News Highlights.

- From next month, any registered tea buyer at Kochi can participate in the e-auction of Darjeeling tea, thanks to the new unified and linked system to be introduced by the Tea Board. E-auction of tea will no more restrict buyers of one centre and make them go in for multiple registrations. According to the Union Commerce Secretary, the integrated digitiseddigitized system would bring in ease of doing bulk trading in different types of teas across the country.

- According to industry sources, domestic price of tea is expected to increase by 15% in the month of May compared to March following lower production in Assam and West Bengal in the month of April. Tea companies are expected to purchase tea from the market in the middle of May, thereby adding to the positive tone of the market. Domestic tea production in March grew 56% year-on-year to 68.34 million kg, according to estimated production data of the Tea Board. In March, Assam produced 31.29 million kg of tea, up 163% from a year ago. West Bengal, which has tea-producing regions of Darjeeling, Terai and Dooars, produced 20.48 million kg of tea in March compared to 14.45 million kg produced in the corresponding month last year. South India's production fell 8.33% to 15.30 million kg in March.

- According to the data released by the Tea Board, India’s export of tea increased by 10 per cent to Rs. 4200.46 crore in the financial year 2015-16 compared to the previous year. Country's tea export to Pakistan jumped 47.50 per cent to Rs 184.56 crore in 2015-16. In volume terms, export shipments from India to Pakistan increased to 18.94 million kg in 2015-16 compared to 15.20 million kg in the previous fiscal year.

- India’s Darjeeling Tea is the most expensive tea in the world recording $1,850 per kilogram in 2015. India started e-auction platform for tea in November 2008, but Darjeeling tea used to be sold in manual auctions. Sellers and Indian officials hope that by bringing Darjeeling tea into the e-auctions, the leaves will have better price recovery, netting higher amounts since more people will have access to the bidding wars. The system is still only available to registered buyers and sellers through the seven auction centers.

- Wagh Bakri Tea Group, the third largest packaged tea company in India, has launched its Mili Tea with improved blend quality and new attractive packs. Wagh Bakri Mili Tea has a strong taste, appetisingappetizing colour and aroma, which consumers prefer.

- According to industry sources, Sri Lanka is thinking of a proposalproposes to open up the tea sector and allow imports for blending with the aim of increasing export earnings. Tea exporters have been pressing for the liberalisationliberalization of tea imports to allow blending and export in order to increase export earnings. The matter is being looked into and a decision is likely to be taken shortly after taking the consensus of the producers and the exporters.

- Unilever Plc's Rwandan subsidiary plans to invest up to $50 million to set up a tea processing factory, develop two tea estates and support small-scale producers in the African country according to company sources. Anglo-Dutch consumer goods maker Unilever, which owns the Lipton tea brand, set up a subsidiary in Rwanda in 2014. The investment would involve developing 4,000 acres of tea plantations and with aimed to create 2,000 jobs.

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: 19 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	134.15	22,07,000	16,55,000
Dust	141.14	10,65,000	8,40,000

(Source: Associated Brokers)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand around lower levels of the market. Buying interest was noticed from Hindustan Unilever Limited, Tata Global and Western India buyers. Prices are likely to notice firm tone in the coming days.

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: 19 (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: 19 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	116.88	969002.70	908275.80
CTC Leaf	90.74	60009.00	48935.00
Orthodox Dust	92.87	10827.00	10581.00
Orthodox Leaf	152.13	111700.00	86051.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Buying interest was noticed from Kerala State Civil Supplies. There was demand from the exporters for good quality leaf in the market. Prices are likely to notice positive tone in the near –term.

Coimbatore Tea Auction: Sale No: 19 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	105.58	213260.75	165169.00
CTC Leaf	94.04	89167.00	59722.00
Orthodox Dust	91.50	3086.00	3086.00
Orthodox Leaf	98.42	2085.00	2085.00

(Source: Paramount Marketing, Coimbatore)

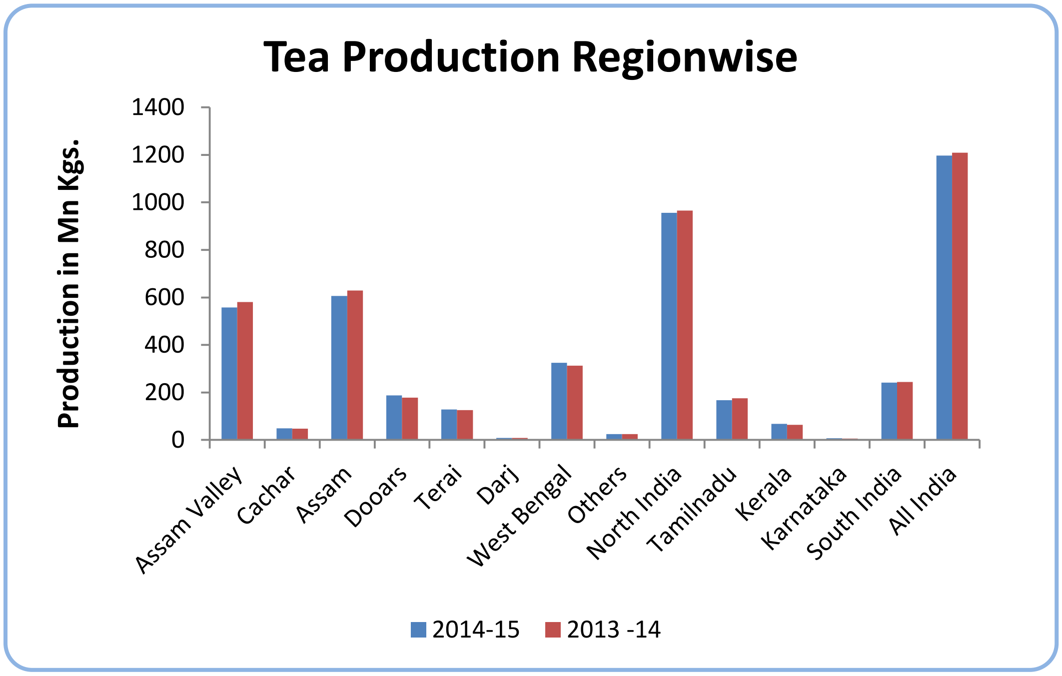
Prices witnessed positive tone during the week. Quantity offered on sale declined during the week compared to previous week. Arrivals have declined during the last few days amid lack of rainfall in the growing regions. There was good demand from the blenders around current levels. Prices are likely to notice firm tone in the coming week.

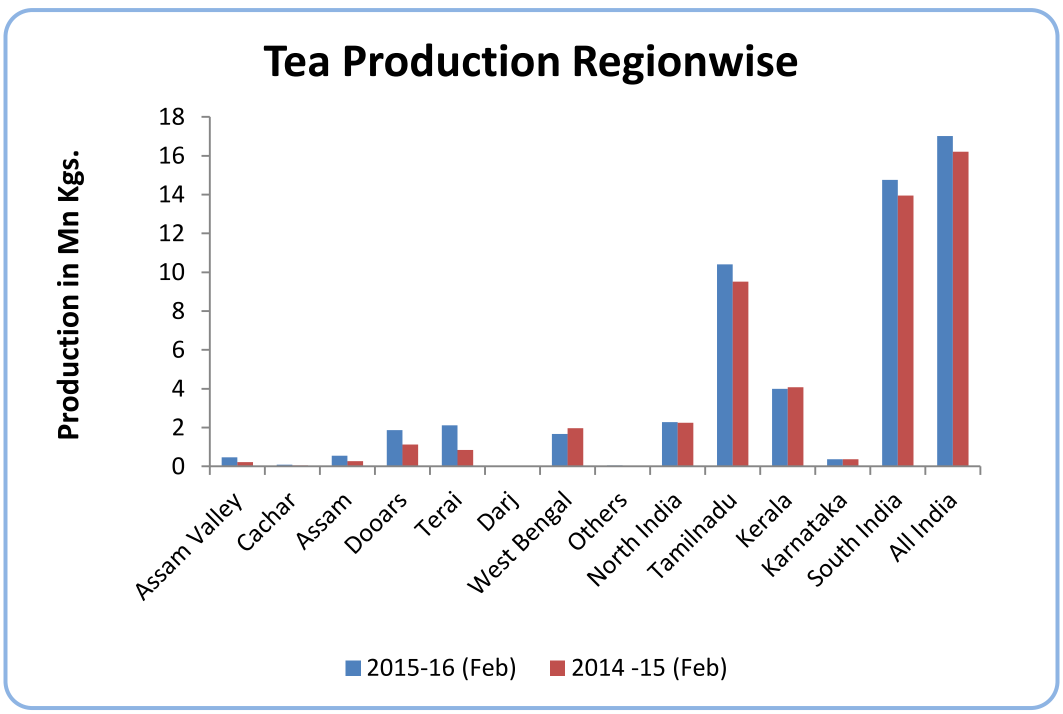
Coonoor Tea Auction: Sale No: 19 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	100.98	252924.40	231616.40
CTC Leaf	93.00	458725.40	445575.40
Orthodox Dust	107.42	40961.00	37703.00
Orthodox Leaf	118.73	40909.50	39073.50

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was demand from local buyers in the market. Prices are likely to notice firm tone in the coming days.





(Source: Tea Board)

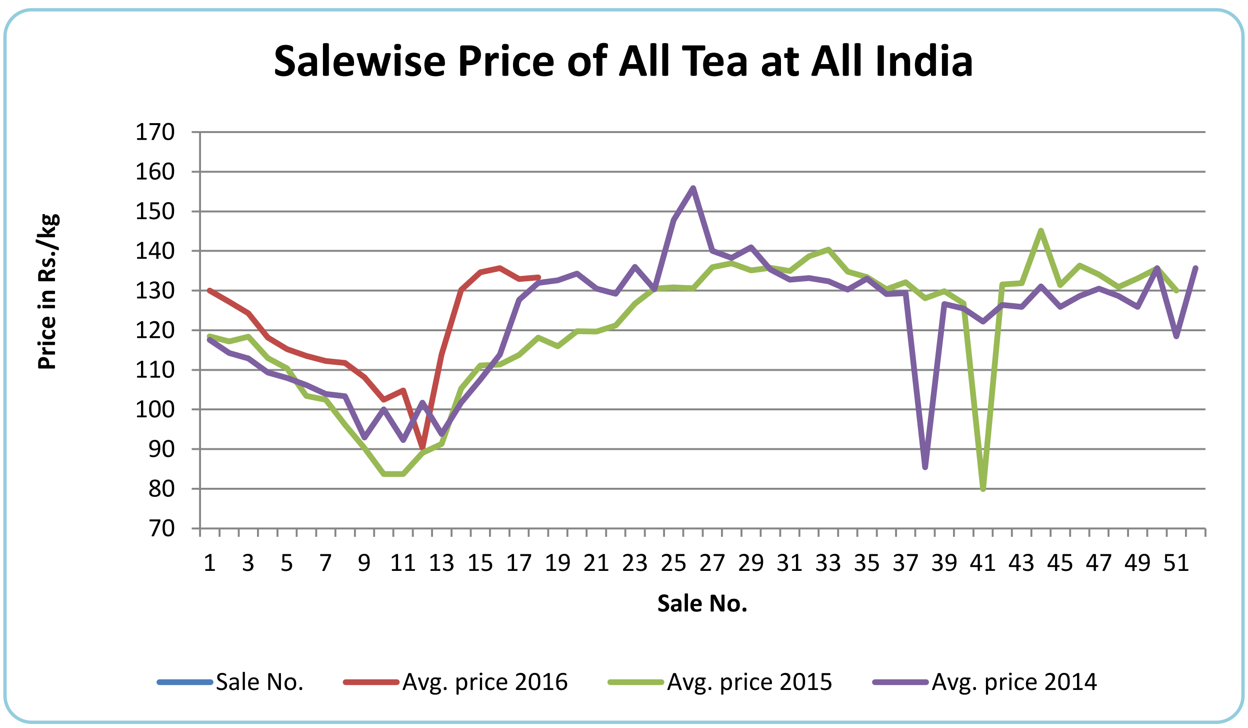
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam.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

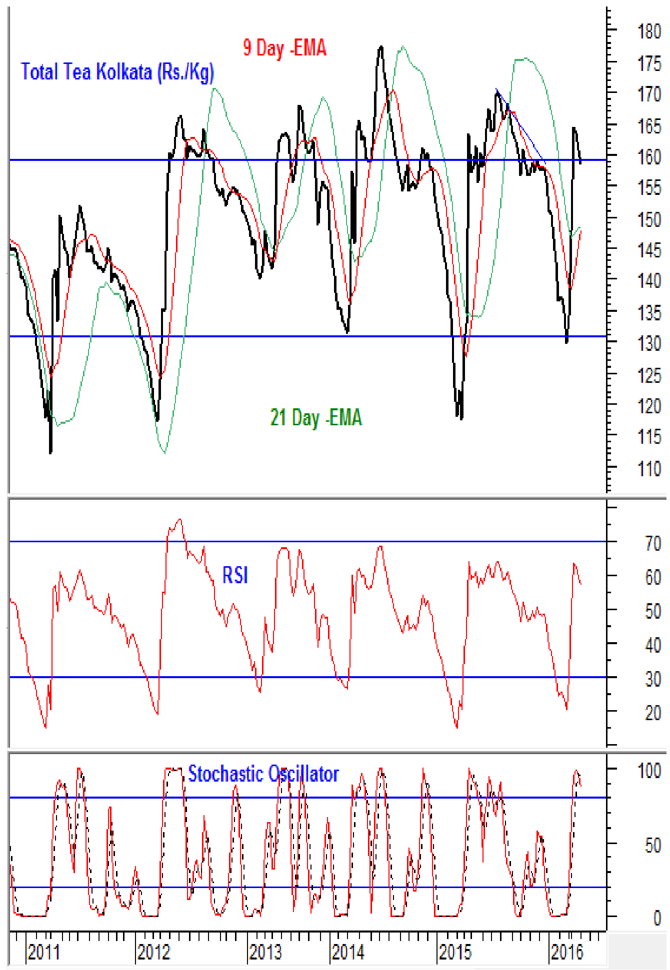
Weekly Average Prices at Indian Auction Centers for week ending 2016-05-07

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	146.67(148.11)	133.41(148.38)	131.53(130.77)	NS(NS)	112.35(92.28)	96.23(71.37)	103.15(78.31)	90.01(57.96)
Total Tea	165.89(164.59)	133.57(149.15)	131.53(130.77)	NS(NS)	115.17(96.47)	97.23(72.33)	103.28(78.41)	90.01(57.96)

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

Variety	North India	South India	All India
CTC All Dust	136.69 (142.21)	103.49 (78.01)	127.68 (113.27)
Total Tea	143.74 (148.33)	105.31 (80.51)	133.36 (118.13)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata
Technical Commentary: Tea prices noticed weak tone during the week. MACD is moving towards the positive territory denoting positive tone of the market in the medium –term. Any near –term weakness should be considered as good buying opportunity within the overall positive scenario of the market. Stochastic oscillator is declining in the oversold region denoting near –term weakness. ***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	165.89	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 18 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	480 - 510	500 - 540
Average Westerns	440 - 470	460 - 490
Plainer Westerns	385 - 430	410 - 450
Western Mediums	380 - 570	360 - 490
Uva Teas	380 - 520	370 - 470
Nuwara Eliya Teas	360 - 425	360 - 470
Udapussellawa Teas	415 - 450	410 - 460
CTC (BP1 and PF1)	300 - 460	320 - 530

In this week's auction, 5.59 million kgs of tea was offered for sale compared to 5.84 million kgs of tea during the previous week. There was some demand for Select Best teas during the week. Better western BOP's noticed steady tone and BOPF's noticed weak tone. High Grown and Mid Grown CTC's noticed weak tone and Low Grown CTC's noticed easy 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 firm tone following quality during the week. There was good demand from Iran, Iraq, Kuwait, Dubai, Saudi Arabia and CIS countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	20		19		18	
Dates	24th/25th May 2016 No. of Lots	No. of Kgs	17th/18th May 2016 No. of Lots	No. of Kgs	10th/11th May 2016 No. of Lots	No. of Kgs
Ex Estate	1,050	1,217,017 kg	1,028	1,181,895 kg	910	1,049,636 kg
Main Sale Total	10,025	5,880,319 kg	10,343	6,085,116 kg	8,171	4,542,067 kg
High & Medium	1,245	739,918 kg	1,270	719,404 kg	1,100	589,975 kg
Low Growns Leafy Tippy	3,781 1,948	1,962,937 kg 1,191,498 kg	3,903 2,017	2,052,533 kg 1,251,776 kg	2,968 1,483	1,435,158 kg 887,182 kg
Premium/Flowery	413	84,972 kg	442	92,067 kg	322	67,554 kg
Off Grades	2,022	1,236,950 kg	2,080	1,273,017 kg	1,814	1,052,904 kg
Dust	616	664,044 kg	631	696,320 kg	484	509,294 kg
Grand Total	11,075	7,097,336 kg	11,371	7,267,011 kg	9,081	5,591,703 kg
Reprints	122	88,678 kg	213	125,699 kg	130	74,742 kg
Scheduled to Close (Ex) Dates (Ms)		05.05.16 06.05.16		28.04.16 29.04.16		22.04.16 22.04.16

Scheduled Closing Dates

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

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

Ex Estate : 12.05.2016

Main Sale : 13.05.2016

Auction No. 22 : 7th/8th June 2016

Ex Estate : 19.05.2016

Main Sale : 20.05.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 19

QUOTATIONS	BROKENS	FANNINGS
Best	327 – 419	347 - 439
Good	323 – 387	337 - 376
Good Medium	313 – 407	330 - 387
Medium	290 – 358	236 - 344
Lower Medium	201 – 287	193 - 294
Plain	172 – 226	157 – 232 (SL RUPEES)

During the week good demand was noticed for 9,983,086 kilos of tea on offer. Brighter DUST1s were firm to USC10 lower, with mediums firm to USC12 lower. Lower Mediums were firm to USC24 lower. Prices of Brighter BP1's were firm to USC15 higher. 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 firm tone during the week. Well sorted clean colour Fannings witnessed easy tone and Dusts noticed mixed tone during the week. Other Fannings and BMF's noticed steady to firm tone. There was good demand from Pakistan Packers, Yemen, Middle –East countries, U.K., Iran, Kazakhstan, Egyptian packers other CIS countries and Sudan. There was some demand from Bazaar, Afghanistan, Russia and Sudan. 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)

<u>Bangladesh Tea Auction (Chittagong): Sale No: 03</u>
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	186-188	Best	197-205
Medium	188-194	Good	189-194
Small	191-197	Medium	183-187
Plain	170-177	Plain	170-177

Tea prices at Bangladesh tea auction firm weak tone amid availability of good quality leaf in the market. The average price of tea during this week's auction was around USD 2.50/kg. Around 1.30 million kg of tea was offered for sale and nearly 4.3 percent remained unsold.

There was good demand from blenders and less demand from loose tea buyers. 20,011 packages and 280 packages of CTC Leaf of new season noticed good demand. 3,493 packages and 30 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. Good liquoring varieties in fannings noticed firm tone 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	March	10.20	10.29	Up to March	32.08	27.77	+ 4.31
South India	March	7.83	7.95	Up to March	22.21	23.35	- 1.14
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 increased by nearly 15.52% and in South India, production has declined by 4.89% respectively in March 2016. Lack of sufficient rainfall has affected production in South India.

Currency	13-05-2016	06-05-2016
USD	66.78	66.59
Srilankan Rupee	0.4573	0.4550
Indonesian Rupiah	0.0050	0.0050
Kenyan Shilling	0.6644	0.6638
Bangladeshi Taka	0.8499	0.8479

Overall Outlook and Recommendation:

In the domestic market, prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Arrivals are lower during the last few days amid lack of rainfall in the growing regions. Production of tea has declined in Assam and West Bengal in the month of April. Demand for good quality leaf lends support to the market. India's export of tea in the financial year 2015 -16 has increased compared to previous year. Prices are likely to notice positive tone in the coming days.

In the global market, prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. In Bangladesh, prices improved amid availability of good quality new season leaf in the market. In India, prices are expected to increase this month amid lower production in the month of April in Assam and West Bengal. The future offering of tea is likely to increase at Sri Lankan auction in the coming week. Prices are likely to notice range –bound to weak tone in the coming week.