News Highlights.

- Planters in South India are expecting tea output to decline by 10% this season amid prevailing heat wave and drought conditions. Hot weather conditions in sStates such as Kerala, Tamil Nadu and Karnataka has impacted tea production since February this year. Production was lower by about 1.8 million kgs in February and around 2 million kgs in March. In April, the production further declined by 5-6 million kgs due to the aggravating hot weather in key producing regions according to UPASI officials.

- The India International Tea Convention 2016 is being jointly conducted by the Tea Board Of India and the United Planters' Association of South India (UPASI) at Ooty in the Nilgiris from September 22 -24, 2016. The convention is aimed at reinforcing the salient and unique features of Indian teas to the tea fraternity across the world.

- 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 while 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.

- 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.

- Tea exports dropped 1.13 percent in the last fiscal year despite a significant growth in the plantation area and volume of production. Nepal exported tea worth Rs2 billion in 2014-15 compared to Rs2.02 billion in the previous year, according to National Tea and Coffee Development Board. During the period under review, the production was recorded at 23,186 tonnes, up from Rs21,076 tonnes.

- To ensure tea stays a major contributor to GDP and to boost segment earnings, the government in Kenya is working to broaden the industry's base, diversifying production away from a dependence solely on black tea. The government would unveil new guidelines for manufacturing specialty teas before the end of the second quarter. The new guidelines will help increase the availability of planting material and manufacturing facilities, which are required to enable farmers to accept the new varieties according to industry sources.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 18 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	145.85	17,88,000	12,07,000
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	149.97	6,16,000	4,41,000

(Source: Parcon)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was fair demand for CTC Leaf variety and less demand CTC Dust variety. Dooars noticed demand around lower levels of the market. Buying interest was noticed from Hindustan Unilever Limited, local traders and western India buyers. Prices are likely to witness easy tone in the coming days.

Guwahati Tea Auction: Sale No: 18 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	132.16	26,77,000	17,69,000
Dust	136.34	11,79,000	7,49,000

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Prices declined in line with quality. There was some demand from western India buyers and exporters. Prices are likely to notice weak tone in the near –term.

Siliguri Tea Auction: Sale No: 18 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	133.27	17,97,000	19,50,000
CTC Dust	126.89	2,27,000	1,80,000

(Source: Contemporary Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Clean and Bright Liquoring varieties around lower levels. Demand was seen for the Common and the Plainer teas. Buying interest was noticed from Hindustan Unilever Limited, Duncans and Tata Global. Prices are likely to notice range –bound to weak tone in the coming week.

Jalpaiguri Tea Auction: Sale No: 18 (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)

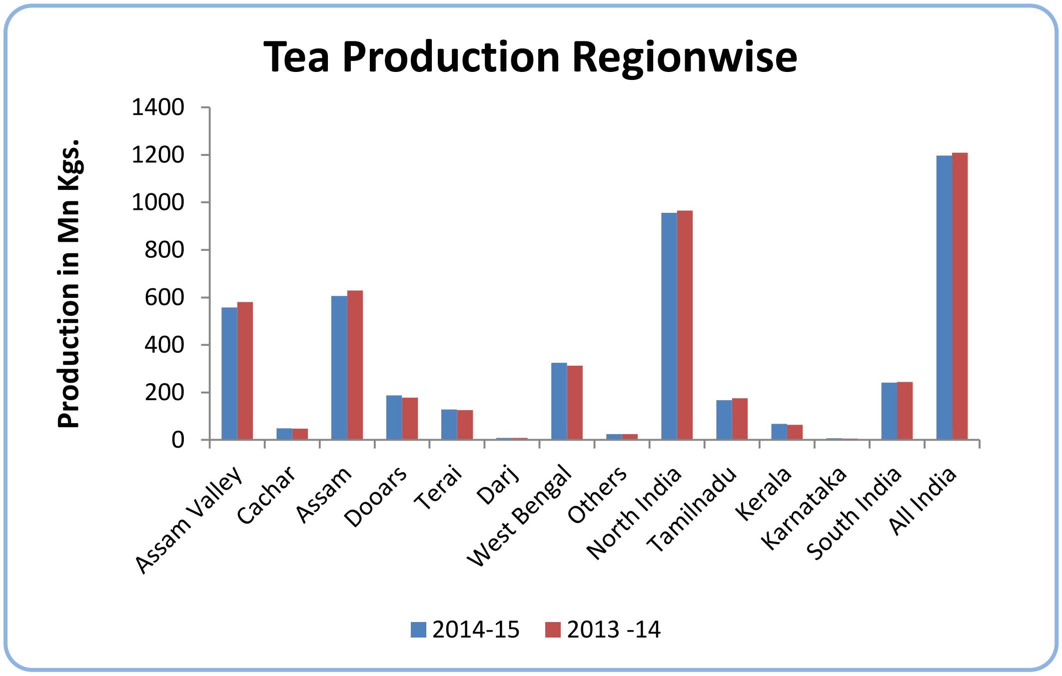
Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Output of tea in the Nilgiris is likely to be affected amid unfavourable weather in the growing regions. There was not much export demand in the market. Prices are likely to notice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

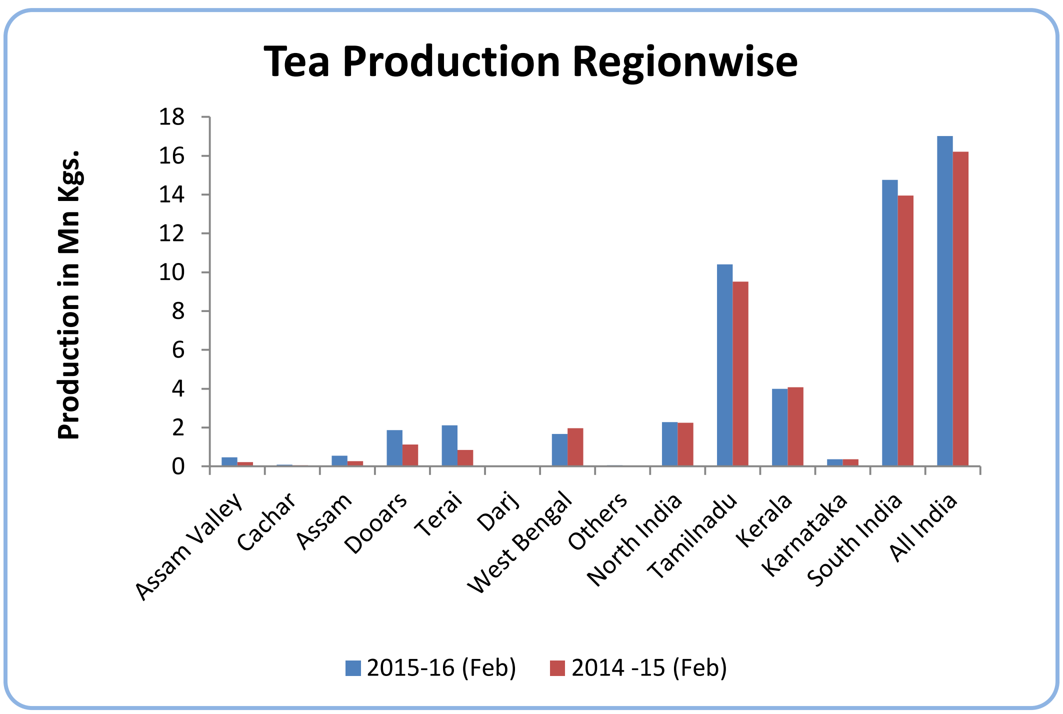
Coonoor Tea Auction: Sale No: 17 (Price in Rs./kg)

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)

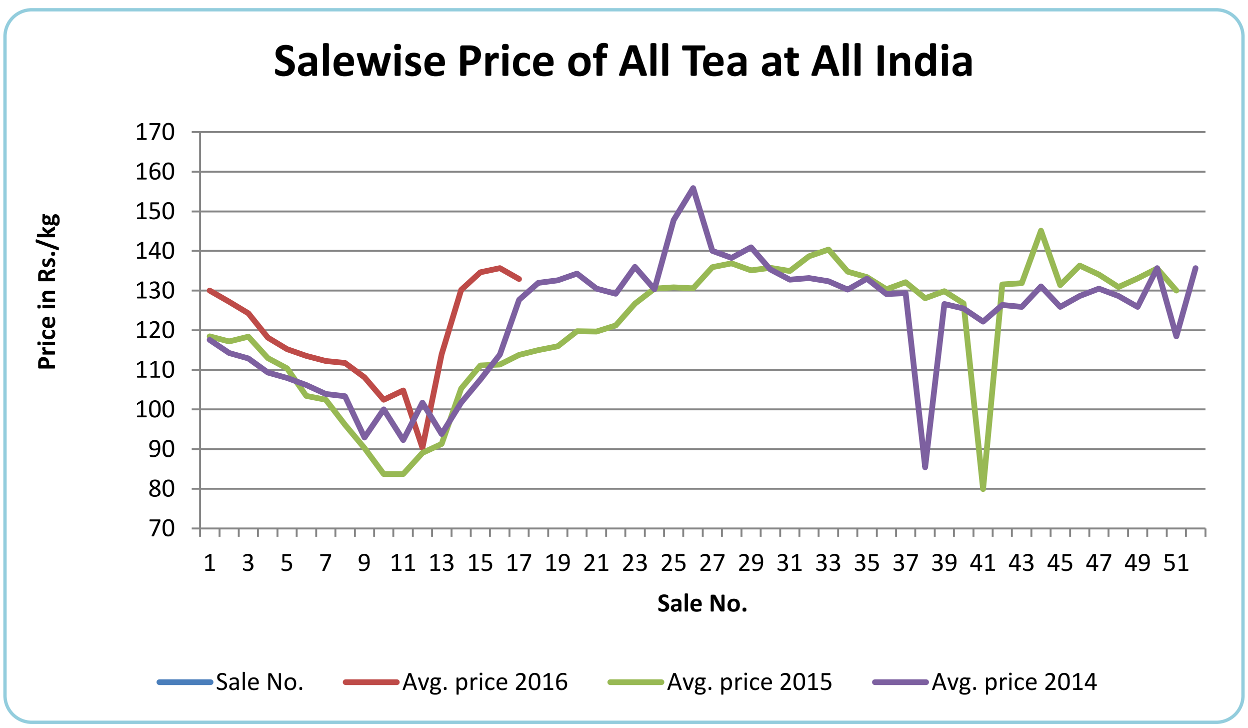
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam. 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 declined during the week compared to previous week amid lack of good demand in the domestic and export market.

Weekly Average Prices at Indian Auction Centers for week ending 2016-04-30

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	149.14(154.19)	139.84(147.73)	130.81(133.33)	NS(NS)	109.97(94.76)	95.62(73.41)	100.94(77.54)	87.11(55.19)
Total Tea	170.19(163.28)	140.08(148.46)	130.81(133.33)	NS(NS)	113.16(97.86)	96.63(74.38)	100.93(77.80)	87.11(55.19)

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

Variety	North India	South India	All India
CTC All Dust	139.14 (143.11)	102.14 (80.78)	127.52 (112.07)
Total Tea	146.07 (145.79)	104.21 (82.74)	132.93 (113.78)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata
Technical Commentary: Tea prices noticed weak tone during the week. Prices are holding above 9 –Day and 22 –Day EMA supporting the overall positive tone of the market. Any near – term weakness should be considered as good buying opportunity within the overall positive scenario of the market. RSI is declining in the neutral region denoting 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	150.00	130.00	170.19	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 17 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	500 - 570	500 - 560
Average Westerns	460 - 490	460 - 490
Plainer Westerns	430 - 450	410 - 450
Western Mediums	400 - 530	390 - 500
Uva Teas	410 - 480	390 - 540
Nuwara Eliya Teas	375 - 420	370 - 410
Udapussellawa Teas	420 - 460	400 - 490
CTC (BP1 and PF1)	300 - 430	325 - 530

In this week's auction, 5.84 million kgs of tea was offered for sale compared to 5.56 million kgs of tea during the previous week. There was some demand for Select Best teas during the week. Better western BOP's noticed weak tone and BOPF's noticed mixed tone. High Grown and Mid Grown CTC's noticed firm tone 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 firm tone during the week. The below best and plainer variety noticed firm tone following quality during the week. There was good demand from Iran, Iraq, Turkey, CIS countries and Saudi Arabia.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	19		18		17	
Dates	17th/18th May 2016		10th/11th May 2016		03rd/ 04th May 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,028	1,181,895 kg	910	1,049,636 kg	789	886,199 kg
Main Sale Total	10,343	6,085,116 kg	8,171	4,542,067 kg	9,220	4,951,500 kg
High & Medium	1,270	719,404 kg	1,100	589,975 kg	1,128	581,547 kg
Low Growns Leafy	3,903	2,052,533 kg	2,968	1,435,158 kg	3,218	1,497,219 kg
Tippy	2,017	1,251,776 kg	1,483	887,182 kg	1,651	937,446 kg
Premium/Flowery	442	92,067kg	322	67,554 kg	404	84,507 kg
Off Grades	2,080	1,273,017 kg	1,814	1,052,904 kg	2,242	1,309,891 kg
Dust	631	696,320 kg	484	509,294 kg	577	540,890 kg
Grand Total	11,371	7,267,011 kg	9,081	5,591,703 kg	10,009	5,837,699 kg
Reprints	213	125,699 kg	130	74,742 kg	248	151,854 kg
Scheduled to Close Dates (Ex)		28.04.16		22.04.16		07.04.16
(Ms)		29.04.16		22.04.16		08.04.16

Scheduled Closing Dates

Auction No. 18 : $10^{th}/11^{th}$ May 2016

Ex Estate : 22.04.2016

Main Sale : 22.04.2016

Auction No. 19 : $17^{th}/18^{th}$ May 2016

Ex Estate : 28.04.2016

Main Sale : 29.04.2016

Auction No. 20 : $24^{th}/25^{th}$ May 2016

Ex Estate : 05.05.2016

Main Sale : 06.05.2016

Auction No. 21 : 31^{st} May/ 01^{st} June 2016

Ex Estate : 12.05.2016

Main Sale : 13.05.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 18

QUOTATIONS	BROKENS	FANNINGS
Best	324 - 404	351 - 446
Good	315 - 387	350 - 384
Good Medium	301 - 381	338 - 390
Medium	223 - 360	222 - 350
Lower Medium	212 - 287	193 - 312
Plain	198 - 266	157 – 229 (SL RUPEES)

During the week good demand was noticed for 9,936,663 kilos of tea on offer. Brighter DUST1s were firm to USC6 higher, with mediums USC2 to USC22 higher. Lower Mediums were firm to USC13 lower. Prices of Brighter BP1's were USC4 to USC24 higher. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

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

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 18

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	12.140	629.980 Kg	11.940	619.380 Kg	98.32
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	12.140	629.980 Kg	11.940	619.380 Kg	98.32

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.740	153.420 Kg	2.600145.640 Kg		94.93
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.740	153.420 Kg	2.600	145.640 Kg	94.93
GRAND TOTAL	14.880	783.400 Kg	14.540	765.020Kg	97.65

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
224	171-222	170-193	163-210	160-186	140-179	308-347

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
149-171	148-166	130-141	185	143-150

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
138-146	169-220	175-202	192-237	145-172	147-194	-

Market offerings increased to 14,880 paper sacks from 14,000 paper sacks. There was good demand in the market. Average price increased to USDcts 167.02 instead of USDcts 166.40 during last week's auction. Average price of Orthodox variety increased to USDcts 165.87 and average price of CTC declined to USDcts 171.24. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 97.65% during the period compared to 99.42% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox				C.T.C			
	11/05/16		18/05/16		11/05/16		18/05/16	
PTPN. IV	2.180	S	2.080	S	-		-	
PTPN. VI	400	S	380	S	540	S	420	S
PTPN. VII	860	S	760	S	100	S	100	S
PTPN. VIII	6.920	S	6.240	S	1.600	S	1.420	S
PTPN. IX	500	S	460	S	-		-	
PTPN. XII	-	S	-	S	660	S	560	S
Total Estate	10.860	S	9.920	S	2.900	S	2.500	S
Pagilaran	-	S	-	S	-	S	-	S
Total Private	-	S	-	S	-	S	-	S
Grand Total	10.860	S	9.920	S	2.900	S	2.500	S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 02

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	196-205
Medium	187-192	Good	188-193
Small	189-195	Medium	182-186
Plain	170-177	Plain	170-177

Tea prices at Bangladesh tea auction noticed weak tone amid lack of demand from local buyers. The average price of tea during this week's auction was around USD 2.50/kg. Around 1.32 million kg of tea was offered for sale and nearly 5 percent remained unsold.

There was good demand from blenders and less demand from loose tea buyers. 20,250 packages and 224 packages of CTC Leaf of new season noticed good demand. 3,595 packages and 138 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 firm 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	February	2.27	2.25	Up to February	5.58	6.43	- 0.85
South India	February	14.75	13.95	Up to February	29.31	31.11	- 1.80
Kenya	February	43.97	24.28	Up to February	94.28	65.93	+ 28.35
Bangladesh	February	0.013	0.009	Up to February	0.121	0.174	- 0.053
Malawi	March	7.7	6.9	Up to March	19.1	18.5	+ 0.6

(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 13.21% and in South India, production has declined by 5.78% respectively in February 2016. Lack of sufficient rainfall has affected production in South India.

Currency	06-05-2016	29-04-2016
USD	66.59	66.52
Srilankan Rupee	0.4550	0.4548
Indonesian Rupiah	0.0050	0.0050
Kenyan Shilling	0.6638	0.6578
Bangladeshi Taka	0.8479	0.8487

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone during the week. Quantity offered on sale increased during the week compared to previous week. According to industry sources, production of second flush of tea are likely to decline by around 5 -10% this season amid lack of rainfall in the growing regions. The quality of leaf arriving in the market is not up to the mark. There was enquiry from the exporters. 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 coming days.

In the global market, prices noticed range –bound to weak tone during the week. Quantity offered on sale increased during the week compared to previous week. In Bangladesh, sale of new season leaf has started and the quality of leaf arriving in the market is not up to the mark. In South India, the production of tea is likely to decline by 10% this season compared to previous year amid dry weather in the growing regions. The future offering of tea is likely to decline at Sri Lankan and Indonesian auction in the coming week. Prices are likely to notice weak tone in the near –term.