News Highlights.

- The system of pan India e-auction is helping the companies in terms of better price realistaionrealization. Good quality second flush tea and participation of outstation buyers have lead to increase in prices. According to industry officials, participation of more buyers and increased competition at major auction centres to buy good quality second-flush tea from northern states are helping prices.

- Under the current regime, tea trade, which is classified as plantation industry, is exempted from various taxes and only pays the sState value added tax (VAT) at 5-6 per cent, apart from mandated central taxes like road cess, educational cess, etc. However, a minimum levy of 12 per cent GST will increase the cost, which will ultimately be passed on to consumers.

- The Tea Board of India has asked the Assam government to fasten the roll out of a Centre-designed insurance scheme for small tea growers of the state. The Centre had informed the Board in March that a market-linked Revenue Insurance Scheme for Plantation Crops (RISPC) had been designed for protecting tea growers. The Centre had shared the scheme with the sStates for rollout on the basis of shared funding of premium between the central government, state governments and the tea growers in the ratio of 75:15:10.

- Tea growers in Kerala are under pressure amid stocks of growing inventory. The e –auction which was to implemented countrywide did not take place in Kochi amid resentment of the buyers. Thirty seven lakh kgs of tea has piled up and prices have declined by around 8 -10%.

- 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 during May, 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.

- According to information from Uganda Export Promotion Board (UEPB), direct buyers of Ugandan tea have been identified from Iran and plans to make this happen are in advanced stages.

- 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: 28 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	169.68	23,18,000	17,38,000
ORTHODOX	246.35	4,86,000	4,02,000
DARJEELING	-	-	-
DUST	175.08	11,27,000	8,92,000

(Source: Parcon)

Prices noticed firm tone during the week. Quantity offered on sale increased 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: 29 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	149.68	30,48,000	21,49,000
Dust	151.26	14,59,000	10,88,000

(Source: Associated Brokers)

Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand in the market. Select good and Best Assams noticed steady tone. Buying interest was noticed from Hindustan Unilever Limited and Tata Global. Prices are likely to notice weak tone in the coming days.

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	144.97	33,52,000	25,28,000
CTC Dust	128.70	5,06,000	3,55,000

(Source: Associated Brokers)

Prices noticed firm tone during the week. Quantity offered on sale increased 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: 29 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	114.68	808170.60	359579.40
CTC Leaf	88.33	48241.00	6285.00
Orthodox Dust	NA	13225.00	0.00
Orthodox Leaf	177.04	130515.00	7533.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. Buyers are not participating in the pan India e-auction. Some demand from the exporters lent support to Orthodox Leaf variety. Prices are likely to witness easy tone in the coming days.

Coimbatore Tea Auction: Sale No: 29 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	95.18	360392.00	213374.00
CTC Leaf	85.76	156597.00	73641.00
Orthodox Dust	91.02	6150.00	6002.00
Orthodox Leaf	114.15	13444.00	12823.00

(Source: Paramount Marketing, Coimbatore)

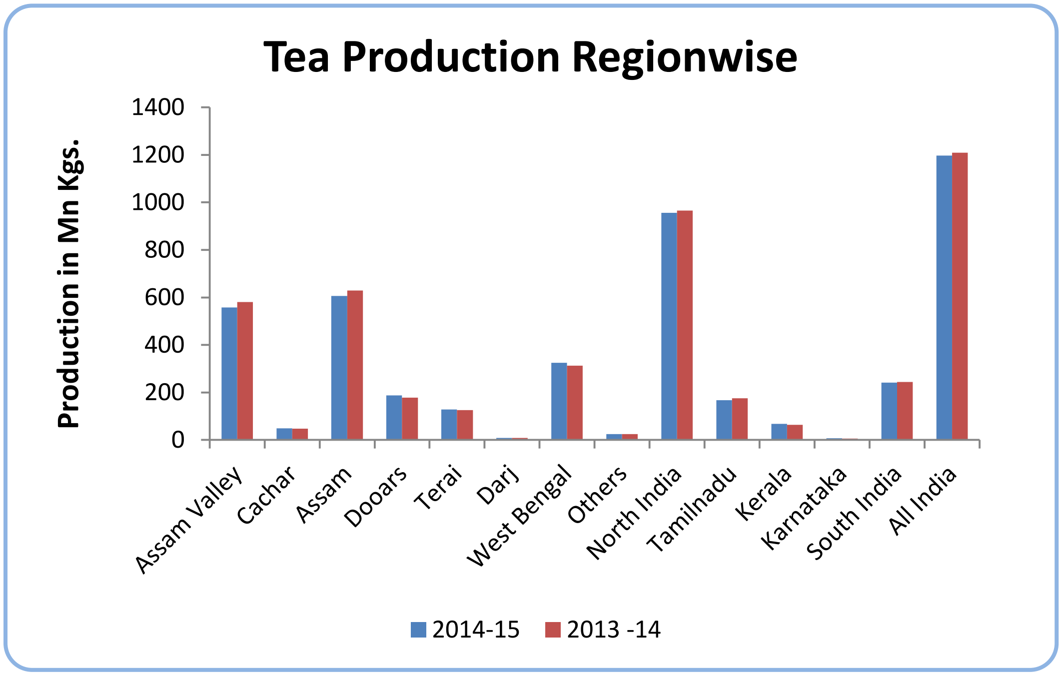
Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Orthodox Dust variety from the blenders. Prices are likely to notice range –bound to weak tone in the near –term.

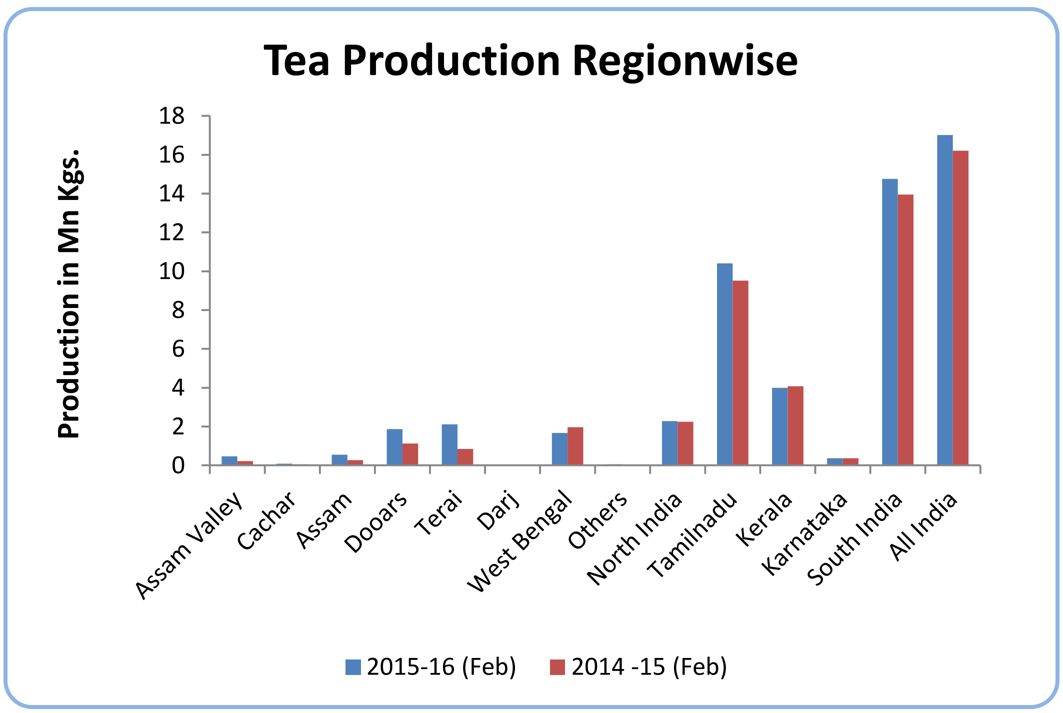
Coonoor Tea Auction: Sale No: 29 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	88.38	531221.00	353229.00
CTC Leaf	86.72	1005425.00	735545.00
Orthodox Dust	97.03	58314.00	41827.00
Orthodox Leaf	122.80	107108.60	91510.40

(Source: Paramount Marketing, Coimbatore)

Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. Buying interest was noticed from Kerala State Civil Supplies and loose tea buyers. Prices are likely to notice weak tone in the coming week.





(Source: Tea Board)

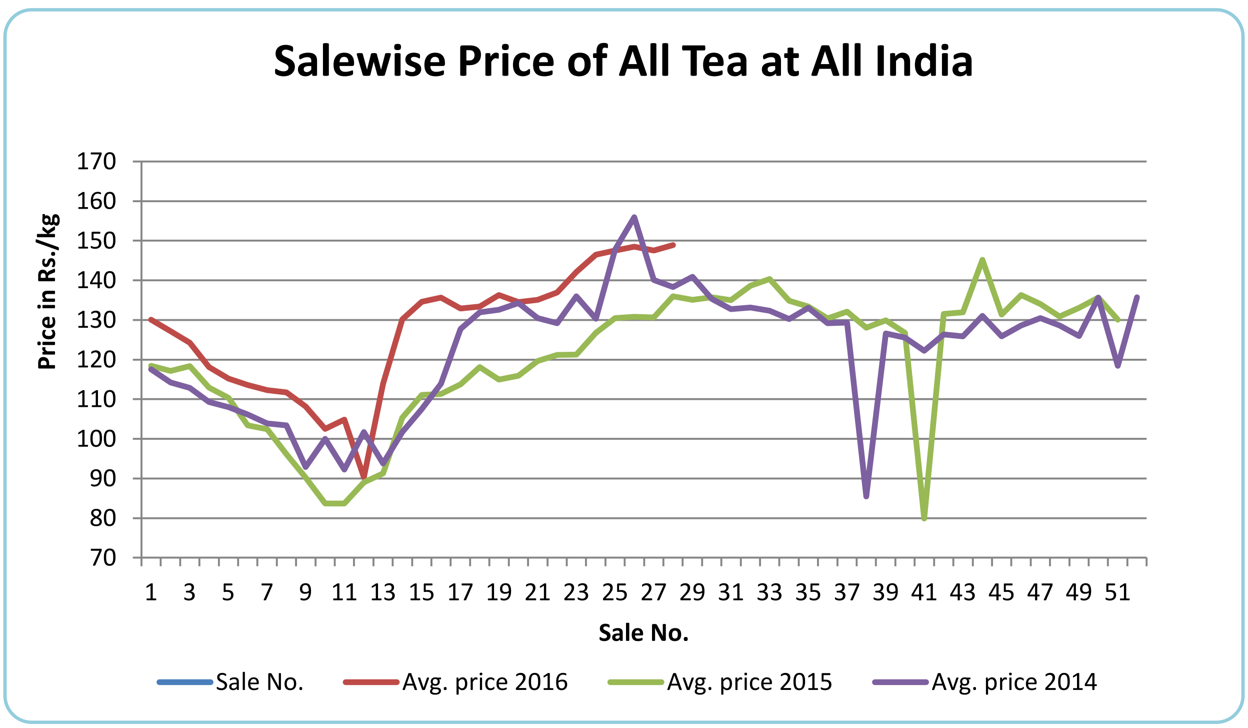
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam. 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 noticed firm tone during the week. Prices are likely to increase towards 200 levels in the coming days. RSI is increasing in the neutral region denoting firm tone in the near –term. Prices are holding above 9 –Day and 21 –Day EMA supporting the overall firm tone of the market in the medium -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	187.07	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)		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: 29

CTC QUOTATIONS	BP1 - USC	PF1 - USC	PD - USC	D1 - USC
Best	292 - 345	270 - 348	285 - 340	275 - 352
Good	292 - 328	271 - 298	230 - 306	299 - 310
Good Medium	290 - 330	250 - 298	240 - 300	248 - 322
Medium	276 - 300	210 - 250	220 - 274	210 - 253
Lower Medium	168 - 283	165 - 216	190 - 222	200 - 220
Plainer	135 - 265	127 - 188	142 - 207	115 - 210

During the week fair demand was noticed for 8,084,051 kilos of tea on offer. Brighter DUST1s were firm up to USC10 with mediums were firm to USC8 lower. Lower Mediums were firm to USC4 lower. Prices of Brighter BP1's were USC3 to USC6 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's noticed firm tone and PF's noticed mixed tone during the week. Well sorted clean colouy Fannings noticed positive tone and Dusts noticed steady tone during the week. Other Fannings and BMF's noticed firm tone. There was good demand from Egyptian Packers, Yemen, Middle –East countries, Russia, Bazaar and Iran. There was some demand from Pakistan Packers, Afghanistan, CIS countries, Kazakhstan and Sudan. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 28

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	9.000	468.340 Kg	8.940	465.940 Kg	99.48
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	9.000	468.340 Kg	8.940	465.940 Kg	99.48

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.900	108.480 Kg	1.880107.320 Kg		98.98
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	1.900	108.480 Kg	1.880	107.320 Kg	98.98
GRAND TOTAL	10.900	576.820 Kg	10.820	573.320Kg	99.39

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
-	158-192	140-178	135-226	152-206	118-185	302

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
118-153	141-170	111-131	171	130-150

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
143-187	160-196	165-206	180-226	144-172	149-200	-

Market offerings increased to 10,900 paper sacks from 9,700 paper sacks. There was good demand in the market. Average price increased to USDcts 156.24 instead of USDcts 152.75 during last week’s auction. Average price of Orthodox variety increased to USDcts 150.34 and average price of CTC increased to USDcts 177.08. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 99.39% during the period compared to 98.75% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	27/07/16	3/08/16	27/07/16	3/08/16
PTPN. IV	2.000 S	3.300 S	-	-
PTPN. VI	680 S	620 S	820 S	500 S
PTPN. VII	860 S	1.360 S	160 S	460 S
PTPN. VIII	5.200 S	7.960 S	780 S	1.000 S
PTPN. IX	160 S	500 S	-	-
PTPN. XII	- S	- S	540 S	500 S
Total Estate	8.900 S	13.740 S	2.300 S	2.460 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	8.900 S	13.740 S	2.300 S	2.460 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 12
(In $/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	2.67 - 2.73	Best	2.79 - 2.83
Medium	2.71 - 2.75	Good	2.73 - 2.76
Small	2.73 - 2.76	Medium	2.66 - 2.70
Plain	2.12 - 2.25	Plain	2.12 - 2.25

Tea prices at Bangladesh tea auction noticed weak tone amid lower 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 2.00 million kg of tea was offered for sale and nearly 8 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers. 31,252 packages and 191 packages of CTC Leaf of old season noticed good demand. 5,233 and 7 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 fair 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	22-07-2016	15-07-2016
USD	67.10	67.06
Srilankan Rupee	0.4603	0.4596
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6606	0.6621
Bangladeshi Taka	0.8557	0.8555

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 rains in the growing regions. There is good demand for second flush of tea in the market. Buying interest was noticed from loose tea buyers and blenders. Prices are likely to notice range –bound to weak tone in the coming week.

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. Buying interest was less in the market. Weather remained conducive in the growing regions. The future offering of tea is likely to increase at Sri Lankan tea auction and decline at Indonesian tea auction in the coming week. Prices are likely to notice weak tone in the near –term.