Science Symposium and Exhibition will run from May 23 to 25 while the 22nd Session of the FAO Intergovernmental Group (FAO IGG) on Tea will be held from May 25 to 27, all in Naivasha. The issues to be deliberated include tea trade, policy and governance, product diversification, innovative technologies in production and processing, climate change and mitigation as well as tea health and consumer.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 17 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	152.31	12,89,000	8,22,000
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	161.77	4,57,000	3,22,000

(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. Buying interest was noticed from western India and local buyers. Some export enquiry was noticed in the market. Prices are likely to witness easy tone in the coming week.

Guwahati Tea Auction: Sale No: 17 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	139.97	20,70,000	14,56,000
Dust	140.04	8,97,000	5,84,000

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Withdrawals were noticed in all sorts. There was some demand for the Plainer varieties and fair for other varieties. Buying interest was noticed from Hindustan Unilever Limited and Tata Global. Prices are likely to notice weak tone in the near –term.

Siliguri Tea Auction: Sale No: 16 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	139.53	17,63,000	12,49,000
CTC Dust	130.48	2,16,000	1,75,000

(Source: Contemporary Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was demand around lower levels and prices declined in line with quality. The Common and Plainer Sorts noticed withdrawals in the market. Prices are likely to witness easy tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 17 (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: 17 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	111.34	1079749.20	981140.70
CTC Leaf	90.06	75309.00	58148.00
Orthodox Dust	92.07	10997.00	10190.00
Orthodox Leaf	145.31	137425.00	104496.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Demand for quality leaf supported prices. Buying interest was noticed from the loose tea buyers. Prices are likely to notice range –bound to firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 17 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	105.06	190662.00	181166.00
CTC Leaf	93.94	112310.00	101540.00
Orthodox Dust	87.91	2832.00	2832.00
Orthodox Leaf	100.89	2636.00	2636.00

(Source: Paramount Marketing, Coimbatore)

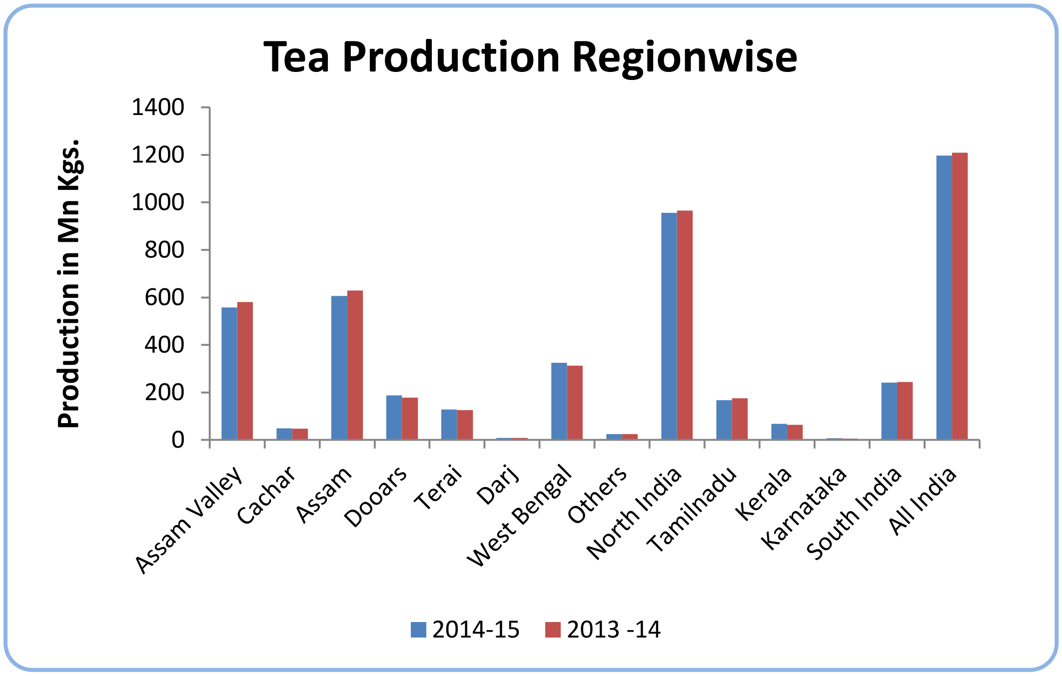
Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Output of tea in the Nilgiris is likely to be affected amid unfavourable weather in the growing regions. There was not much export demand in the market. Prices are likely to notice firm tone in the coming days.

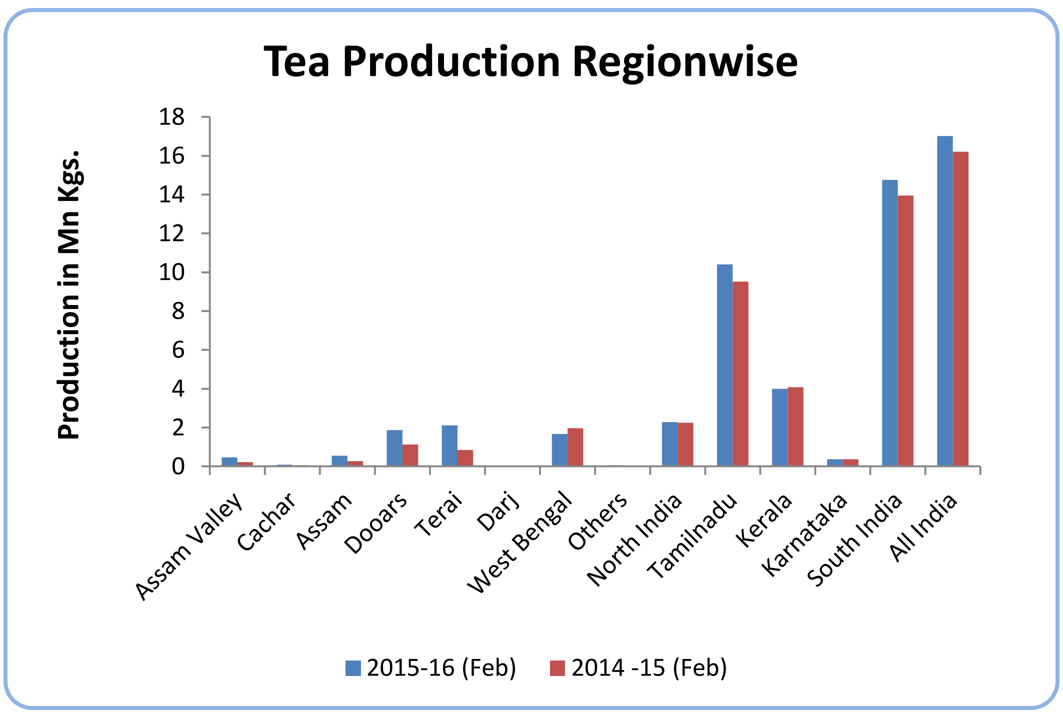
Coonoor Tea Auction: Sale No: 17 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	102.39	254680.00	241786.00
CTC Leaf	91.77	498855.00	485785.00
Orthodox Dust	102.44	40997.00	34244.00
Orthodox Leaf	114.95	46681.00	41927.50

(Source: Paramount Marketing, Coimbatore)

Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for dust variety from the blenders and loose tea buyers. Prices are likely to notice weak tone in the coming week.





(Source: Tea Board)

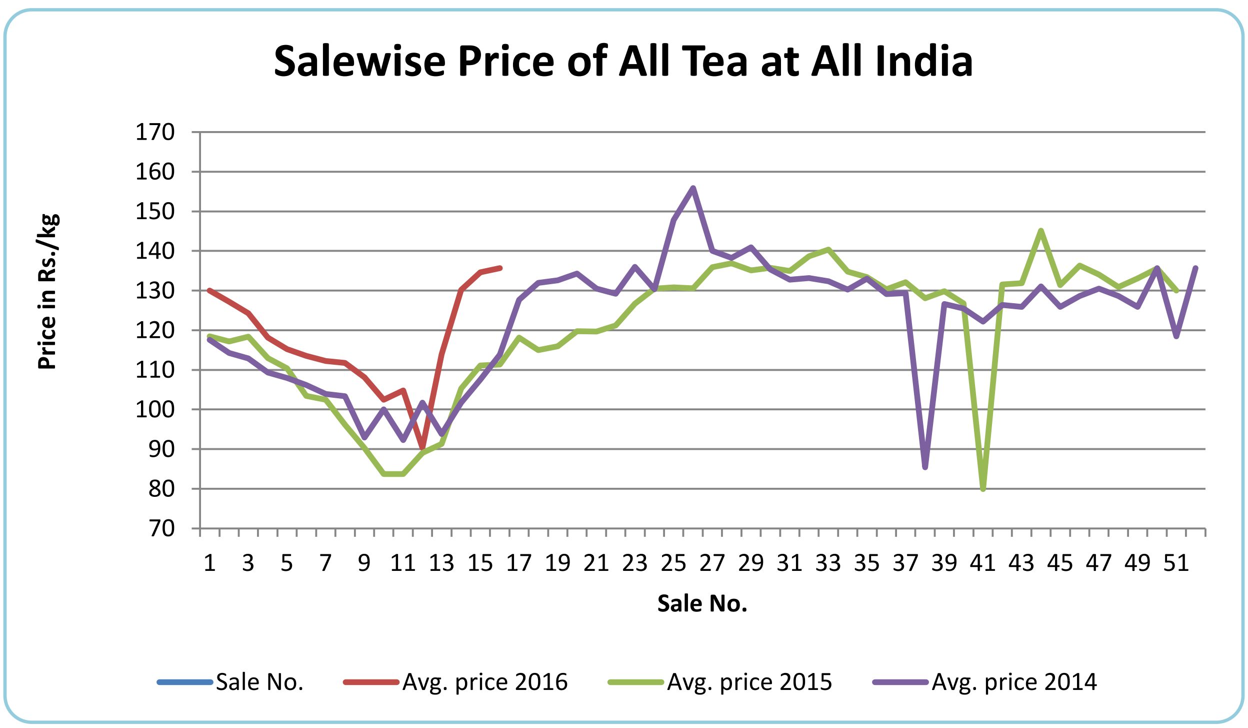
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam. In the current year in the month of February, production of tea in India increased by 5% to 17.02 million kg in comparison to the same corresponding period last year following owing to good plucking in the southern states.

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
2016 (Jan to Feb)*	21.88	470.25	214.92	14.38	196.42	136.59	36.26	666.67	183.86
2015 (Jan to Feb)	17.48	356.08	203.71	15.40	196.52	127.61	32.88	552.60	168.07
Inc/Dec in %	25.17	32.06	5.51	-6.62	-0.05	7.04	10.28	20.64	9.40
2015-16 (Apr-Feb)*	116.57	2712.36	232.68	86.24	1172.38	135.94	202.81	3884.74	191.55
2014-15 (Apr-Feb)	101.30	2423.23	239.21	79.54	1085.15	136.43	180.84	3508.38	194.00
Inc/Dec in %	15.07	11.93	-2.73	8.42	8.04	-0.36	12.15	10.73	-1.27

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 toto previous year amid lower arrivals in the domestic market. Prices have increased during the week compared to previous week amid good demand for new crop arrival in the market.

Weekly Average Prices at Indian Auction Centers for week ending 2016-04-23

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	160.41(164.50)	146.24(120.68)	135.71(139.30)	NS(NS)	110.46(97.71)	92.97(75.44)	99.68(78.49)	87.98(55.87)
Total Tea	175.47(175.14)	146.74(121.14)	135.71(139.30)	NS(NS)	114.47(101.11)	94.17(76.58)	99.80(78.71)	87.98(55.87)

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

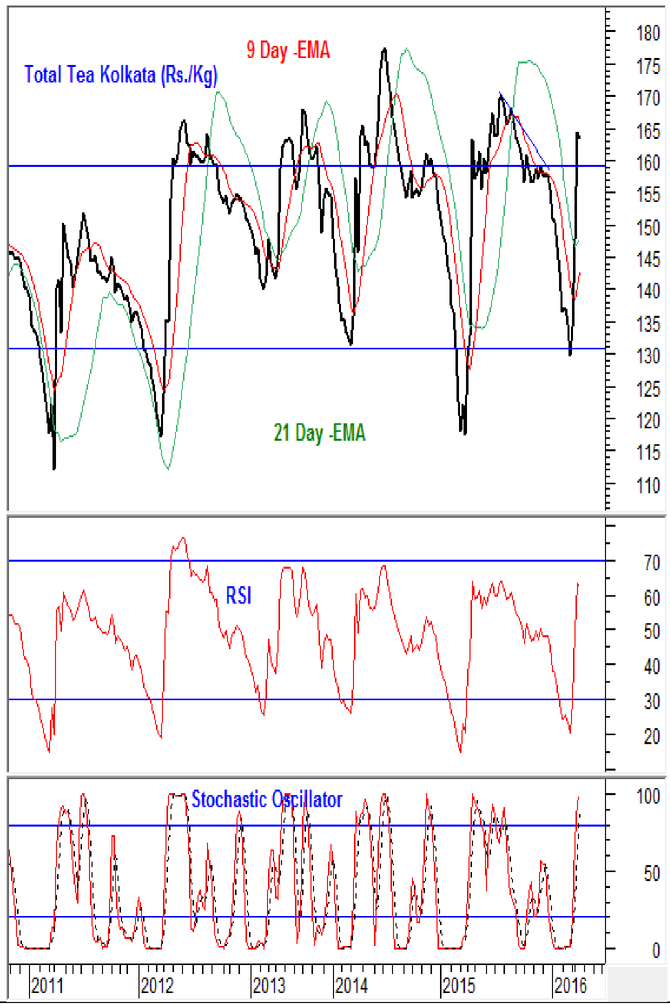
Variety	North India	South India	All India
CTC All Dust	146.29 (133.82)	100.90 (83.96)	131.34 (109.01)
Total Tea	151.63 (136.82)	103.51 (86.46)	135.67 (111.34)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata

Technical Commentary:
Tea prices declined slightly after the recent recovery. MACD is moving towards the positive territory supporting the overall firm tone of the market. Prices are likely to increase towards 200 levels and any near –term weakness should be considered as good buying opportunity within the overall positive scenario of the market. Stochastic oscillator is increasing in the overbought region denoting some weakness in the near –term.

The tea prices are likely to increase towards 200 levels in the coming days. Traders can buy around current levels for their medium –term requirement.



Strategy: Buy Around Current Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	130.00	100.00	175.47	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 16 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	490 - 550	480 - 560
Average Westerns	440 - 480	440 - 470
Plainer Westerns	400 - 430	400 - 430
Western Mediums	390 - 530	400 - 540
Uva Teas	370 - 530	370 - 500
Nuwara Eliya Teas	400 - 440	380 - 425
Udapussellawa Teas	400 - 445	420 - 490
CTC (BP1 and PF1)	360 - 440	345 - 510

In this week's auction, 5.564 million kgs of tea was offered for sale compared to 5.58 million kgs of tea during the previous week. There was fair demand for Select Best teas during the week. Better western BOP's noticed weak tone and BOPF's witnessed easy tone. High Grown and Mid Grown CTC's noticed firm tone and Low Grown CTC's noticed positive 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 firm tone. In the Tippy catalogues, better made FBOP and FF1's noticed firm tone during the week. The below best and plainer variety noticed positive tone following quality during the week. There was good demand from Iran, Russia, Turkey and Middle –Eastern countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	18		17		16	
Dates	10th/11th May 2016		03rd/ 04th May 2016		26th/27th April 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	910	1,049,636 kg	789	886,199 kg	765	855,387 kg
Main Sale Total	8,171	4,542,067 kg	9,220	4,951,500 kg	9,035	4,785,773 kg
High & Medium	1,100	589,975 kg	1,128	581,547 kg	1,089	545,888 kg
Low Growns Leafy	2,968	1,435,158 kg	3,218	1,497,219 kg	3,263	1,516,968 kg
Tippy	1,483	887,182 kg	1,651	937,446 kg	1,695	959,625 kg
Premium/Flowery	322	67,554 kg	404	84,507 kg	412	70,356 kg
Off Grades	1,814	1,052,904 kg	2,242	1,309,891 kg	2,056	1,169,945 kg
Dust	484	509,294 kg	577	540,890 kg	520	522,991 kg
Grand Total	9,081	5,591,703 kg	10,009	5,837,699 kg	9,800	5,641,160 kg
Reprints	130	74,742 kg	248	151,854 kg	161	85,872 kg
Scheduled to Close (Ex)		22.04.16		07.04.16		31.03.16
Dates (Ms)		22.04.16		08.04.16		01.04.16

Scheduled Closing Dates

Auction No. 17 : 03rd/04th May 2016

Ex Estate : 07.04.2016

Main Sale : 08.04.2016

Auction No. 18 : 10th/11th May 2016

Ex Estate : 22.04.2016

Main Sale : 22.04.2016

Auction No. 19 : 17th/18th May 2016

Ex Estate : 28.04.2016

Main Sale : 29.04.2016

Auction No. 20 : 24th/25th May 2016

Ex Estate : 05.05.2016

Main Sale : 06.05.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 17

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
15	$ 2.76	$ 2.10	$ 2.60	$ 2.01
16	$ 2.76	$ 2.13	$ 2.58	$ 2.06
17	$ 2.93	$ 2.12	$ 2.64	$ 2.05

QUOTATIONS	BROKENS	FANNINGS
Best	286 – 395	332 - 418
Good	308 – 390	332 - 364
Good Medium	286 – 381	314 - 370
Medium	229 – 364	222 - 342
Lower Medium	215 – 281	193 - 249
Plain	186 – 262	167 - 242(SL RUPEES)

During the week good demand was noticed for 10,082,831 kilos of tea on offer. Brighter DUST1s were firm to USC8 higher, with mediums firm to USC20 lower. Lower Mediums were USC4 to USC30 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 steady tone and PF's noticed firm tone during the week. Well sorted clean coloury Fannings witnessed positive tone and Dusts noticed positive tone during the week. Other Fannings noticed easy tone and BMF's noticed firm tone. There was good demand from Pakistan Packers, Yemen, Russia, Bazaar and U.K. There was some demand from Kazakhstan, other CIS states, Sudan, Egyptian packers and Iran. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 17

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	10.880	560.820 Kg	10.840	558.660 Kg	99.61
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	10.880	560.820 Kg	10.840	558.660 Kg	99.61

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	3.120	173.320 Kg	3.080	171.240Kg	98.80
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	3.120	173.320 Kg	3.080	171.240Kg	98.80
GRAND TOTAL	14.000	734.140 Kg	13.920	729.900 Kg	99.42

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
222	181-218	140-185	156-191	158-197	139-179	347

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
143-175	144-187	131-143	-	141-157

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
140-168	175-231	173-210	195-237	146-184	145-191	150

Market offerings declined to 14,000 paper sacks from 14,340 paper sacks. There was good demand in the market. Average price increased to USDcts 166.40 instead of USDcts 164.73 during last week’s auction. Average price of Orthodox variety increased to USDcts 163.12 and average price of CTC declined to USDcts 175.72. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 99.42% during the period compared to 97.46% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	03/05/16	11/05/16	03/05/16	11/05/16
PTPN. IV	2.560 S	1.860 S	-	-
PTPN. VI	800 S	720 S	700 S	420 S
PTPN. VII	1.140 S	660 S	280 S	320 S
PTPN. VIII	7.260 S	6.240 S	1.220 S	1.420 S
PTPN. IX	380 S	460 S	-	-
PTPN. XII	- S	- S	540 S	460 S
Total Estate	12.140 S	9.940 S	2.740 S	2.620 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	12.140 S	9.940 S	2.740 S	2.620 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 01
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	205-210
Medium	188-195	Good	190-200
Small	192-198	Medium	185-189
Plain	175-185	Plain	175-185

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 and loose tea buyers for well made good liquoring varieties and fair demand for other varieties. 25,510 packages and 360 packages of CTC Leaf of new season noticed good demand. 3,864 packages and 40 packages of CTC Dust of new season noticed good buying interest following quality. In CTC Dust, good liquoring varieties noticed firm 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 firm during the week. Good liquoring Dusts witnessed easy tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

Country	MONTH	2016	2015	CUMULATIVE	2016	2015	CUMULATIVE + INC./-DEC.
Sri Lanka	March	22.06	30.43	Up to March	70.25	79.35	- 9.1
North India	January	3.3	4.2	Up to January	3.3	4.2	- 0.9
South India	January	14.6	17.2	Up to January	14.6	17.2	- 2.6
Kenya	February	43.97	24.28	Up to February	94.28	65.93	+ 28.35
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 declined by 9.10 million kgs. to 70.25 million kgs. till March 2016 compared to same corresponding period in 2015. In North India, production has declined by nearly 21.42% and in South India, production has declined by 15.12% respectively in January 2016. Lack of sufficient rainfall has affected production in South India.

Currency	29-04-2016	22-04-2016
USD	66.40	66.52
Srilankan Rupee	0.4556	0.4548
Indonesian Rupiah	0.0050	0.0050
Kenyan Shilling	0.6568	0.6578
Bangladeshi Taka	0.8466	0.8487

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, output of second flush of tea is likely to be affected in Assam amid dry weather in certain areas and continuous rain in other regions. In South India, there was some arrival of good quality tea. The output of tea is likely to be affected in the Nilgiris amid unfavourable weather in the growing regions. Buying interest from North India and local buyers lent support to the market. Prices are likely to notice range –bound to weak tone in the near –term.

In the global market, prices noticed mixed tone. Quantity offered on sale increased during the week compared to previous week. In Bangladesh, sale of new season leaf has started and there was good demand from the blenders and the loose tea buyers. In North India, weather is unfavourable in the growing regions and production of second flush of tea is likely to be affected. The future 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 weak tone in the coming days.