News Highlights.

- The central government has decided to start pan-India e-auction in tea from Tuesday. A lot of changes haves been amended to the system after considering the suggestions of the sector. The new system is expected to enable buyers registered, with a single auction centre to participate in the auction process of other centers.

- According to Tea Board of India, output of tea declined by 14.7 per cent to 67.21 million kg. in April compared to the same period previous year. Heavy rains affected plucking in the top producing sState of Assam. Exports during the same period declined by 2.2 per cent to 11.80 million kg compared to the same period previous year.

- The Tea Association of India in a memorandum to the Empowered Committee of State Finance Ministers on goods and services tax urged it to consider tea as an “agriculture produce”, exempt from GST, and not a plantation crop. Tea, a plantation crop, according to the draft GST Act, 2016, is not exempt from it.

- The UK and Germany are the key buyers of Darjeeling tea in the EU. The tea sector is awaiting the outcome of the June 23 EU referendum, which will decide whether Britain will leave the EU or not. The volatility in currency expected if Britain leaves the EU is likely to affect the sector.

- Following the recommendations of Tea Board of India, the sState land and land reforms department after consulting with the finance, PWD and forest department has decided the compensation rates will be Rs 135 per bush in plain areas and Rs 155 per bush in hill areas. For acquiring tea shade trees, the compensation would be Rs 4,000 per tree. The compensation rate will be applicable for any acquisition of tea bush and tea shade trees since January 1, 2015.

- 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.

- 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: 25 (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: 25 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	115.25	1047001.40	430323.00
CTC Leaf	90.59	45818.00	19424.00
Orthodox Dust	93.86	13527.00	5322.00
Orthodox Leaf	148.90	208710.00	110171.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Good rains have been noticed in the growing regions during the last few days. Arrivals are expected to increase in the coming days. Prices are likely to notice weak tone in the near –term.

Coimbatore Tea Auction: Sale No: 25 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	102.71	230638.75	185649.75
CTC Leaf	95.61	123927.00	91924.00
Orthodox Dust	92.99	7044.00	7044.00
Orthodox Leaf	113.34	3270.00	3157.00

(Source: Paramount Marketing, Coimbatore)

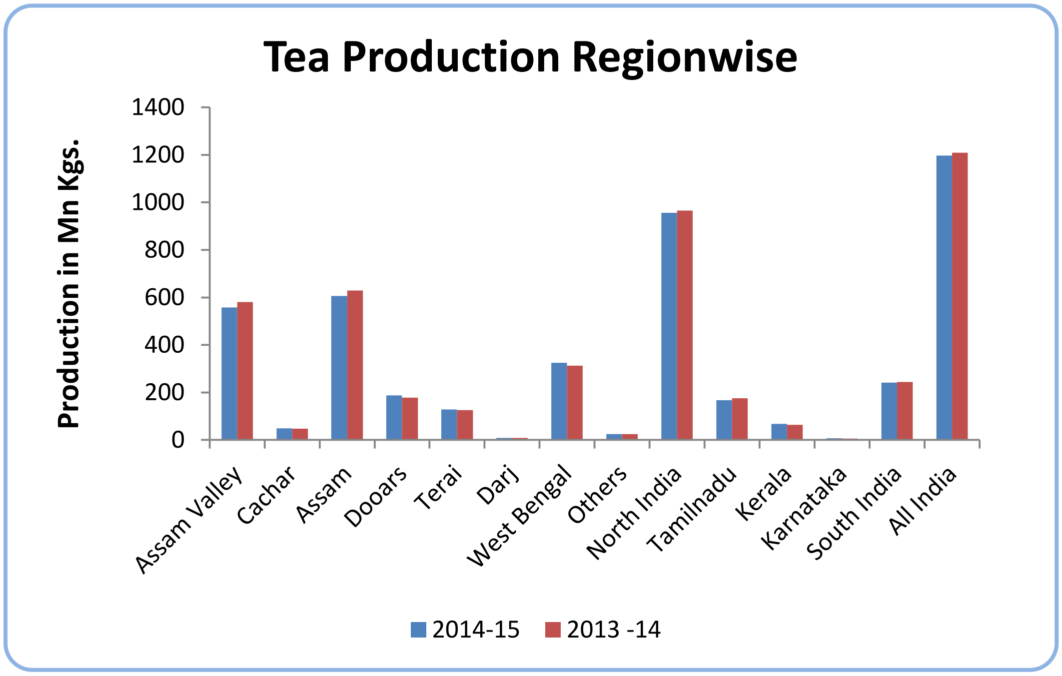
Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was demand from the exporters in the market. Prices are likely to notice firm tone in the coming week.

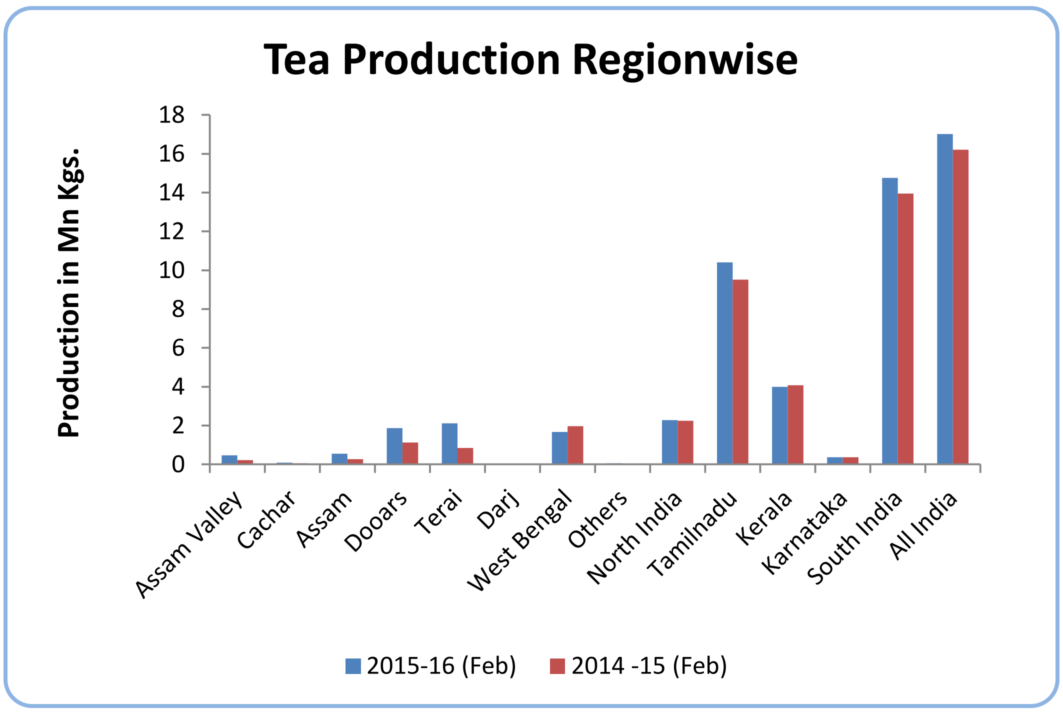
Coonoor Tea Auction: Sale No: 25 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	98.49	353356.00	323934.00
CTC Leaf	95.21	659877.00	609101.00
Orthodox Dust	111.19	45593.00	38618.00
Orthodox Leaf	126.15	46365.60	43898.60

(Source: Paramount Marketing, Coimbatore)

Prices noticed range –bound to firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Buying interest was noticed from the loose tea buyers and blenders. Prices are likely to notice firm tone in the coming days.





(Source: Tea Board)

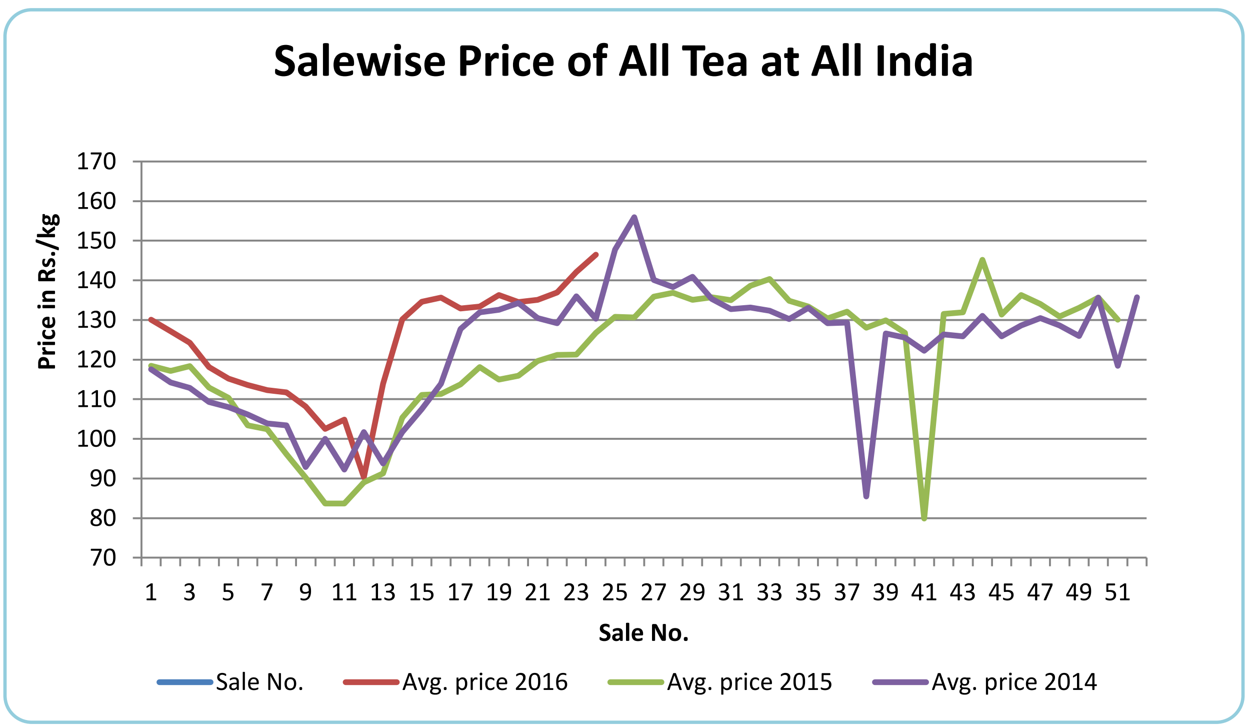
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam. 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 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 2016-06-18

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	163.88(161.95)	152.99(151.84)	145.44(130.38)	NS(NS)	123.70(86.80)	98.16(65.29)	100.54(71.98)	89.39(56.72)
Total Tea	181.65(176.61)	153.29(152.31)	145.44(130.40)	NS(NS)	117.84(91.46)	99.18(66.38)	100.68(72.01)	89.39(56.72)

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

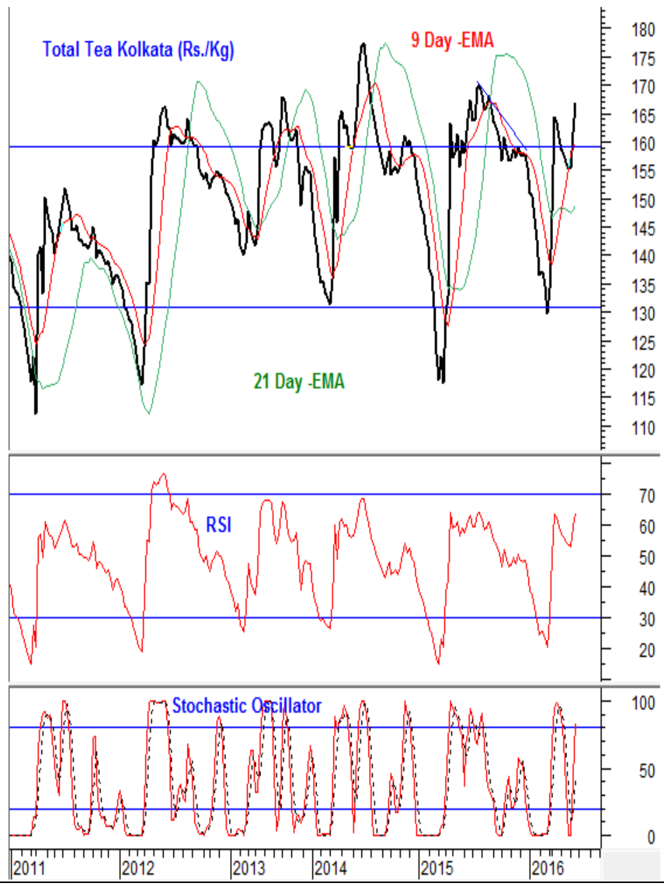
Variety	North India	South India	All India
CTC All Dust	154.21 (147.08)	103.26 (71.92)	140.60 (121.93)
Total Tea	161.14 (152.86)	106.26 (74.48)	146.45 (126.73)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata

Technical Commentary:
Tea prices noticed positive tone during the week. Prices are likely to move towards 200 levels in the coming days. Prices are holding above 9 –Day and 21 –Day EMA supporting the overall firm tone of the market in the medium –term. RSI is increasing in the neutral region denoting firm tone 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	181.65	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 24 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	440 - 480	430 - 490
Average Westerns	390 - 430	400 - 420
Plainer Westerns	340 - 380	340 - 390
Western Mediums	340 - 600	350 - 430
Uva Teas	365 - 510	350 - 430
Nuwara Eliya Teas	370 - 400	370 - 600
Udapussellawa Teas	365 - 450	370 - 435
CTC (BP1 and PF1)	270 - 425	320 - 590

In this week's auction, 6.78 million kgs of tea was offered for sale compared to 6.02 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 noticed mixed 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 during the week. There was some demand from Russia, Iran, Saudi Arabia and Turkey.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	26		25		24	
Dates	04th/05th July 2016		28th/29th June 2016		21st/22nd June 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	831	934,182 kg	875	983,018 kg	946	1,068,544 kg
Main Sale Total	9,964	5,459,718 kg	10,105	5,576,394 kg	10,173	5,711,745 kg
High & Medium	1,163	617,038 kg	1,222	673,885 kg	1,245	679,773 kg
Low Growns Leafy Tippy	3,604 1,856	1,742,024 kg 1,063,664 kg	3,713 1,854	1,805,022 kg 1,036,808 kg	3,618 1,793	1,775,369 kg 1,007,800 kg
Premium/Flowery	503	100,856 kg	570	107,475 kg	498	94,456 kg
Off Grades	2,271	1,340,406 kg	2,181	1,342,554 kg	2,390	1,468,572 kg
Dust	567	595,730 kg	565	610,650 kg	629	685,775 kg
Grand Total	10,795	6,393,900 kg	10,980	6,559,412 kg	11,119	6,780,289 kg
Reprints	315	265,503 kg	409	324,325 kg	423	289,070 kg
Scheduled to Close (Ex) Dates (Ms)		16.06.16 17.06.16		09.06.16 10.06.16		02.06.16 03.06.16

Scheduled Closing Dates

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

Auction No. 28 : 18th/20th July 2016

Ex Estate : 30.06.2016

Main Sale : 01.07.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 25

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
23	$ 3.23	$ 2.37	$ 2.95	$ 2.26
24	$ 3.30	$ 2.39	$ 3.01	$ 2.25
25	$ 3.41	$ 2.45	$ 3.11	$ 2.30

QUOTATIONS	BROKENS	FANNINGS
Best	425 – 531	416 – 485
Good	431 – 471	416 – 451
Good Medium	431 – 462	393 – 442
Medium	324 – 460	304 – 411
Lower Medium	248 – 399	237 – 313
Plain	215 – 287	175 – 270 (SL RUPEES)

During the week good demand was noticed for 9,575,912 kilos of tea on offer. Brighter DUST1s were USC8 to USC20 firm with mediums USC8 to US30 higher. Lower Mediums were USC2 to USC24 higher. Prices of Brighter BP1's were USC10 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 noticed positive tone and Dusts noticed mixed tone during the week. Other Fannings noticed weak tone and BMF's noticed firm tone. There was good demand from Egyptian Packers, Afghanistan, Yemen, Sudan, Russia, Kazakhstan, CIS and Middle –East countries. There was some demand from UK, Bazaar and Pakistan packers. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 25

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	9.060	469.560 Kg	8.860	458.460 Kg	97.63
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	9.060	469.560 Kg	8.860	458.460 Kg	97.63

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.380	133.840 Kg	2.360	132.940Kg	99.32
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.380	133.840 Kg	2.360	132.940Kg	99.32
GRAND TOTAL	11.440	603.400 Kg	11.220	591.400 Kg	98.01

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
210-212	161-191	150-160	145-186	159-210	131-158	310

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
145-152	144-170	124-132	288	147-155

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
145-184	164-189	175-196	178-258	153-184	151-204	-

Market offerings declined to 11,440 paper sacks from 13,360 paper sacks. There was good demand in the market. Average price declined to USDcts 157.63 instead of USDcts 162.89 during last week's auction. Average price of Orthodox variety declined to USDcts 152.94 and average price of CTC declined to USDcts 172.25. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 98.01% during the period compared to 93.66% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	29/06/16	13/07/16	29/06/16	13/07/16
PTPN. IV	2.160 S	2.740 S	-	-
PTPN. VI	480 S	680 S	520 S	580 S
PTPN. VII	940 S	1.120 S	80 S	100 S
PTPN. VIII	5.620 S	5.760 S	1.140 S	1.280 S
PTPN. IX	380 S	300 S	-	-
PTPN. XII	- S	- S	540 S	640 S
Total Estate	9.580 S	10.600 S	2.280 S	2.600 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.580 S	10.600 S	2.280 S	2.600 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 09
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	249-252
Medium	235-245	Good	245-248
Small	240-248	Medium	240-244
Plain	190-220	Plain	190-220

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 1.87 million kg of tea was offered for sale and nearly 3.4 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers. 29,037 packages and 320 packages of CTC Leaf of new season noticed good demand. 4,723 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	May	30.62	32.43	Up to May	128.29	143.49	- 15.11
North India	April	53.23	53.93	Up to April	111.20	87.43	+ 27.19
South India	April	16.98	24.83	Up to April	61.79	72.63	- 14.92
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 15.11 million kgs. to 143.49 million kgs. till May 2016 compared to same corresponding period in 2015. In North India, production has increased by nearly 1.35% and in South India, production has declined by 31.62% respectively in April 2016. Lack of sufficient rainfall has affected production in South India.

Currency	24-06-2016	17-06-2016
USD	68.12	67.11
Srilankan Rupee	0.4632	0.4624
Indonesian Rupiah	0.0051	0.0050
Kenyan Shilling	0.6703	0.6621
Bangladeshi Taka	0.8638	0.8541

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Pan India e-auction was launched during the week. However it could not function properly. Further changes may be required in the system. Arrivals are increasing amid rains in the growing regions. There was some demand from the exporters and loose tea buyers. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices noticed range –bound to firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There is arrival of good quality leaf in the market and it is expected to increase in the coming days. The future offering of tea is likely to decline at Sri Lankan and Indonesian auction in the coming week. Prices are likely to notice firm tone in the coming days.