News Highlights.

- Indian tea export realisationrealization from UK is likely to decline by 7-8% this fiscal amid Brexit impact. Of the 20.02 million kg of tea exported to the UK in 2015-16, Assam CTC comprised 90 per cent by volume and Darjeeling and Assam Orthodox tea variants made up five per cent each. The unit price of export to UK is likely to decline to $2.40 in the financial year 2016 -17 compared to $3.14 in the financial year 2016 -17. The forex implications would be temporary and contracts between British buyers and Indian tea sellers would not be affected according to industry sources.

- According to industry sources, heavy rains in the tea producing regions of north Bengal and in certain parts of Assam from middle of June is likely to affect India's tea production. Last year in June, North India had produced 101 million kg and South India had produced 25 million kg tea. This year in June, production will be less than previous year. In May, production was less this year at 90 million kg. in North India compared to 95 million kg. previous year amid dry weather in the growing regions.

- 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 corresponding period previous year. Heavy rains affected plucking in the top producing state 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.

- 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.

- Kenya tea growers are affected by the high cost of labour that could discourage investments. The government is eliminating and cutting numerous taxes and levies on the industry to help Kenyan tea become more competitive in global markets.

- According to customs data, Sri Lankan exports of tea in the month of May 2016 declined by 23% to 21.2 million kilos. In the first five months of the calendar year 2016, tea exports declined by 5% to 117.8 million kilos compared to the same period previous year.

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)

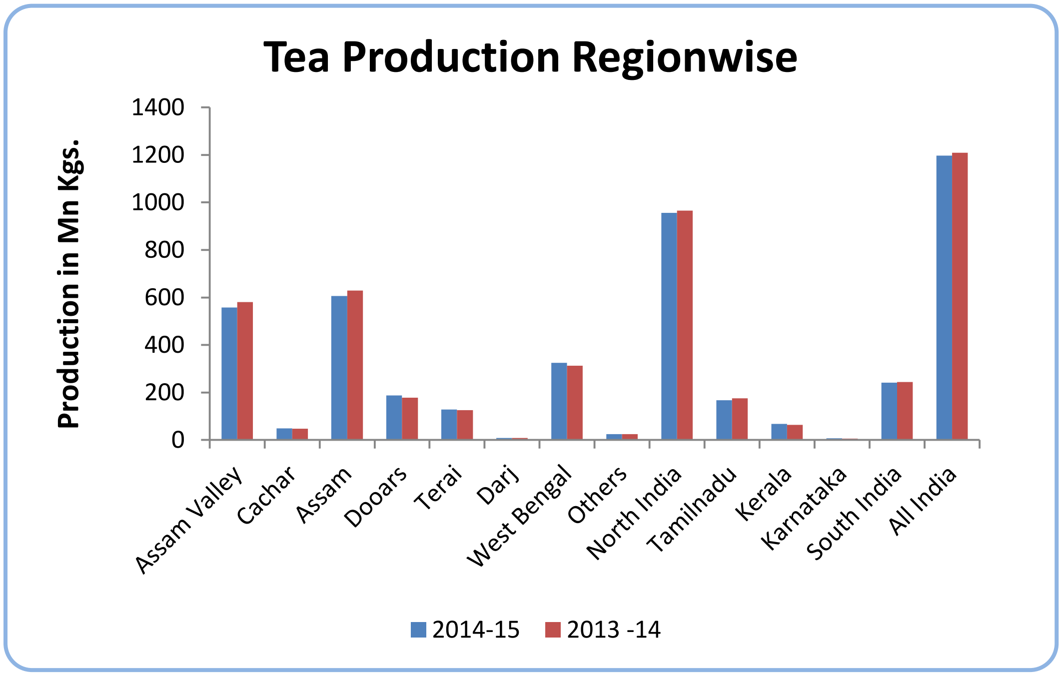
Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Demand for quality leaf lent support to the market. Prices are likely to notice range –bound to firm tone in the near –term.

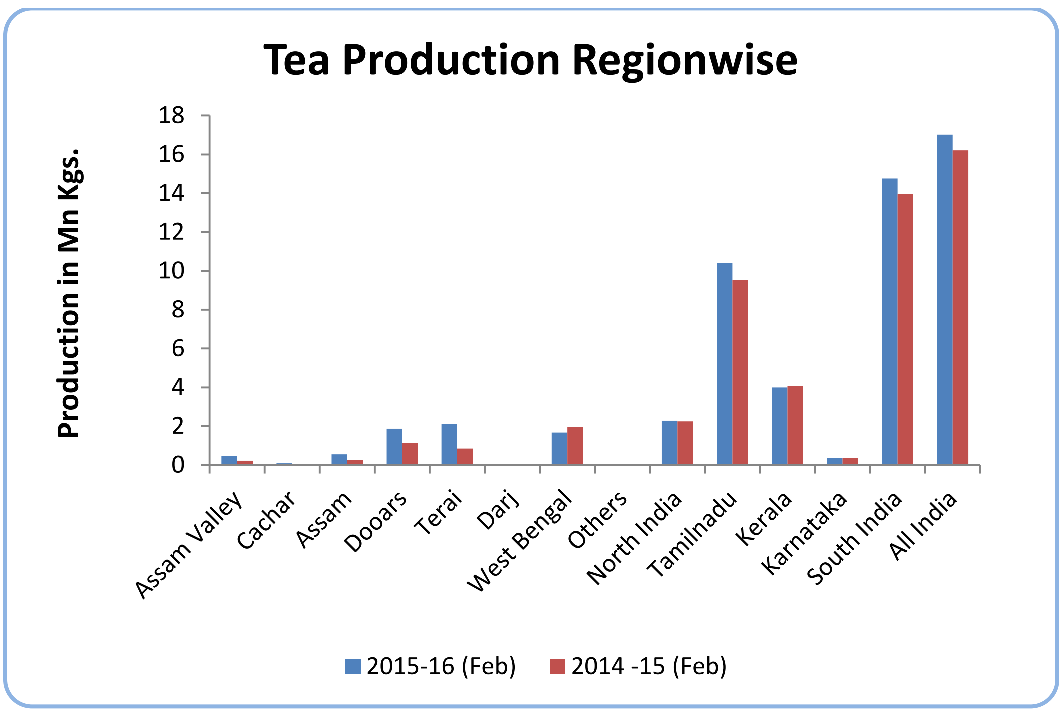
Coonoor Tea Auction: Sale No: 23 (Price in Rs./kg)

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)

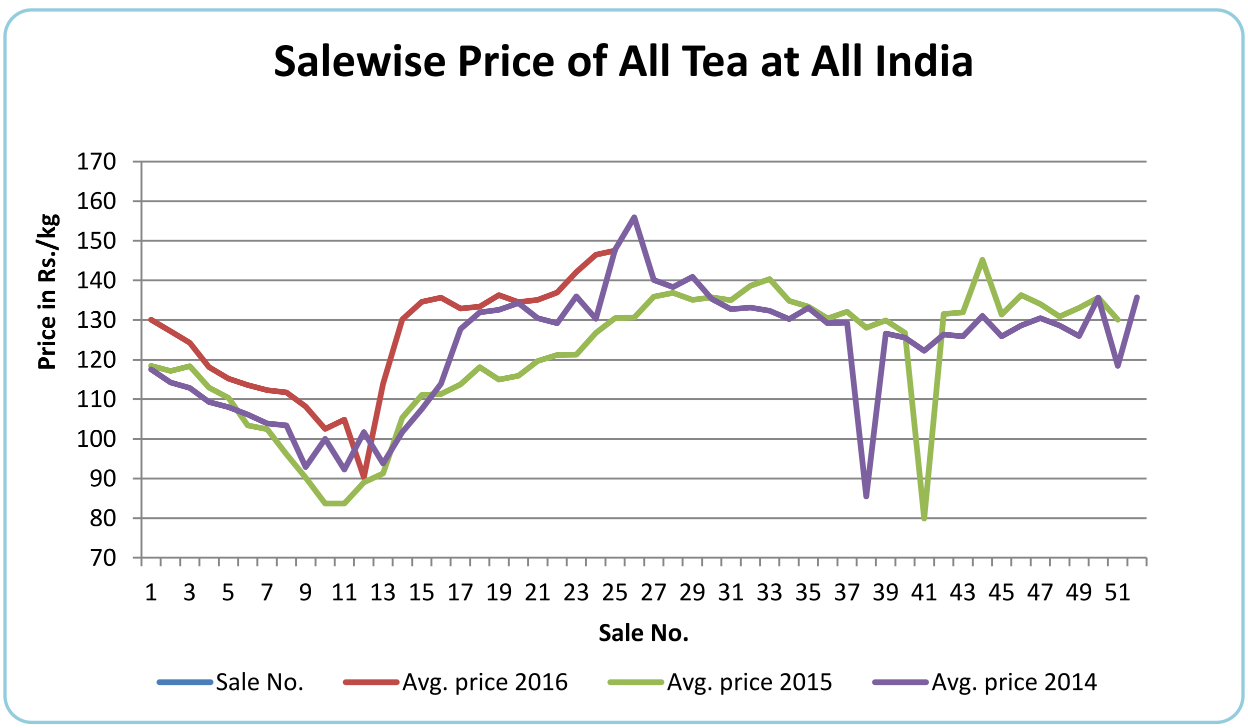
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam.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

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 2016-06-25

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	163.93(163.57)	152.88(153.20)	118.13(127.75)	NS(NS)	113.94(86.42)	96.94(67.80)	100.17(72.92)	88.47(58.85)
Total Tea	180.91(182.95)	153.32(153.65)	118.13(127.76)	NS(NS)	120.76(91.44)	98.20(68.82)	100.32(73.03)	88.47(58.85)

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

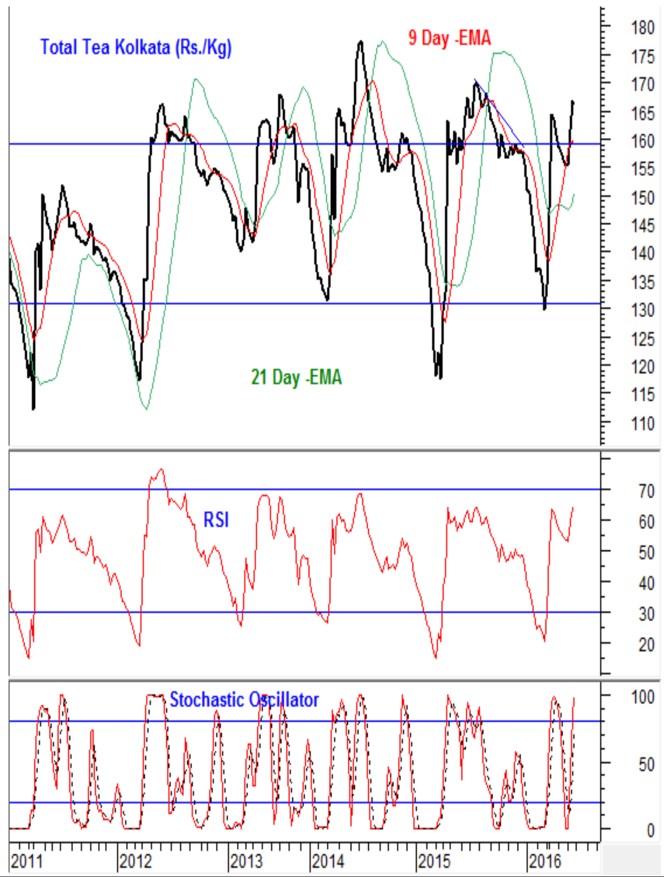
Variety	North India	South India	All India
CTC All Dust	154.02 (147.65)	100.24 (73.64)	139.93 (123.91)
Total Tea	163.00 (155.55)	103.31 (76.25)	147.52 (130.49)

(Source: Tea Board)

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

Technical Commentary:
Tea prices declined slightly during the week. Any near –term weakness should be considered as good buying opportunity within the overall positive tone of the market. MACD is increasing in the positive territory denoting overall firm tone of the market in the medium –term. Stochastic oscillator is increasing in the overbought region supporting some weakness in the near –term.

The tea prices are likely to increase towards 200 levels in the coming days. Traders can purchase on any near –term weakness 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	180.91	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 25 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	450 - 540	440 - 610
Average Westerns	410 - 440	410 - 430
Plainer Westerns	340 - 400	370 - 400
Western Mediums	370 - 570	370 - 430
Uva Teas	365 - 550	360 - 445
Nuwara Eliya Teas	380 - 400	410 - 540
Udapussellawa Teas	360 - 410	360 - 430
CTC (BP1 and PF1)	310 - 425	335 - 580

In this week's auction, 6.56 million kgs of tea was offered for sale compared to 6.78 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's witnessed positive tone and BOPF's noticed mixed tone. High Grown and Mid Grown CTC's noticed firm tone and Low Grown CTC's noticed weak 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 weak tone during the week. There was some demand from Russia, Dubai, Iran, CIS countries, Iraq and Kuwait.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	27		26		25	
Dates	12th/ 13th July 2016		04th/05th July 2016		28th/29th June 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	798	895,563 kg	831	934,182 kg	875	983,018 kg
Main Sale Total	9,453	5,127,450 kg	9,964	5,459,718 kg	10,105	5,576,394 kg
High & Medium	1,153	617,830 kg	1,163	617,038 kg	1,222	673,885 kg
Low Growns Leafy Tippy	3,408 1,709	1,615,888 kg 961,812 kg	3,604 1,856	1,742,024 kg 1,063,664 kg	3,713 1,854	1,805,022 kg 1,036,808 kg
Premium/Flowery	494	101,637 kg	503	100,856 kg	570	107,475 kg
Off Grades	2,128	1,237,376 kg	2,271	1,340,406 kg	2,181	1,342,554 kg
Dust	561	592,907 kg	567	595,730 kg	565	610,650 kg
Grand Total	10,251	6,023,013 kg	10,795	6,393,900 kg	10,980	6,559,412 kg
Reprints	319	271,019 kg	315	265,503 kg	409	324,325 kg
Scheduled to Close (Ex) Dates (Ms)		23.06.16 24.06.16		16.06.16 17.06.16		09.06.16 10.06.16

Scheduled Closing Dates

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

Auction No. 29 : 26th/27th July 2016

Ex Estate : 07.07.2016

Main Sale : 08.07.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 26

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
24	$ 3.30	$ 2.39	$ 3.01	$ 2.25
25	$ 3.41	$ 2.45	$ 3.11	$ 2.30
26	$ 3.33	$ 2.40	$ 3.13	$ 2.27

QUOTATIONS	BROKENS	FANNINGS	
Best	436 – 525	404 - 492	
Good	422 – 492	381 - 422	
Good Medium	436 – 522	356 - 423	
Medium	429 – 471	313 - 358	
Lower Medium	269 – 445	238 - 323	
Plain	203 – 451	174 - 270	(SL RUPEES)

During the week good demand was noticed for 9,185,59 kilos of tea on offer. Brighter DUST1s were firm up to USC4 with mediums were firm to USC10 lower. Lower Mediums were firm up to USC10. Prices of Brighter BP1's were lower up to USC8. Other varieties like Brighter P dusts, 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, Iran, Pakistan packers, Yemen, Russia, Sudan, UK and Middle –East countries. There was some demand from Afghanistan and Bazaar. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 26

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	9.380	484.480 Kg	8.300	429.660 Kg	88.68
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	9.380	484.480 Kg	8.300	429.660 Kg	88.68

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.380	134.080 Kg	2.240126.280 Kg		94.18
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.380	134.080 Kg	2.240	126.280 Kg	94.18
GRAND TOTAL	11.760	618.560 Kg	10.540	555.940Kg	89.87

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
200-210	180-196	140-151	139-216	155-193	130-156	302-322

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
135-157	133-180	122-125	-	128-150

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
149-192	162-177	170-192	180-233	136-180	177-200	-

Market offerings increased to 11,660 paper sacks from 11,440 paper sacks. There was good demand in the market. Average price declined to USDcts 152.35 instead of USDcts 157.63 during last week's auction. Average price of Orthodox variety declined to USDcts 147.77 and average price of CTC declined to USDcts 166.97. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 89.87% during the period compared to 98.01% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	13/07/16	20/07/16	13/07/16	20/07/16
PTPN. IV	1.520 S	1.240 S	-	-
PTPN. VI	400 S	400 S	520 S	480 S
PTPN. VII	740 S	620 S	120 S	100 S
PTPN. VIII	4.480 S	4.280 S	1.080 S	1.020 S
PTPN. IX	240 S	200 S	-	-
PTPN. XII	- S	- S	600 S	540 S
Total Estate	7.380 S	6.740 S	2.320 S	2.140 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.380 S	6.740 S	2.320 S	2.140 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 10

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	248-250
Medium	230-240	Good	242-245
Small	235-245	Medium	230-240
Plain	180-190	Plain	180-190

Tea prices at Bangladesh tea auction noticed weak tone amid higher arrivals and less demand from the local buyers. gGood demand for quality leaf in the market. The average price of tea during this week's auction was around USD 3.10/kg. Around 2.00 million kg of tea was offered for sale and nearly 7.9 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers. 31,819 packages and 99 packages of CTC Leaf of old season noticed good demand. 5,165 and 10 packages of CTC Dust of old season noticed some demand. In CTC Dust, good liquoring varieties noticed weak 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	01-07-2016	24-06-2016
USD	67.40	68.12
Srilankan Rupee	0.4624	0.4632
Indonesian Rupiah	0.0051	0.0051
Kenyan	0.6668	0.6703

Shilling		
Bangladeshi Taka	0.8567	0.8638

Overall Outlook and Recommendation:

In the domestic market, prices noticed positive tone during the week. Quantity offered on sale declined 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 near –term.

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. There was lack –luster activities in Bangladesh ahead of the festival of ‘Eid’. 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 coming week.