News Highlights.

- Tea production has increased by 68 per cent in Kenya this season to 177 million kg and prices have declined accordingly. India has to export cheaper tea to Pakistan amid this tea glut in Kenya. Pakistan is one of the top three tea importers with annual consumption of 220 million kg. Pakistan buyers are not ready to buy costlier and quality tea from India.

- According to traders, in the first four months of 2016, Pakistan imported 5.12 million kg of tea, down lower thanfrom the 5.63 million kg it had imported in the year-ago period. Pakistan imports most of its requirement between August and October.

- Discussions are under way to include tea on the notified list of commodities that can be traded on the futures market.

- With a rise in tea adulteration in the city, the Food Safety Department has decided to write to the Tea Board to cancel licences of traders responsible for adulteration.

- According to Tea Board, Indian tea output declined to 99.56 mkg in May 2016 compared to 121.69 mkg in May 2015. Dry weather in North India and South India during May affected production. India's production in the five months of the current calendar declined by 3.27 per cent to 272.55 mkg compared to 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: 28 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	150.83	25,89,000	18,86,000
Dust	159.88	12,81,000	10,35,000

(Source: Parcon)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Dust variety and fair for Leaf variety. Plainer sorts witnessed steady tone. Buying interest was noticed from internal buyers, Tata Global and Hindustan Unilever Limited. Prices are likely to notice weak 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: 28 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	113.33	1052140.50	425751.20
CTC Leaf	80.42	68450.00	2358.00
Orthodox Dust	NA	12408.00	0.00
Orthodox Leaf	162.48	157891.00	4232.00

(Source: Paramount Marketing, Coimbatore)

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

Coimbatore Tea Auction: Sale No: 28 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	96.41	355168.00	220976.00
CTC Leaf	88.99	167636.00	59505.00
Orthodox Dust	86.66	19873.00	18731.00
Orthodox Leaf	115.01	12486.00	7950.00

(Source: Paramount Marketing, Coimbatore)

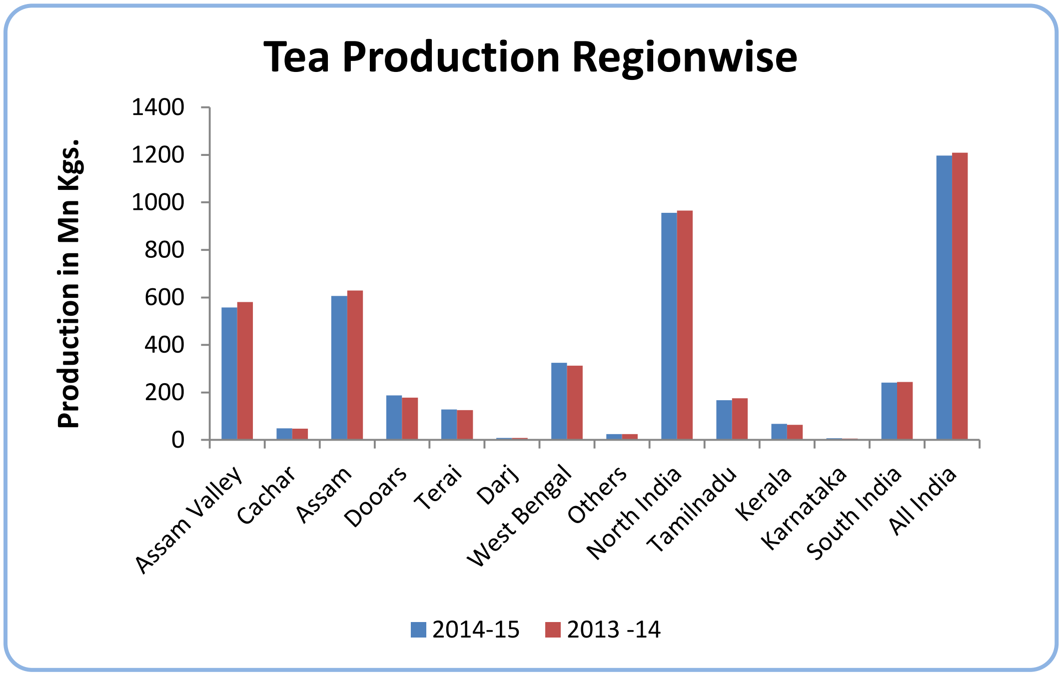
Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrivals have increased during the week amid rains in the growing regions. Buying interest was noticed from the local buyers and blenders. Prices are likely to notice weak tone in the coming days.

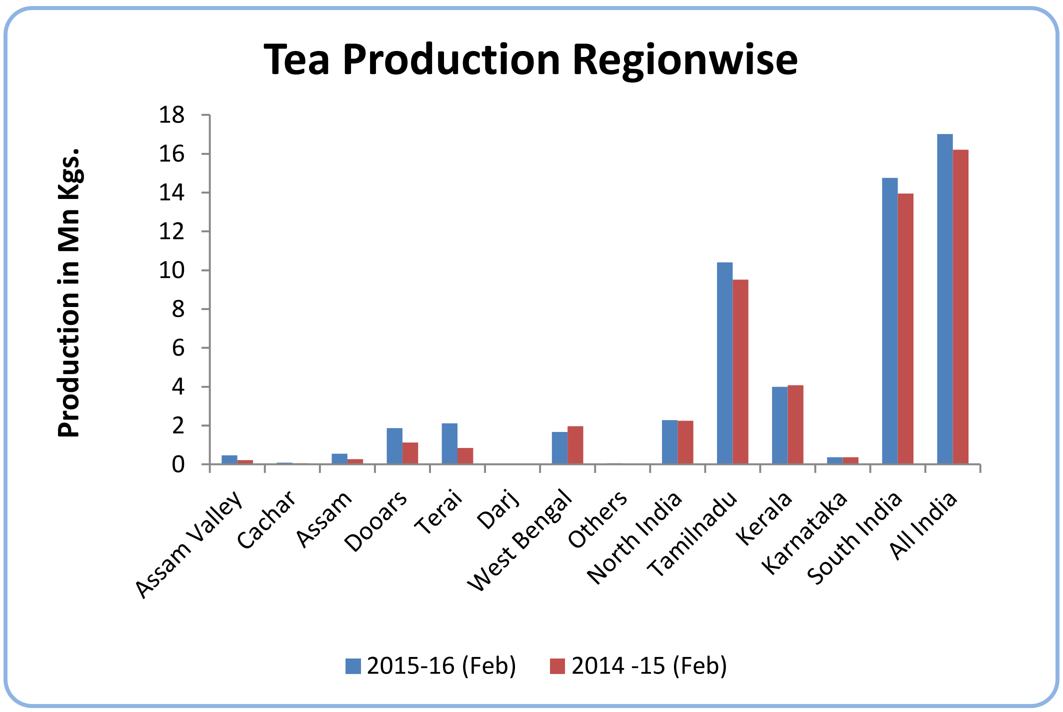
Coonoor Tea Auction: Sale No: 28 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	91.94	477210.00	381229.00
CTC Leaf	89.85	940851.00	666111.00
Orthodox Dust	104.55	50577.00	29807.00
Orthodox Leaf	126.32	84559.40	79033.40

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was some demand from the exporters for Orthodox Leaf variety. Prices are likely to notice range –bound to weak tone in the coming days.





(Source: Tea Board)

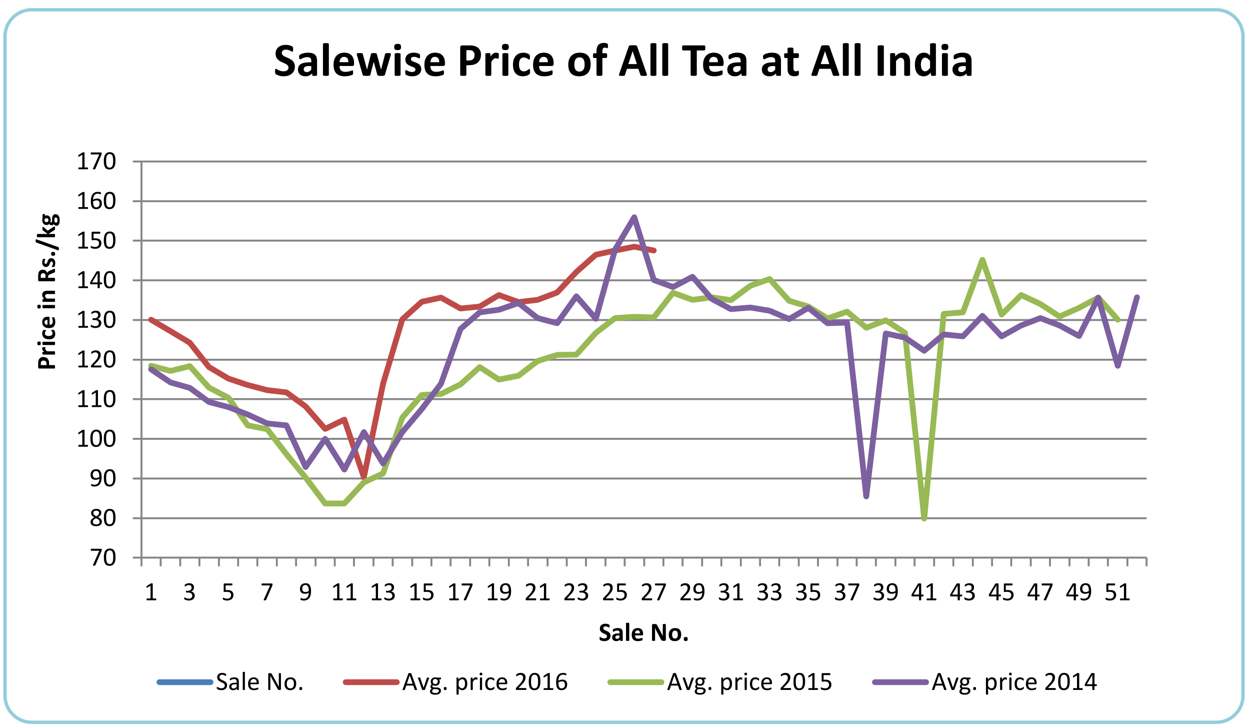
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam.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

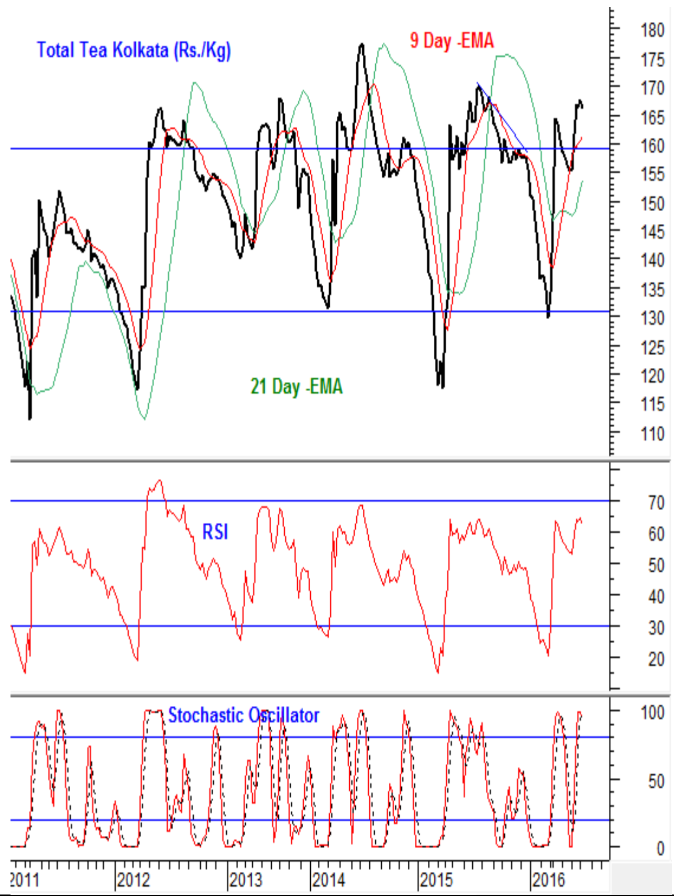
Weekly Average Prices at Indian Auction Centers for week ending 2016-07-09

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	163.96(163.85)	155.34(155.18)	140.11(124.03)	NS(NS)	111.72(87.62)	94.84(67.88)	97.13(72.88)	84.41(59.77)
Total Tea	180.75(175.88)	156.04(155.38)	140.11(124.03)	NS(NS)	111.72(91.99)	96.80(69.12)	97.43(73.98)	84.41(59.77)

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

Variety	North India	South India	All India
CTC All Dust	153.28(146.98)	95.71(75.55)	141.06(126.69)
Total Tea	160.77(151.86)	96.87(78.35)	147.56(130.60)

(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 in the medium –term. MACD is increasing in the positive territory supporting overall firm tone of the market in the medium –term. Stochastic oscillator is declining in the overbought region denoting 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	180.75	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

AUCTION NO.	28		27		26	
Dates	18th/20th July 2016		12th/13th July 2016		04th/05th July 2016	
	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
Tippy	2,126	1,241,329 kg	1,709	961,812 kg	1,856	1,063,664 kg
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) Dates (Ms)		30.06.16 01.07.16		23.06.16 24.06.16		16.06.16 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: 28

CTC QUOTATIONS	BP1 - USC	PF1 - USC	PD - USC	D1 - USC
Best	297 - 360	286 - 344	285 - 350	280 - 362
Good	300 - 331	288 - 308	240 - 300	300 - 314
Good Medium	296 - 322	252 - 296	248 - 300	252 - 316
Medium	284 - 320	210 - 254	228 - 260	214 - 248
Lower Medium	174 - 300	170 - 220	170 - 226	210 - 224
Plainer	142 - 280	122 - 204	124 - 214	150 - 214

During the week good demand was noticed for 8,405,549 kilos of tea on offer. Brighter DUST1s were firm up to USC14 with mediums were USC12 to USC14 higher. Lower Mediums were firm to USC24 lower. Prices of Brighter BP1's were firm to USC6 lower. 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 steady tone during the week. Other Fannings noticed steady tone and BMF's noticed weak tone. There was good demand from Egyptian Packers, Yemen and Middle –East countries. There was some demand from Afghanistan, Russia, Sudan, CIS countries, Pakistan Packers, Kazakhstan, UK, Iran and Bazaar. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 27

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	7.380	378.560 Kg	7.260	372.240 Kg	98.33
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	7.380	378.560 Kg	7.260	372.240 Kg	98.33

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.320	130.300 Kg	2.320130.300 Kg		100
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.320	130.300 Kg	2.320	130.300 Kg	100
GRAND TOTAL	9.700	508.860 Kg	9.580	502.540Kg	98.75

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
220-240	152-194	135-157	135-208	151-208	123-158	-

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
118-170	139-167	118-131	-	142-152

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
148-196	160-181	165-202	182-236	132-163	151-206	-

Market offerings declined to 9,700 paper sacks from 11,660 paper sacks. There was good demand in the market. Average price increased to USDcts 152.75 instead of USDcts 152.35 during last week's auction. Average price of Orthodox variety declined to USDcts 147.18 and average price of CTC increased to USDcts 167.16. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 98.75% during the period compared to 89.87% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	20/07/16	27/07/16	20/07/16	27/07/16
PTPN. IV	2.560 S	2.000 S	-	-
PTPN. VI	440 S	680 S	380 S	820 S
PTPN. VII	860 S	860 S	100 S	160 S
PTPN. VIII	4.780 S	5.200 S	780 S	780 S
PTPN. IX	360 S	160 S	-	-
PTPN. XII	- S	- S	640 S	540 S
Total Estate	9.000 S	8.900 S	1.900 S	2.300 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.000 S	8.900 S	1.900 S	2.300 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 11
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	273-279	Best	289-296
Medium	275-279	Good	275-280
Small	276-280	Medium	267-274
Plain	225-238	Plain	225-238-190

Tea prices at Bangladesh tea auction noticed weak tone amid higher arrivals and less demand from the local buyers. The average price of tea during this week's auction was around USD 2.80/kg. Around 2.20 million kg of tea was offered for sale and nearly 11.5 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers. 33,900 packages and 133 packages of CTC Leaf of old season noticed good demand. 5,742 and 2 packages of CTC Dust of old season noticed some demand. 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)

					To date	To date	To date	Difference +/-	
		2014	2015	2016	2014	2015	2016	2014 vs 2015	2015 vs 2016
Sri Lanka	May	39.2	32.4	30.6	142.6	143.4	128.2	0.8	-15.2
Malawi	May	4.6	4.1	3.4	32.7	29.0	28.4	-3.7	-0.6
Bangladesh	May	4.54	5.4	5.9	8.20	8.9	13.7	0.7	4.8
North India	May	69.3	95.6	84.7	154.2	183.0	195.9	28.8	12.9
South India	May	25.8	26.1	14.9	90.9	98.8	76.6	7.9	-22.2
Kenya	Apr	39.7	23.8	37.6	152.0	105.5	177.2	-46.5	71.7

(Source: Forbes and Walker 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 6.59% and in South India, production has declined by 28.98% respectively in May 2016. Lack of sufficient rainfall has affected production in South India.

Currency	15-07-2016	08-07-2016
USD	67.06	67.32
Srilankan Rupee	0.4596	0.4635
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6621	0.6656
Bangladeshi Taka	0.8555	0.8603

Overall Outlook and Recommendation:

In the domestic market, prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrivals have increased amid rains in the growing regions. Demand from loose tea buyers and blenders lend some support to the market. Prices are likely to notice range –bound to weak tone in the near –term.

In the global market, prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was not much demand in the market around current levels. There was high volume of tea on offer in Bangladesh. Rain is reported in the tea growing regions of India and Indonesia. The future offering of tea is likely to decline at Sri Lankan and Indonesian tea auction in the coming week. Prices are likely to notice range –bound to weak tone in the coming days.