News Highlights.

- India's tea production is likely to decline by 20 -25 per cent in July compared to previous year amid heavy rains and flood in Dooars and Darjeeling in North India. Many tea estates and factories are submerged in water. Production of tea in Dooars was 23.99 million kg of tea in July 2015. The total production in India was at 154.37 million kg in July 2015. In 2015, India had produced 1208.66 million kg of tea. According to tea planters, around 30 estates are under water in Terai and Dooars.

- Unprecedented level of rainfall in northern India tea belt is causing steep rise in production cost of the green beverage. Escalated cost of production is apprehended expected to continue even after the monsoon making things tough for the whole industry.

- 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 state 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.

- 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.

- The garden Chota Tingrai, in Assam belonging to Jalan Industries Pvt Ltd, has started a Japanese green tea manufacturing unit, a first-of-its-kind in India, using machines, techniques and know-how imported from Japan. The flavor and aroma of authentic Japanese green tea can now be found in India.

- Rwanda's total tea export revenue increased by 16.25 per cent to $70.7 million during 2015/16 fiscal year compared to $60.8 million in the previous year according to the National Agricultural Export Board (NAEB). The increase is mainly due to the high volume of tea sold.

- Output of tea in Sri Lanka declined by 14% to 25.4 mkgs compared with the same period previous year. Sri Lanka's Tea production in the first six months of this year is recorded at 153.8mkgs, a decline of 19 mkgs or 11% when compared with the same period of 2015.

- 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.

Domestic Trade Scenario:

Indian Tea Auctions

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	161.56	28,53,000	20,24,000
ORTHODOX	241.16	6,11,000	4,79,000
DARJEELING	-	-	-
DUST	164.46	12,87,000	9,92,000

(Source: Parcon)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. Withdrawal was noticed in Medium Assams and Better Dooars. Prices declined in line with quality. There was demand for Orthodox Leaf variety from Middle –East and CIS countries. Prices are likely to witness easy tone in the coming days.

Guwahati Tea Auction: Sale No: 30 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	144.46	40,92,000	27,45,000
Dust	150.45	17,64,000	12,71,000

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Best Assams. Withdrawal was noticed and arrivals have increased during the last few days. Buying interest was noticed from Tata Global, Hindustan Unilever Limited and western India buyers. Prices are likely to notice weak tone in the coming week.

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	140.24	34,44,000	26,33,000
CTC Dust	125.67	5,06,000	3,55,000

(Source: Associated Brokers)

Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. There was fair demand in the market. The Common and the Plainer variety noticed good demand. Buying interest was noticed from exporters and internal buyers. Prices are likely to notice range –bound to weak tone in the near –term.

Jalpaiguri Tea Auction: Sale No: 30 (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)

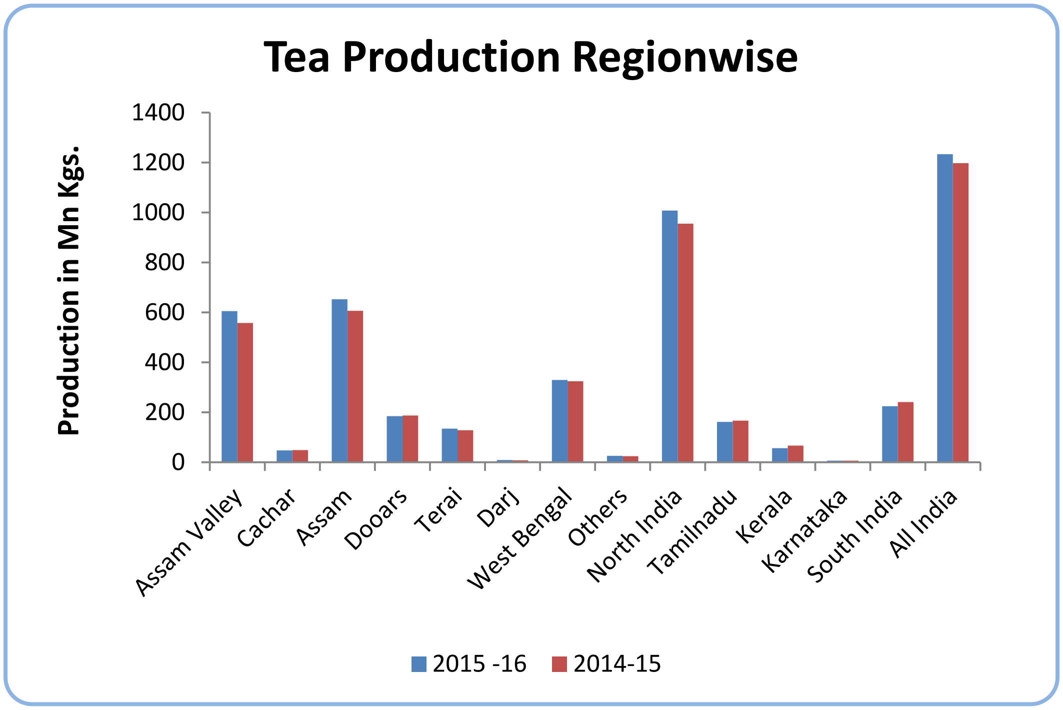
Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Orthodox Dust variety from the blenders. Prices are likely to notice range –bound to weak tone in the near –term.

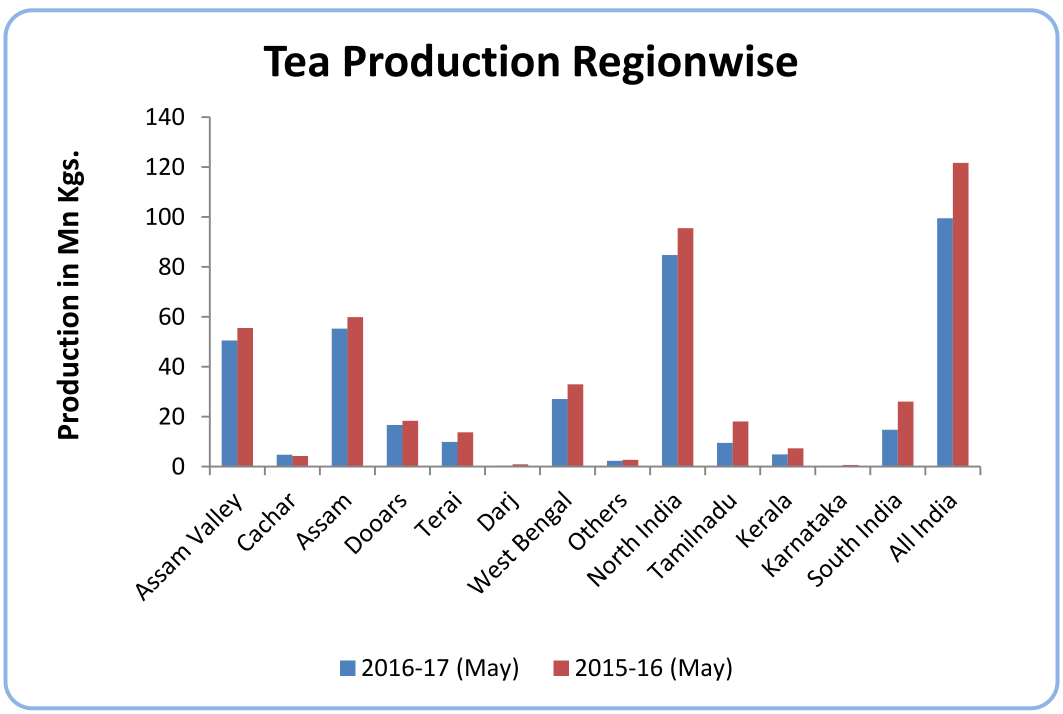
Coonoor Tea Auction: Sale No: 29 (Price in Rs./kg)

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)

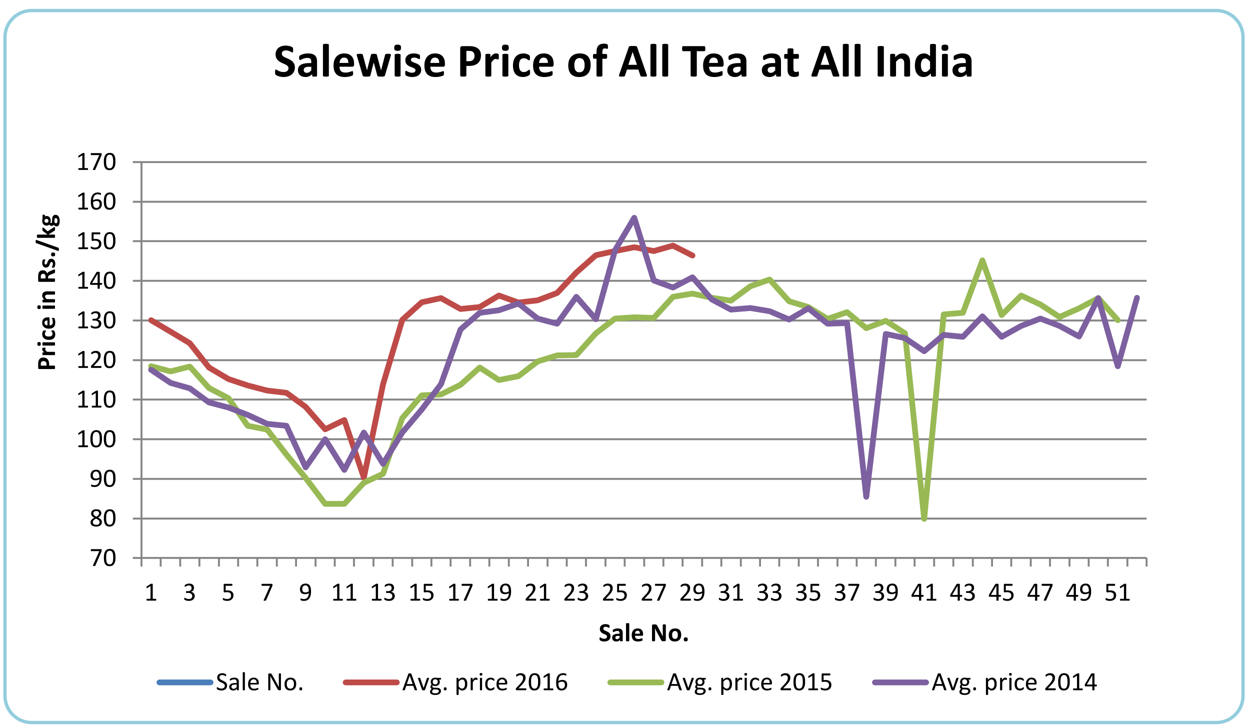
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam. 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 May)*	47.25	1017.39	215.32	34.65	513.23	148.12	81.90	1530.62	186.89
2015 (Jan to May)	40.47	847.28	209.36	37.05	501.88	135.46	77.52	1349.16	174.04
Inc/Dec in %	16.75	20.08	2.85	-6.48	2.26	9.34	5.65	13.45	7.38
2016-17 (Apr-May)*	14.69	335.79	228.58	11.83	189.19	159.92	26.52	524.98	197.96
2015-16 (Apr-May)	12.70	277.97	218.87	13.70	203.33	148.42	26.40	481.30	182.31
Inc/Dec in %	15.67	20.80	4.44	-13.65	-6.95	7.75	0.45	9.08	8.58

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 2016-07-23

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	162.54(169.12)	149.85(156.88)	138.38(128.52)	NS(NS)	114.23(85.56)	87.62(65.28)	92.73(69.54)	81.56(58.19)
Total Tea	179.87(188.24)	150.21(158.17)	138.38(128.53)	NS(NS)	115.50(90.11)	90.20(66.39)	93.63(70.56)	81.56(58.19)

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

Variety	North India	South India	All India
CTC All Dust	150.26 (150.91)	92.60 (71.57)	140.00 (130.52)
Total Tea	157.50 (158.62)	94.30 (74.30)	146.36 (136.80)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata

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

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 On Near –Term Weakness

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	130.00	179.87	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 29 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	460 - 550	490 - 580
Average Westerns	420 - 450	450 - 480
Plainer Westerns	390 - 410	390 - 440
Western Mediums	400 - 600	350 - 480
Uva Teas	400 - 1200	360 - 590
Nuwara Eliya Teas	410 - 520	425 - 530
Udapussellawa Teas	360 - 550	400 - 490
CTC (BP1 and PF1)	340 - 460	345 - 600

In this week's auction, 6.31 million kgs of tea was offered for sale compared to 6.39 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 weak tone 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, Turkey, Syria, Iraq and Iran.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	31		30		29	
Dates	09th/10th August 2016 No. of Lots	No. of Kgs	02nd/03rd August 2016 No. of Lots	No. of Kgs	26th/27th July 2016 No. of Lots	No. of Kgs
Ex Estate	764	833,422 kg	779	858,195 kg	843	940,560 kg
Main Sale Total	8,714	4,531,461 kg	9,642	5,106,002 kg	10,012	5,371,845 kg
High & Medium	886	432,458 kg	1,046	521,751 kg	1,143	589,249 kg
Low Growns Leafy Tippy	3,205 1,722	1,486,573 kg 939,729 kg	3,570 1,841	1,703,434 kg 1,036,222 kg	3,694 1,998	1,798,108 kg 1,154,247 kg
Premium/Flowery	474	80,604 kg	456	83,580 kg	616	112,927 kg
Off Grades	1,942	1,090,756 kg	2,243	1,265,690 kg	2,077	1,223,627 kg
Dust	485	501,341 kg	486	495,325 kg	484	493,687 kg
Grand Total	9,478	5,364,883 kg	10,421	5,964,197 kg	10,855	6,312,405 kg
Reprints	384	244,265 kg	254	154,639 kg	267	181,010 kg
Scheduled to Close (Ex) Dates (Ms)		21.07.16 22.07.16		14.07.16 15.07.16		07.07.16 08.07.16

Scheduled Closing Dates

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

Ex Estate : 14.07.2016

Main Sale : 15.07.2016

Auction No. 31 : 09th/10th Aug 2016

Ex Estate : 21.07.2016

Main Sale : 22.07.2016

Auction No. 32: 15th/16th Aug 2016

Ex Estate : 28.07.2016

Main Sale : 29.07.2016

Auction No. 33 : 23rd/24th Aug 2016

Ex Estate : 04.08.2016

Main Sale : 05.08.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 30

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
28	$ 3.37	$ 2.46	$ 3.09	$ 2.34
29	$ 3.45	$ 2.41	$ 3.14	$ 2.28
30	$ 3.46	$ 2.38	$ 3.12	$ 2.25

QUOTATIONS	BROKENS	FANNINGS
Best	392 – 487	382 - 461
Good	396 – 451	389 - 420
Good Medium	382 – 446	348 - 429
Medium	389 – 412	295 - 348
Lower Medium	246 – 379	230 - 314
Plain	201 – 294	175 – 282 (SL RUPEES)

During the week fair demand was noticed for 7,517,505 kilos of tea on offer. Brighter DUST1s were firm up to USC12 with mediums were firm to USC10 lower. Lower Mediums were USC4 to USC24 higher. Prices of Brighter BP1's were USC5 to USC25 lower. 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 and Dusts noticed positive tone during the week. Other Fannings and BMF's noticed firm tone. There was good demand from Egyptian Packers, Yemen, Pakistan Packers and other Middle –East countries. There was some demand from Sudan, UK, Bazaar, Afghanistan, CIS countries, Kazakhstan and Russia. 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: 13
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	208-214	Best	216-222
Medium	208-213	Good	210-214
Small	209-214	Medium	206-208
Plain	160-170	Plain	160-175

Tea prices at Bangladesh tea auction noticed weak tone amid highest quantity on offer of the season. The average price of tea during this week's auction was around USD 2.80/kg. Around 2.30 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. 35,795 packages and 325 packages of CTC Leaf of old season noticed good demand. 6,081 and 6 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)

Country	MONTH	2016	2015	CUMULATIVE	2016	2015	CUMULATIVE + INC./-DEC.
Sri Lanka	June	25.36	29.57	Up to June	153.84	172.98	- 19.14
North India	May	84.7	95.6	Up to May	195.9	183.0	+ 12.9
South India	May	14.9	26.1	Up to May	76.6	98.8	- 22.2
Kenya	April	37.57	23.83	Up to April	177.17	105.45	+ 71.72
Bangladesh	May	5.9	5.4	Up to May	13.7	8.9	+ 4.8
Malawi	May	3.4	4.1	Up to May	28.4	29.0	- 0.6

(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 19.14 million kgs. to 153.84 million kgs. till June 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	29-07-2016	22-07-2016
USD	67.04	67.10
Srilankan Rupee	0.4593	0.4603
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6608	0.6606
Bangladeshi Taka	0.8548	0.8557

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 mixed tone during the week. Quantity on offered on sale increased during the week compared to previous week. In Bangladesh, highest quantity of the season was offered on sale. Heavy rain in North India in the month of July is likely to affect production. 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.
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.