News Highlights.

- Three tea producers associations of Assam have appealed the State Government to declare tea as the national drink of the state. The tea plant is a native species in the state and the tea industry is more than 180 years old with lot of heritage value. The producers associations are closely working with the government for the betterment of the tea industry in the state.

- The Centre is likely to fix a minimum wage for the workers in the tea estates besides allowing flexible working hours during the harvesting season. It is also likely to do away with the system of paying a part of the wage in cash and a part in kind. Around 23 lakh plantation workers are employed in about 6,00,000 hectares of tea-cultivated area across 16 states.

- Fresh rain in the hills of Darjeeling tea estates from middle of May is likely to support production of second flush of tea. Dry spell has affected the production of first flush of tea. First flush tea production is around 1.8 -2.0 million kg annually. Prices of Darjeeling tea noticed firm tone during the week amid lack of availability in the market.

- 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 terms of 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.

- Kenya will fast-track the development of new high yielding tea varieties in order to boost sectoral incomes. The new varieties have the potential to more than double production per hectare of farms according to sources at the Tea Research Institute. The new tea varieties can produce 3.5 kilograms of tea leaves per bush per year up from the current 1.5 kgs per tea bush.

- Kenyan and Sudan's standards bodies signed a Memorandum of Understanding (MOU) aimed at facilitating tea trade according to industry sources. Under the agreement, Sudan has agreed to suspend for six months the requirement that all Kenya must have a shelf life of two years adding that Kenya and Sudan will commence a four-year tea shelf life study in June.

- The Kenyan government is looking at waiving the levies of tea farmers. This will help in reducing the cost of production and increasing the acreage under cotton in the coming days.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 21 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	144.69	16,65,000	10,89,000
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	144.92	8,10,000	5,16,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Select Few Improved sorts. Other varieties declined in line with quality. Buying interest was noticed from western India buyers and blenders. Prices are likely to notice range – bound to firm tone in the coming days.

Guwahati Tea Auction: Sale No: 21 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	134.53	20,09,000	13,32,000
Dust	132.64	9,26,000	6,29,000

(Source: Associated Brokers)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Improved an Better Liquoring teas noticed good demand. Plainer variety noticed withdrawal in the market. There was some export enquiry around current levels. Buying interest was noticed from Hindustan Unilever Limited and Western India buyers. Prices are likely to notice firm tone in the coming week.

Siliguri Tea Auction: Sale No: 20 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	143.10	12,60,000	10,50,000
CTC Dust	136.90	1,80,000	1,62,000

(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 for premium variety. Good/Better Medium tea noticed firm tome amid good quality. Buying interest was noticed from Hindustan Unilever Limited and internal buyers. Prices are likely to notice positive tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 21 (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: 20 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	115.47	868364.10	780446.40
CTC Leaf	90.73	55949.80	49564.00
Orthodox Dust	85.49	11425.00	7027.00
Orthodox Leaf	141.80	117884.00	100193.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was some demand from the loose tea buyers and blenders. Prices are likely to notice firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 20 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.33	181872.75	154075.75
CTC Leaf	91.89	76548.00	56537.00
Orthodox Dust	90.28	2418.00	2418.00
Orthodox Leaf	97.83	3403.00	3403.00

(Source: Paramount Marketing, Coimbatore)

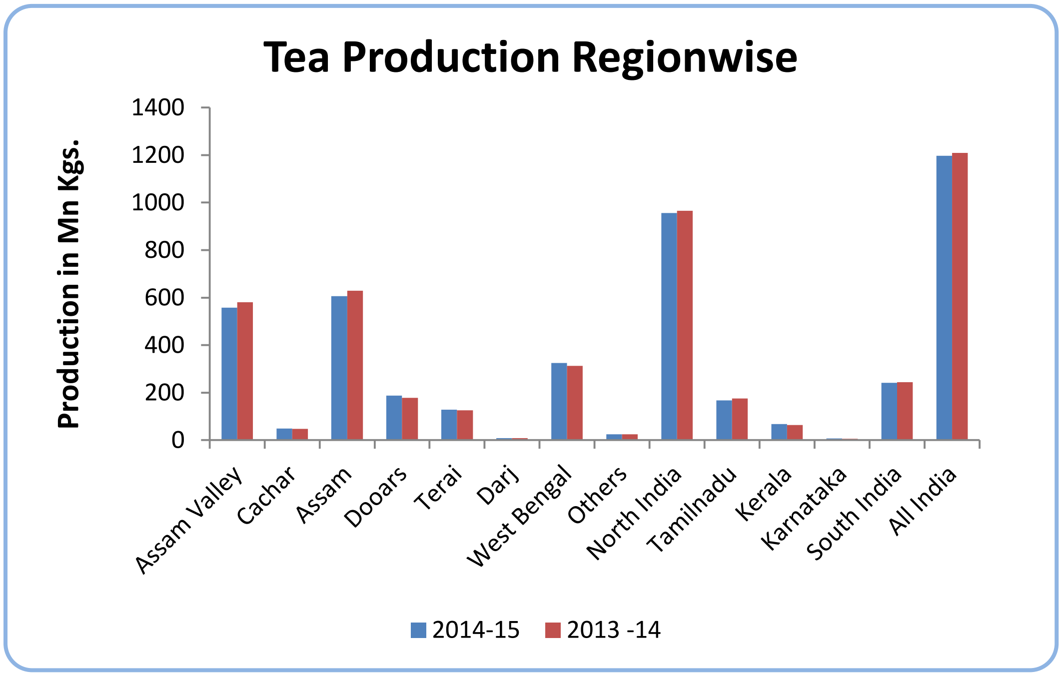
Prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. Arrivals are declining amid lack of rainfall in the growing regions. There was good demand for Nilgiris Broken variety. Prices are likely to notice range –bound to weak tone in the coming days.

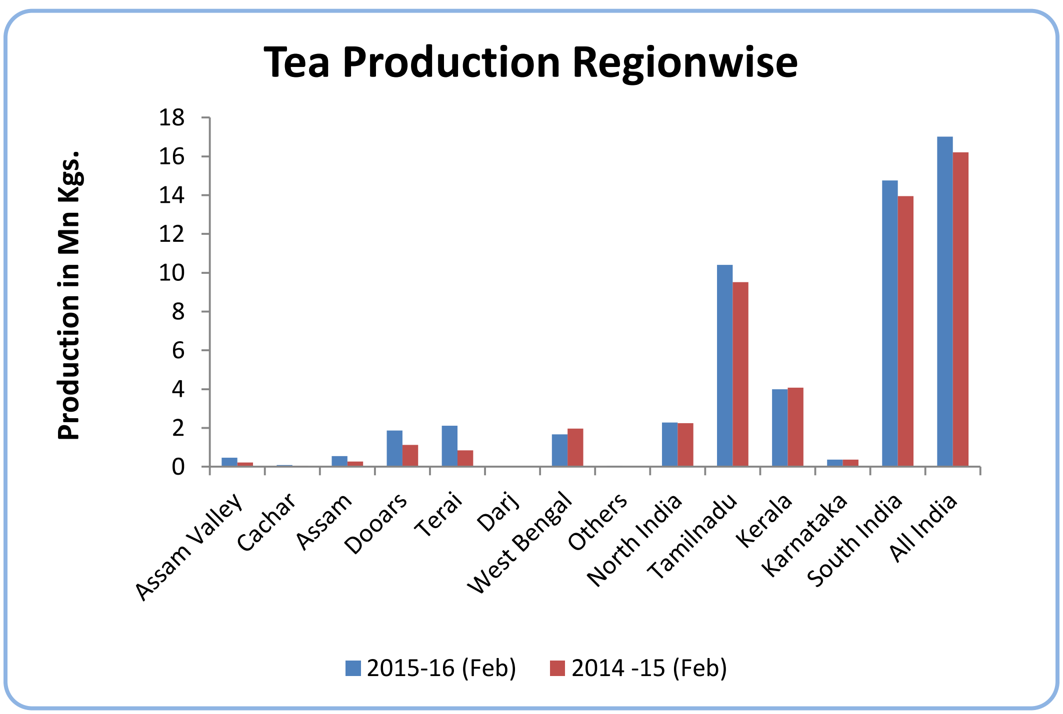
Coonoor Tea Auction: Sale No: 20 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	99.08	235180.00	215445.00
CTC Leaf	92.60	422915.00	404183.00
Orthodox Dust	101.59	47428.00	38600.00
Orthodox Leaf	119.74	40471.90	39186.30

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week except slight firmness noticed in Orthodox Leaf variety. Quantity offered on sale declined during the week compared to previous week. Buying interest was noticed from Kerala State Civil Supplies and loose tea buyers. Prices are likely to notice positive tone in the coming week.





(Source: Tea Board)

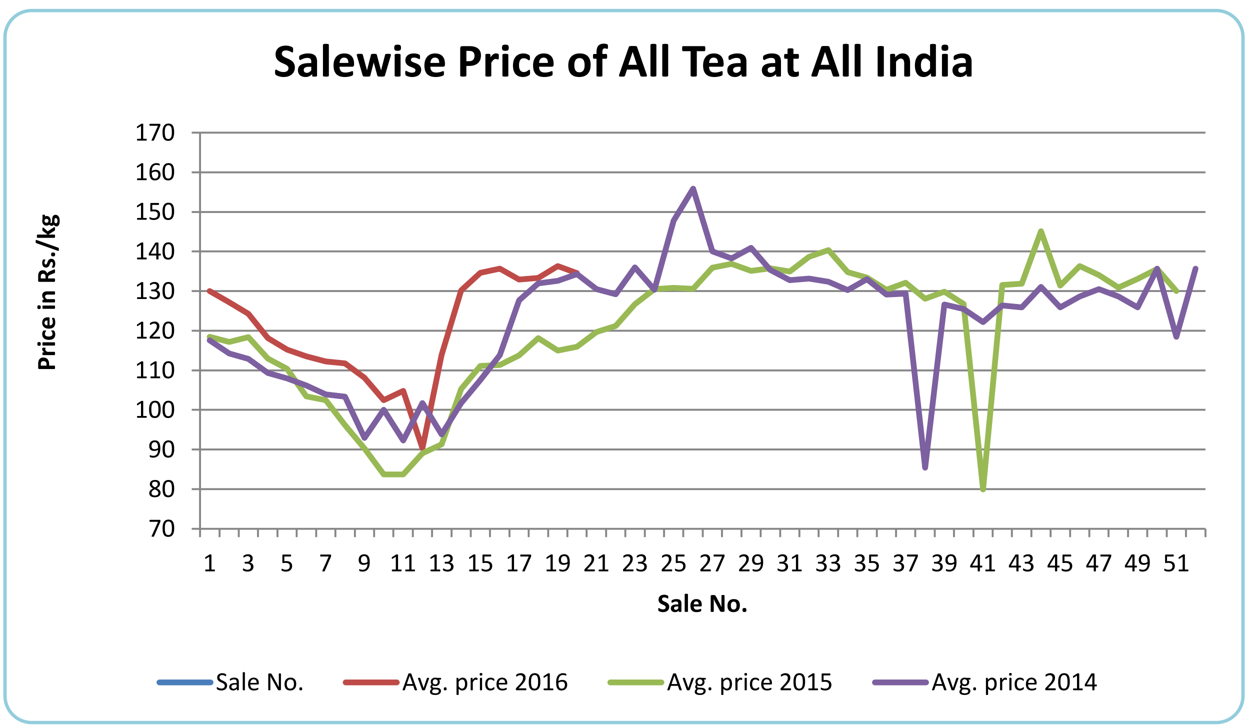
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam.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

Weekly Average Prices at Indian Auction Centers for week ending 2016-05-21

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	145.09(145.07)	129.30(145.40)	142.38(136.30)	NS(NS)	113.75(91.01)	95.24(64.89)	100.15(70.93)	84.88(55.83)
Total Tea	161.59(159.95)	129.56(145.98)	142.38(136.32)	NS(NS)	116.75(94.74)	96.62(66.01)	100.11(71.39)	84.88(55.83)

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

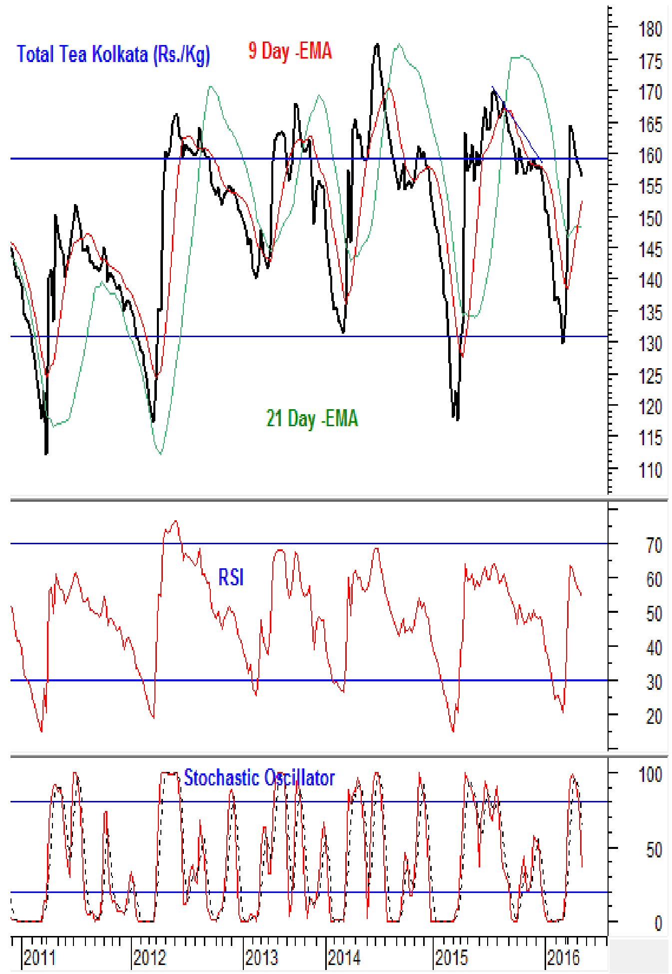
Variety	North India	South India	All India
CTC All Dust	137.84 (141.91)	103.26 (73.88)	128.96 (112.22)
Total Tea	144.51(146.39)	105.50 (76.18)	134.52 (115.92)

(Source: Tea Board)

Tea – Technical Outlook | **Total Tea -Kolkata**

Technical Commentary:
Tea prices declined slightly during the week. Prices are likely to recover in the coming days. MACD has entered the positive territory denoting firm tone of the market in the medium –term. Buyers can buy around current levels for their medium –term requirement. Stochastic oscillator is declining in the neutral region suggesting 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	161.59	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 20 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	460 - 500	480 - 510
Average Westerns	420 - 450	440 - 470
Plainer Westerns	385 - 410	380 - 430
Western Mediums	375 - 550	380 - 450
Uva Teas	350 - 540	350 - 445
Nuwara Eliya Teas	350 - 395	350 - 390
Udapussellawa Teas	350 - 435	350 - 435
CTC (BP1 and PF1)	300 - 440	340 - 570

In this week's auction, 7.10 million kgs of tea was offered for sale compared to 5.27 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 witnessed easy 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 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 tone following quality during the week. There was good demand from Russia, Iran and Saudi Arabia.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	22		21		20	
	07th/08th June 2016		31st May/01st June 2016		25th/26th May 2016	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,138	1,326,653 kg	1,173	1,382,428 kg	1,050	1,217,017 kg
Main Sale Total	10,700	6,204,435 kg	10,549	6,242,816 kg	10,025	5,880,319 kg
High & Medium	1,367	784,025 kg	1,350	788,233 kg	1,245	739,918 kg
Low Growns Leafy Tippy	3,970 1,967	2,044,740 kg 1,129,160 kg	3,958 2,106	2,089,833 kg 1,293,890 kg	3,781 1,948	1,962,937 kg 1,191,498 kg
Premium/Flowery	446	89,033 kg	496	102,127 kg	413	84,972 kg
Off Grades	2,282	1,409,018 kg	2,029	1,277,342 kg	2,022	1,236,950 kg
Dust	668	748,459 kg	610	691,391 kg	616	664,044 kg
Grand Total	11,838	7,531,088 kg	11,722	7,625,244 kg	11,075	7,097,336 kg
Ex Estate	1,138	1,326,653 kg	1,173	1,382,428 kg	1,050	1,217,017 kg
Scheduled to Close (Ex) Dates (Ms)		19.05.16 20.05.16		12.05.16 13.05.16		05.05.16 06.05.16

Scheduled Closing Dates

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

Ex Estate : 12.05.2016

Main Sale : 13.05.2016

Auction No. 22 : 07th/08th June 2016

Ex Estate : 19.05.2016

Main Sale : 20.05.2016

Auction No. 23 : 14th/15thJune 2016

Ex Estate : 26.05.2016

Main Sale : 27.05.2016

Auction No. 24 : 21st/22nd June 2016

Ex Estate : 02.06.2016

Main Sale : 03.06.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 21

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
19	$ 3.06	$ 2.14	$ 2.82	$ 2.05
20	$3.17	$ 2.18	$ 2.91	$ 2.09
21	$3.14	$ 2.22	$ 2.87	$ 2.13

QUOTATIONS	BROKENS	FANNINGS
Best	345 – 461	340 - 446
Good	331 – 409	334 - 389
Good Medium	337 – 406	334 - 403
Medium	322 – 360	302 - 340
Lower Medium	229 – 317	230 - 272
Plain	194 – 282	161 – 242 (SL RUPEES)

During the week good demand was noticed for 9,509,564 kilos of tea on offer. Brighter DUST1s were firm to USC8 lower, with mediums firm to USC50 lower. Lower Mediums were firm up to USC46. Prices of Brighter BP1's were firm to USC20 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 coloury Fannings witnessed positive tone and Dusts noticed steady tone during the week. Other Fannings and BMF's noticed steady to firm tone. There was good demand from Pakistan Packers, Afghanistan, Yemen, other Middle –eastern countries, Iran and Egyptian packers. There was some demand from Russia, Kazakhstan, Sudan, U.K., other CIS countries and Bazaar. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 21

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	7.600	390.920 Kg	7.600	390.920 Kg	100
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	7.600	390.920 Kg	7.600	390.920 Kg	100

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.920	106.640 Kg	1.920	106.640 Kg	100
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	1.920	106.640 Kg	1.920	106.640 Kg	100
GRAND TOTAL	9.520	497.560 Kg	9.520	497.560Kg	100

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	**BOP**	**BOPF**	**PF**	**DUST**	**BT**	**BP**
209-220	186-195	167-192	155-214	162-212	135-151	320

Orthodox Secondary Grades				
PF.II	**DUST.II**	**BT.II**	**BP.II**	**DUST.III**
137-185	155-171	135-142	316	137-155

CTC First and Secondary Grades						
BP.1	**PF.1**	**PD**	**D.1**	**FANN**	**D.2**	**BPS**
150-186	168-205	177-197	181-245	144-181	165-206	138

Market offerings declined to 9,520 paper sacks from 12,340 paper sacks. There was good demand in the market. Average price increased to USDcts 168.91 instead of USDcts 171.40 during last week's auction. Average price of Orthodox variety declined to USDcts 167.91 and average price of CTC declined to USDcts 174.56. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 100.00% during the period compared to 99.69% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	1/06/16	8/06/16	1/06/16	8/06/16
PTPN. IV	1.280 S	1.080 S	-	-
PTPN. VI	420 S	320 S	420 S	320 S
PTPN. VII	860 S	560 S	100 S	80 S
PTPN. VIII	5.040 S	4.040 S	620 S	520 S
PTPN. IX	320 S	220 S	-	-
PTPN. XII	- S	- S	420 S	320 S
Total Estate	7.920 S	6.220 S	1.560 S	1.240 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.920 S	6.220 S	1.560 S	1.240 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 05
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	210-220
Medium	193-200	Good	200-207
Small	197-205	Medium	190-195
Plain	175-185	Plain	175-185

Tea prices at Bangladesh tea auction firm tone amid good demand for quality leaf in the market. The average price of tea during this week's auction was around USD 2.60/kg. Around 1.18 million kg of tea was offered for sale and nearly 3.7 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers. 18,389 packages and 306 packages of CTC Leaf of new season noticed good demand. 2,820 packages and 20 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 steady 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	April	26.47	31.62	Up to April	96.83	110.97	- 14.14
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	March	45.33	15.69	Up to March	139.61	81.62	+ 57.99
Bangladesh	March	3.02	0.5	Up to March	3.14	0.67	+ 2.47
Malawi	April	5.9	6.4	Up to April	25.00	24.8	+ 0.2

(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 14.14 million kgs. to 96.23 million kgs. till April 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	27-05-2016	20-05-2016
USD	67.03	67.51
Srilankan Rupee	0.4569	0.4600
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6661	0.6702
Bangladeshi Taka	0.8536	0.8584

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound movement during the week. Quantity offered on sale declined during the week compared to previous week. The production of second flush of tea is likely to increase in the coming weeks amid fresh rain in North India. In South India, demand from loose tea buyers and blenders 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 firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand for quality leaf supported prices. In Bangladesh, the arrival of new leaf is increasing in the market. Fresh rain in North India is likely to support production in the coming days. The future offering of tea is likely to increase at Sri Lankan and Indonesian auction in the coming week. Prices are likely to notice firm tone in the near –term.