News Highlights.

- A delegation comprising representatives of the US Tea Association and US-based SpecialitySpecialty Tea Institute is planning to visit India in September to hold discussions with domestic tea producers in an effort to increase imports of the finest Darjeeling tea. This is the first time that a delegation from the U.S. Tea Association is visiting India. Consumers in the United States are developing a taste for the premium variety of tea. The team will be visiting the tea estates in Assam and Darjeeling to get a feel of how black tea is produced in India. Special focus will be on Darjeeling tea during the visit.

- Addressing concerns raised by the Assam and Terai tea lobby over the forthcoming pan-India e-auction of tea, the Tea Board of India has revised norms for the auction. It has now allowed proxy bidding, which previously it had done away with.

- Nilgiris tea output declined by 55% to 0.68 million kg. in May compared to 1.51 million kg. during the same period previous year. Prolonged dry weather is affecting the production of tea this calendar year.

- Assam's tea industry representatives have appealed to the Centre to keep tea under the concessional rate of 5% GST slab. The joint forum of the representatives of Assam Tea Planters' Association (ATPA), North Eastern Tea Association (NETA) and Bharatiya Cha Parishad (BCP) and Tea Board of India (TBI) vice-chairman Bidyananda Barkakoty on Tuesday suggested that any higher rate of taxation on tea would have an adverse impact on the industry.

- India recorded its highest ever tea production at 1233 mkg during the financial year 2015 -16. Exports were above 230 mkg during the period according to the data released by the Tea Board. Exports were the highest after 35 years and valued at Rs. 4493 crores and increased by 17% in terms of quantity compared to previous year.

- 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.

- 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, the world’s biggest exporter of black tea, is considering introducing the world’s first futures contracts for the leaves to help stabilize prices and enable growers to guarantee income from their production.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 23 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	153.62	16,42,000	11,23,000
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	154.55	6,64,000	4,64,000

(Source: Parcon)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for improved Liquoring Sorts and fair for other varieties. Buying interest was noticed from western India buyers. There was some enquiry from exporters around current levels. Prices are likely to notice firm tone in the near –term.

Guwahati Tea Auction: Sale No: 24 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	150.63	23,20,000	19,08,000
Dust	157.66	10,90,000	9,82,000

(Source: Associated Brokers)

Prices witnessed positive tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Good/Best Assams. Buying interest was noticed from Tata Global and Hindustan Unilever Limited. Prices are likely to notice firm tone in the near –term.

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: 23 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	115.43	863345.20	787058.20
CTC Leaf	92.81	39267.00	36229.00
Orthodox Dust	96.20	7957.00	7165.00
Orthodox Leaf	149.67	133985.00	122499.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Demand from blenders and exporters lend support to the market. Prices are likely to notice positive tone in the coming week.

Coimbatore Tea Auction: Sale No: 23 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.92	202718.75	183232.75
CTC Leaf	98.75	95511.00	89745.00
Orthodox Dust	92.25	1367.00	1367.00
Orthodox Leaf	116.98	5056.00	5056.00

(Source: Paramount Marketing, Coimbatore)

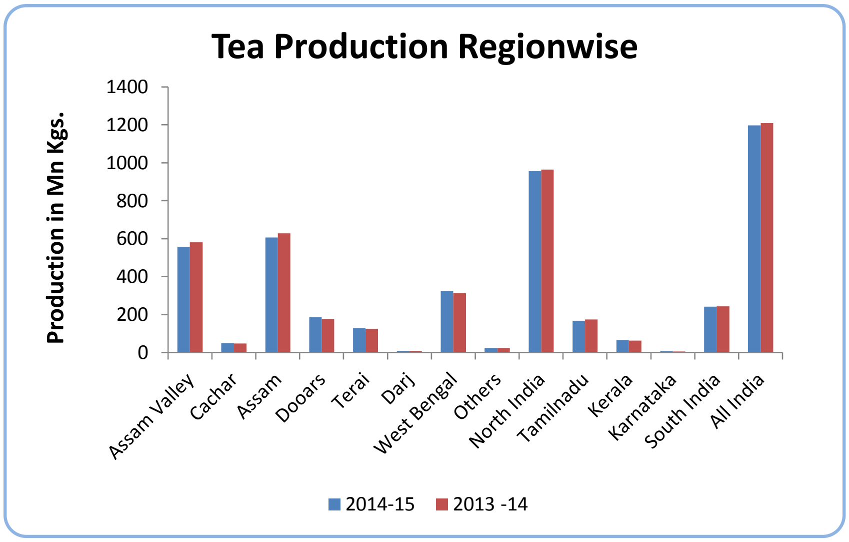
Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Demand for quality leaf lent support to the market. Prices are likely to notice range –bound to firm tone in the near –term.

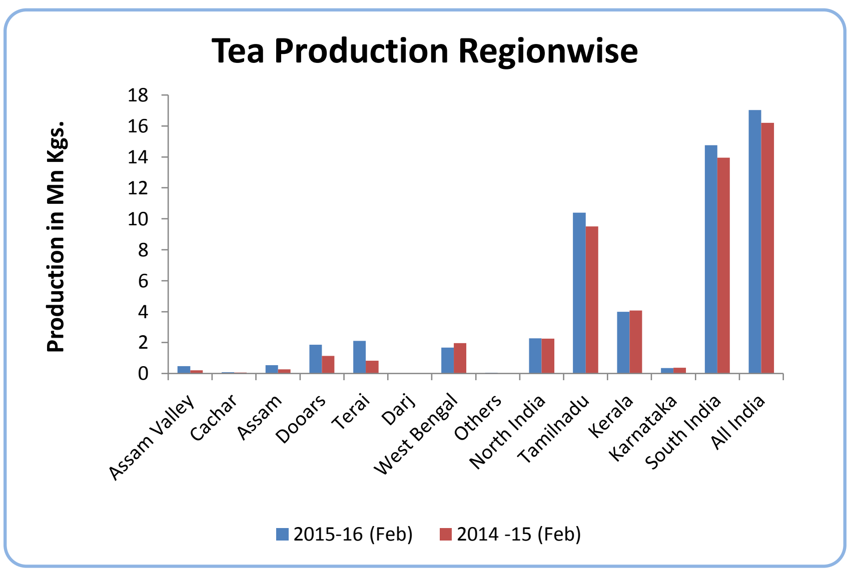
Coonoor Tea Auction: Sale No: 23 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	100.38	289967.00	277933.00
CTC Leaf	97.09	529924.00	503834.00
Orthodox Dust	103.57	42008.00	33746.00
Orthodox Leaf	123.04	35115.40	33226.00

(Source: Paramount Marketing, Coimbatore)

Prices witnessed positive tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand from the loose tea buyers and blenders. Rain was seen in the growing regions. Arrivals are expected to increase in the coming days. 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.

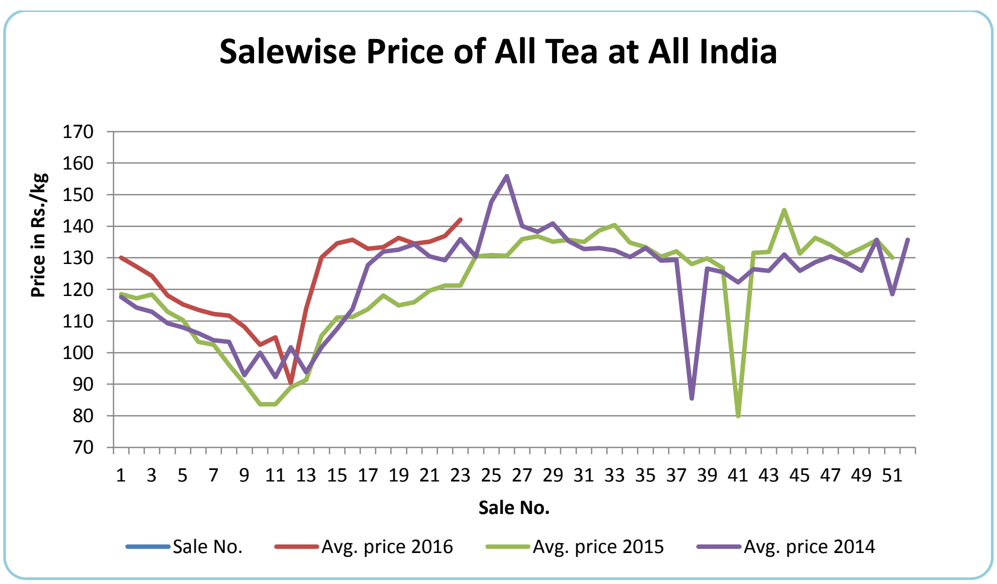
Comment [U1]: The graph shows 15-15 and 15-16. Please revisit

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 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 2016-06-11

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	154.04(153.28)	150.08(150.97)	142.79(130.51)	NS(NS)	114.28(87.56)	98.48(63.10)	102.17(69.07)	91.04(52.76)
Total Tea	171.84(168.20)	150.41(151.38)	142.79(130.51)	NS(NS)	118.83(92.73)	99.44(64.05)	102.44(69.16)	91.04(52.76)

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

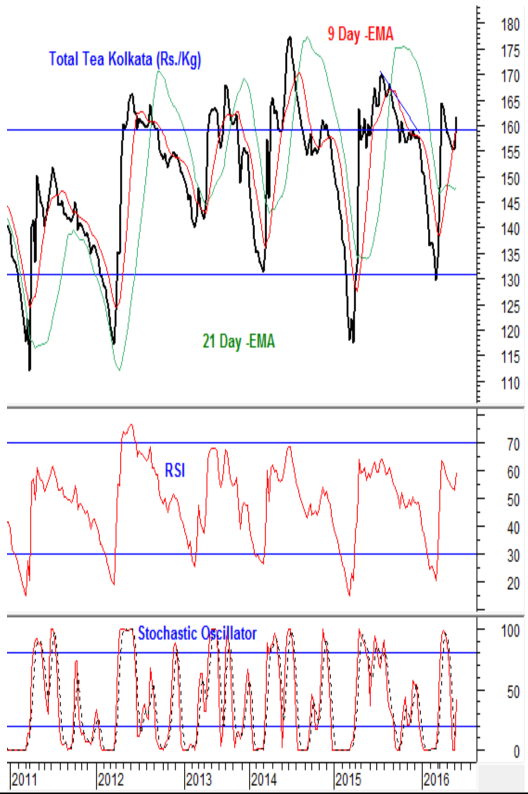
Variety	North India	South India	All India
CTC All Dust	148.93 (143.54)	104.27 (70.44)	137.19 (116.09)
Total Tea	154.78 (149.27)	106.97 (73.19)	142.10 (121.22)

(Source: Tea Board)

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

Technical Commentary:
Tea prices noticed firm tone during the week. Prices are likely to move towards 200 levels in the coming days. MACD has entered the positive territory denoting overall firm tone of the market in the medium –term. Stochastic oscillator is increasing in the neutral region supporting positive tone of the market in the near –term.

The tea prices are likely to increase towards 200 levels in the coming days. Traders can purchase 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	171.84	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 23 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	440 - 470	440 - 470
Average Westerns	390 - 430	400 - 430
Plainer Westerns	350 - 380	360 - 390
Western Mediums	360 - 560	360 - 440
Uva Teas	350 - 490	330 - 445
Nuwara Eliya Teas	390 - 410	380 - 520
Udapussellawa Teas	340 - 425	360 - 405
CTC (BP1 and PF1)	270 - 420	320 - 590

In this week's auction, 6.02 million kgs of tea was offered for sale compared to 7.53 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 positive tone. High Grown and Mid Grown CTC's noticed weak tone and Low Grown CTC's witnessed 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 firm tone during the week. The below best and plainer variety noticed steady tone during the week. There was some demand from Russia, CIS and Middle –East countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	25		24		23	
Dates	28th/29th June 2016		21st/22nd June 2016		14th/15th June 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	875	983,018 kg	946	1,068,544 kg	980	1,132,897 kg
Main Sale Total	10,105	5,576,394 kg	10,173	5,711,745 kg	8,760	4,894,347 kg
High & Medium	1,222	673,885 kg	1,245	679,773 kg	1,147	632,848 kg
Low Growns Leafy	3,713	1,805,022 kg	3,618	1,775,369 kg	3,211	1,539,863 kg
Tippy	1,854	1,036,808 kg	1,793	1,007,800 kg	1,442	791,919 kg
Premium/Flowery	570	107,475 kg	498	94,456 kg	394	76,288 kg
Off Grades	2,181	1,342,554 kg	2,390	1,468,572 kg	1,980	1,226,044 kg
Dust	565	610,650 kg	629	685,775 kg	586	627,385 kg
Grand Total	10,980	6,559,412 kg	11,119	6,780,289 kg	9,740	6,027,244 kg
Reprints	409	324,325 kg	423	289,070 kg	398	283,948 kg
Scheduled to Close (Ex)		09.06.16		02.06.16		26.05.16
Dates (Ms)		10.06.16		03.06.16		27.05.16

Scheduled Closing Dates

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

Ex Estate : 02.06.2016

Main Sale : 03.06.2016

Auction No. 25 : 28th/29th June 2016

Ex Estate : 09.06.2016

Main Sale : 10.06.2016

Auction No. 26 : 04th/05th July 2016

Ex Estate : 16.06.2016

Main Sale : 17.06.2016

Auction No. 27 : 12th/13th July 2016

Ex Estate : 23.06.2016

Main Sale : 24.06.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 24

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
22	$ 3.07	$ 2.33	$ 2.86	$ 2.21
23	$ 3.23	$ 2.37	$ 2.95	$ 2.26
24	$ 3.30	$ 2.39	$ 3.01	$ 2.25

QUOTATIONS	BROKENS	FANNINGS
Best	399 – 567	387 - 487
Good	396 – 470	393 - 426
Good Medium	382 – 487	356 - 426
Medium	356 – 407	299 - 369
Lower Medium	230 – 389	228 - 293
Plain	210 – 313	171 – 259 (SL RUPEES)

During the week good demand was noticed for 9,714,505 kilos of tea on offer. Brighter DUST1s were firm to USC10 lower with mediums firm to USC6 lower. Lower Mediums were firm to USC6 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 and PF's noticed firm tone during the week. Well sorted clean coloury Fannings witnessed easy tone and Dusts noticed firm tone during the week. Other Fannings noticed weak tone and BMF's noticed steady tone. There was good demand from Pakistan Packers, Afghanistan, Yemen, Russia, Kazakhstan, Iran, CIS and Middle –East countries. There was some demand from Sudan, UK, Bazaar and Egyptian packers. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 24

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	10.900	561.860 Kg	10.120	521.120 Kg	92.74
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	10.900	561.860 Kg	10.120	521.120 Kg	92.74
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.460	138.220 Kg	2.400	134.620 Kg	97.39
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.460	138.220 Kg	2.400	134.620 Kg	97.39
GRAND TOTAL	13.360	700.080 Kg	12.520	655.740Kg	93.66

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	**BOP**	**BOPF**	**PF**	**DUST**	**BT**	**BP**
208-210	174-196	156-174	153-200	164-210	139-167	308-350

Orthodox Secondary Grades				
PF.II	**DUST.II**	**BT.II**	**BP.II**	**DUST.III**
132-167	157-171	137-140	178-186	149-159

CTC First and Secondary Grades						
BP.1	**PF.1**	**PD**	**D.1**	**FANN**	**D.2**	**BPS**
155-174	167-192	180-193	191-258	139-188	155-200	-

Market offerings increased to 13,360 paper sacks from 11,520 paper sacks. There was good demand in the market. Average price declined to USDcts 162.89 instead of USDcts 164.80 during last week's auction. Average price of Orthodox variety declined to USDcts 159.88 and average price of CTC declined to USDcts 173.66. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 93.66% during the period compared to 94.14% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	22/06/16	29/06/16	22/06/16	29/06/16
PTPN. IV	2.160 S	2.740 S	-	-
PTPN. VI	300 S	220 S	520 S	420 S
PTPN. VII	920 S	920 S	100 S	100 S
PTPN. VIII	5.515 S	5.560 S	1.140 S	1.080 S
PTPN. IX	180 S	260 S	-	-
PTPN. XII	- S	- S	620 S	520 S
Total Estate	9.075 S	9.700 S	2.380 S	2.120 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.075 S	9.700 S	2.380 S	2.120 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 08
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	250-255
Medium	230-245	Good	245-249
Small	240-250	Medium	235-244
Plain	200-210	Plain	200-210

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 2.70/kg. Around 1.65 million kg of tea was offered for sale and nearly 3.5 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers. 25,569 packages and 212 packages of CTC Leaf of new season noticed good demand. 4,248 packages and 12 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	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	April	4.72	2.88	Up to April	7.85	3.55	+ 4.3
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	17-06-2016	10-06-2016
USD	67.11	66.81
Srilankan Rupee	0.4624	0.4613
Indonesian Rupiah	0.0050	0.0050
Kenyan Shilling	0.6621	0.6608
Bangladeshi Taka	0.8541	0.8593

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. Demand for good quality leaf lent support to the market. In South India, rain was seen in certain growing regions. Arrivals are expected to increase in the coming days. Prices are likely to notice range –bound to firm tone in the coming days

In the global market, prices noticed range –bound to firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There is good demand around current levels. Rains have been observed in tea growing regions of North and South India. The future offering of tea is likely to increase at Sri Lankan auction and decline at Indonesian auction in the coming week. Prices are likely to notice firm tone in the near –term.