

News Highlights.

- For the first time in the history of Kochi auctions, 100 per cent of tea on offer in leaf sales remained unsold during the week as buyers abstained from trading. The non-participation of tea buyers — large, medium and small — comes in the wake of the protest led by Tea Buyers Association on certain unfavourable conditions in the newly introduced pan-India tea auctions.
- There has only been a marginal increase of 0.47 per cent in the cumulative turnover at the auctions of Coonoor Tea Trade Association (CTTA) in the first half of current calendar over the same period of 2015. In all, 25 auctions that had been held till June, the average price rose to `97.66 a kg from Rs.73.61 last year. Following the sharp increase in price, the volume sold dropped to 2.09 crore kg from 2.76 crore kg. The high price helped the overall realisationrealization to rise to Rs. 204.11 crore from Rs. 203.16 crore.
- The Association of Planters of Kerala (APK) has sought the intervention of the Centre as well as the Tea Board to amicably settle issues at the Kochi Tea auction centre to avoid a total shutdown of the tea industry in the State.
- 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 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.
- 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 tone 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: 27 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	111.72	1079178.70	285711.50
CTC Leaf	NA	69855.00	0.00
Orthodox Dust	NA	17469.00	0.00
Orthodox Leaf	NA	20795.00	0.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone in CTC Dust variety. Quantity offered on sale declined during the week compared to previous week. There was no trading in other varieties as traders remained away from the auction. Prices are likely to notice weak tone in the coming days.

Coimbatore Tea Auction: Sale No: 27 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	99.73	296379.00	176818.00
CTC Leaf	92.92	170713.00	104934.00
Orthodox Dust	92.35	3917.00	3917.00
Orthodox Leaf	121.23	4758.00	3682.00

(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. Arrivals have increased amid rains in the growing regions during the last few days. There was some export demand for Orthodox Leaf variety. Prices are likely to notice range –bound to firm tone in the coming week.

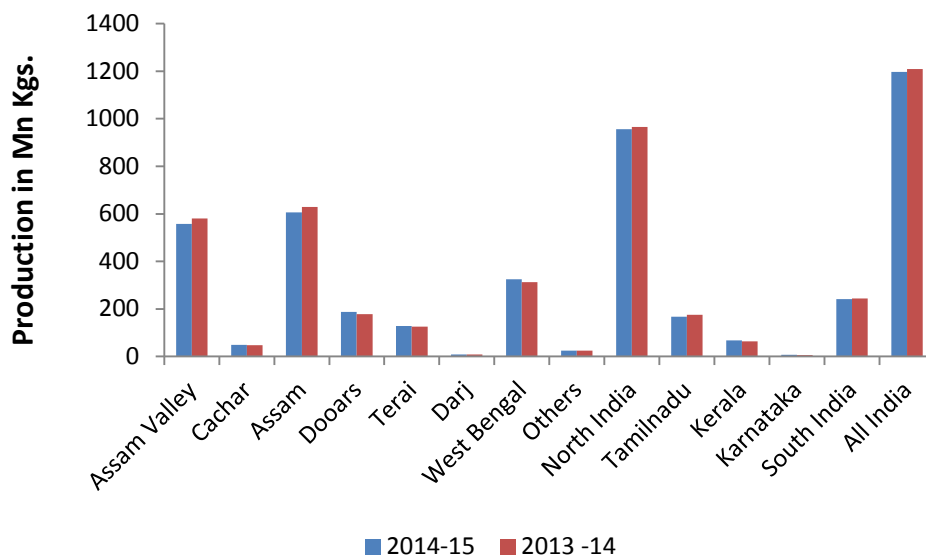
Coonoor Tea Auction: Sale No: 27 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	95.62	490952.00	379601.00
CTC Leaf	93.82	949139.00	806166.00
Orthodox Dust	106.96	54046.00	43737.00
Orthodox Leaf	126.41	88504.00	81127.20

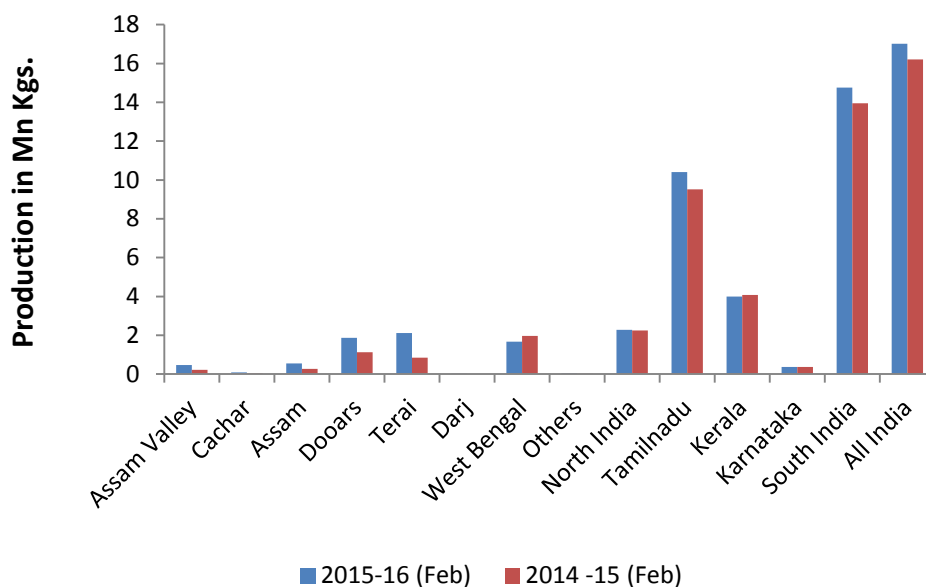
(Source: Paramount Marketing, Coimbatore)

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 range –bound to weak tone in the near –term.

Tea Production Regionwise



Tea Production Regionwise



(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.

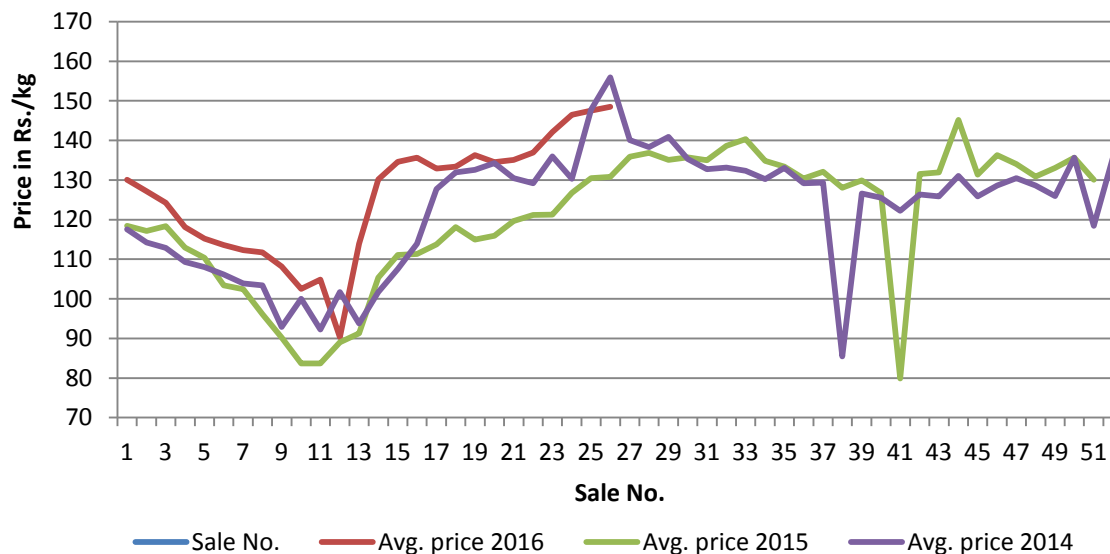
REGIONWISE QUARTERLY EXPORTS:

(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

Salewise Price of All Tea at All 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 2016-07-02

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	168.49(155.47)	154.87(153.59)	111.33(126.32)	NS(NS)	114.66(87.90)	96.19(68.27)	98.93(72.40)	84.60(60.85)
Total Tea	183.26(176.00)	155.28(154.13)	111.33(126.33)	NS(NS)	114.75(92.09)	97.68(69.30)	99.14(72.91)	84.60(60.85)

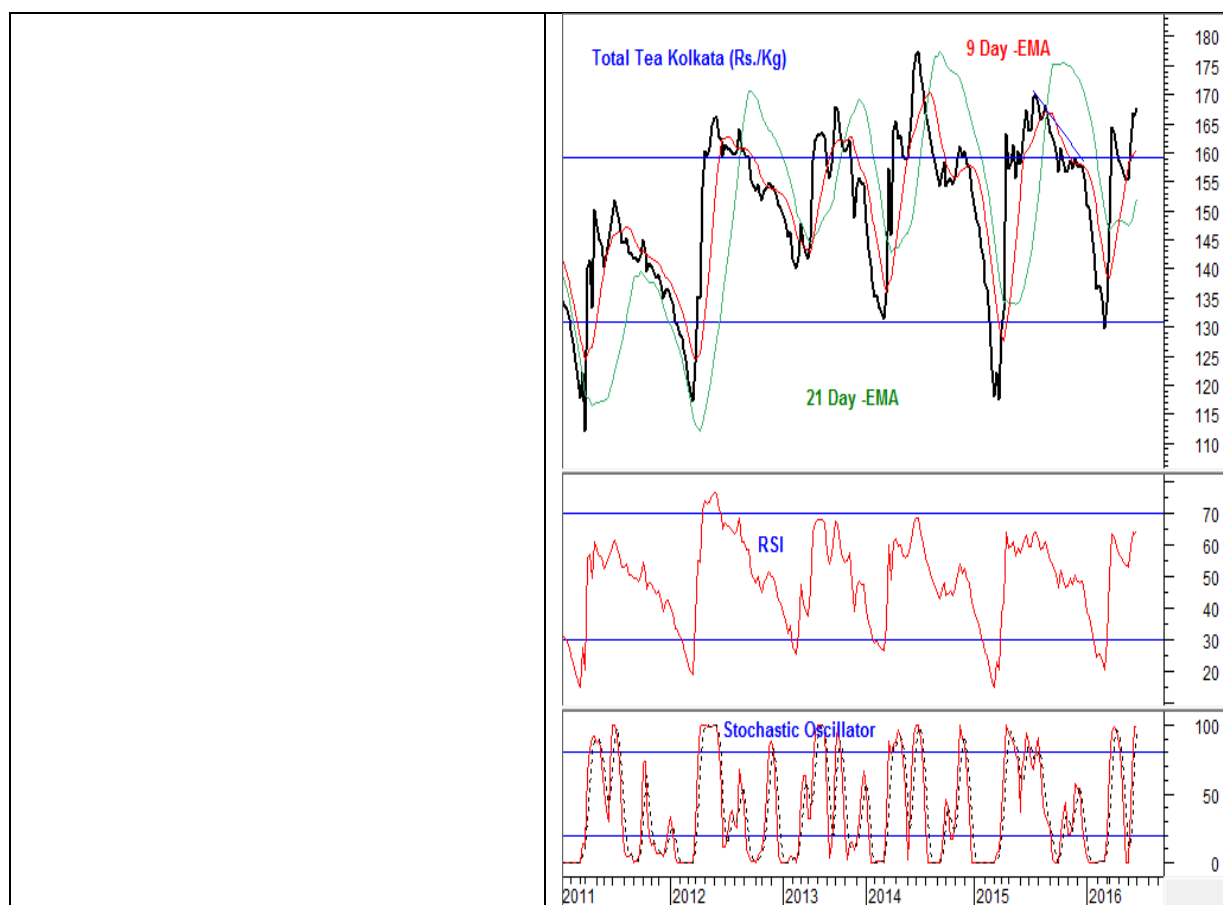
(Figure in brackets denote prices during the same corresponding period in the previous year)

Variety	North India	South India	All India
CTC All Dust	155.54 (145.14)	98.20 (75.42)	141.65 (124.75)
Total Tea	163.51 (152.77)	99.04 (78.01)	148.52 (130.83)

(Source: Tea Board)



Tea – Technical Outlook	Total Tea -Kolkata
<p>Technical Commentary: Tea prices noticed firm tone during the week. Prices are holding above 9 –Day and 21 –Day EMA supporting the overall firm tone of the market. Prices are likely to increase towards 200 levels in the medium –term. RSI is increasing in the neutral region denoting positive tone in the near –term.</p> <p><i>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.</i></p>	



Strategy: Buy Around Current Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	130.00	183.26	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 26 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	460 - 630	460 - 610
Average Westerns	420 - 450	420 - 450
Plainer Westerns	360 - 410	370 - 410
Western Mediums	370 - 570	360 - 435
Uva Teas	380 - 540	350 - 445
Nuwara Eliya Teas	370 - 400	420 - 435
Udapussellawa Teas	360 - 500	360 - 440
CTC (BP1 and PF1)	290 - 420	350 - 600

In this week's auction, 6.39 million kgs of tea was offered for sale compared to 6.56 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 firm tone. High Grown and Mid Grown CTC's noticed steady tone and Low Grown CTC's noticed firm 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 noticed weak tone 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, Dubai, Iran, CIS countries, Iraq, Kuwait and other Middle –East countries.

DETAILS OF TEAS AWAITING SALE

	28		27		26	
AUCTION NO.						
	18 th /20 th July 2016		12 th /13 th July 2016		04 th /05 th July 2016	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	794	889,484 kg	798	895,563 kg	831	934,182 kg
Main Sale Total	10,592	5,818,117 kg	9,453	5,127,450 kg	9,964	5,459,718 kg
High & Medium	1,207	634,946 kg	1,153	617,830 kg	1,163	617,038 kg
Low Growns Leafy	3,875	1,953,268 kg	3,408	1,615,888 kg	3,604	1,742,024 kg
	2,126	1,241,329 kg	1,709	961,812 kg	1,856	1,063,664 kg
Tippy						
Premium/Flowery	547	106,382 kg	494	101,637 kg	503	100,856 kg
Off Grades	2,306	1,332,810 kg	2,128	1,237,376 kg	2,271	1,340,406 kg
Dust	531	549,382 kg	561	592,907 kg	567	595,730 kg
Grand Total	11,386	6,707,601 kg	10,251	6,023,013 kg	10,795	6,393,900 kg
Reprints	300	195,469 kg	319	271,019 kg	315	265,503 kg
Scheduled to Close (Ex)		30.06.16		23.06.16		16.06.16
Dates (Ms)		01.07.16		24.06.16		17.06.16

Scheduled Closing Dates

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

Auction No. 30 : 02nd/03rd Aug 2016

Ex Estate : 14.07.2016

Main Sale : 15.07.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 26

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2015	2016	2015	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	2.240	126.280	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	555.940	Kg	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. Good 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)

<u>Country</u>	<u>MONTH</u>	<u>2016</u>	<u>2015</u>	<u>CUMULATIVE</u>	<u>2016</u>	<u>2015</u>	<u>CUMULATIVE</u> <u>+ INC./-DEC.</u>
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	April	37.57	23.83	Up to April	177.17	105.45	+ 71.72
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	08-07-2016	01-07-2016
USD	67.32	67.40
Srilankan Rupee	0.4635	0.4624
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6656	0.6668
Bangladeshi Taka	0.8603	0.8567

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrivals are picking up amid rain in the growing regions during the last few days. Demand for Orthodox Leaf variety tea lent some support to the market. Some changes are in the pan India e-auction system for successful functioning of the system. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, trading remained lack –luster following the festival of ‘Eid’ during the week. Prices firmed up at Sri Lankan tea auction amid good demand for quality leaf. The future offering of tea is likely to decline at Sri Lankan tea auction in the coming week. Prices are likely to notice range –bound to firm –tone in the near –term.

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