News Highlights.

- Meghalaya Tea is soon likely to become a brand as many farmers in the State are gradually shifting to tea cultivation following suitable climate and fertile soil. According to Horticulture Department officials, the sState produces 7 lakh tonnes tea annually. Presnetly, Aabout 2000 hectares of land in Meghalaya is under tea cultivation presently, half of which are young bushes planted within the last five years.

- To increase per capita consumption of tea, the government-owned Tea Board of India has initiated promotional efforts with an estimated expenditure of Rs 54 crore. The board has allocated Rs 29 crore for domestic promotion and Rs 25 crore for Tea Boutiques abroad. With an estimated over 1200 million kgs of output, India is the largest producer and consumer of black tea in the world, but not the largest per capita consumer. India ranks 43rd in the global ranking in average per capita tea consumption with 0.73 kg compared with 7.54 kgs in Turkey, 4.34 kgs in Morocco, 2.74 kgs in United Kingdom and 1.01 kgs in Pakistan.

- 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 to continue even after the monsoon making things tough for the whole industry.

- 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.

- According to tea manufacturers and traders, demand for Nepali tea in the international market was not encouraging in the first picking season this year. Sellers in other countries had hesitated to buy it after the chemical was found in tea produced from some of the tea estates in eastern hills of the district last year. However, as Ilam tea is known worldwide to be of high quality, the demand gradually started increasing.

- 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.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 31 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	159.72	31,31,000	21,74,000
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	158.58	13,66,000	10,82,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand for CTC tea from loose tea buyers lend support to the market. There was fair demand in the market. Assams and Dooars witnessed easy tone. Buying interest was noticed from Western India buyers, Tata Global and Hindustan Unilever Limited. Prices are likely to notice range –bound to weak tone in the near –term.

Guwahati Tea Auction: Sale No: 31 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	142.76	28,75,000	18,80,000
Dust	146.86	13,94,000	10,27,000

(Source: Associated Brokers)

Prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. Withdrawal was noticed in Medium and Better Medium category. Plainer sorts noticed firm tone. There was good demand from the internal buyers and exporters. Prices are likely to notice firm 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: 31 (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: 31 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	114.68	755132.20	624156.50
CTC Leaf	88.01	46111.00	38526.00
Orthodox Dust	92.22	18126.00	14950.00
Orthodox Leaf	146.07	136079.00	65548.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Demand from the blenders and loose tea buyers lend support to the market. Prices are likely to notice range –bound to firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 31 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	93.13	315261.00	280655.00
CTC Leaf	83.86	151816.00	124410.00
Orthodox Dust	90.12	5856.00	3462.00
Orthodox Leaf	112.00	12912.00	12912.00

(Source: Paramount Marketing, Coimbatore)

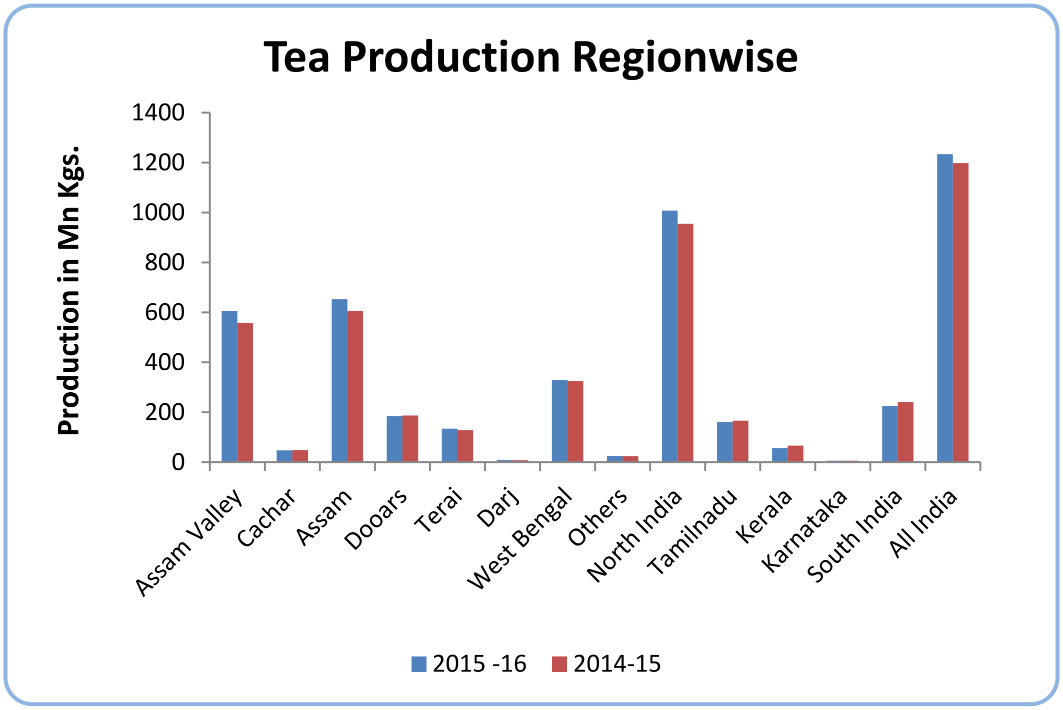
Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was some demand from the exporters around current levels. Prices are likely to notice easy tone in the coming days.

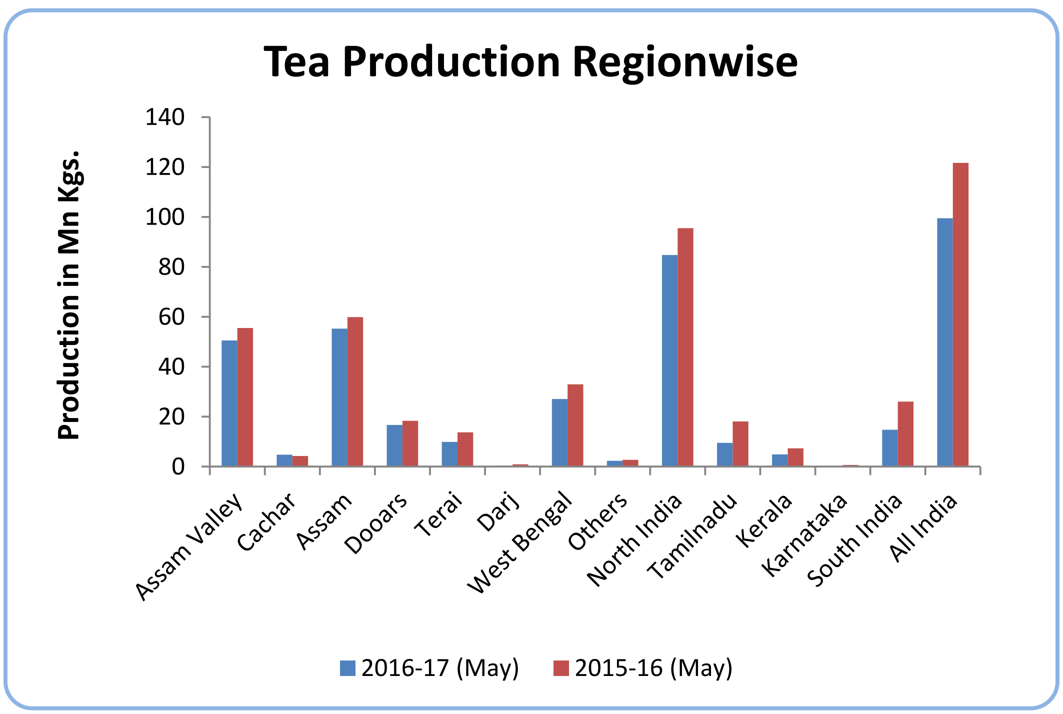
Coonoor Tea Auction: Sale No: 31 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	88.66	475994.00	460277.00
CTC Leaf	83.94	1010518.00	929393.00
Orthodox Dust	99.44	57810.00	48118.00
Orthodox Leaf	121.47	101497.60	100568.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Buying interest was noticed from the loose tea buyers and blenders. Prices are likely to notice range –bound to weak tone in the coming week.





(Source: Tea Board)

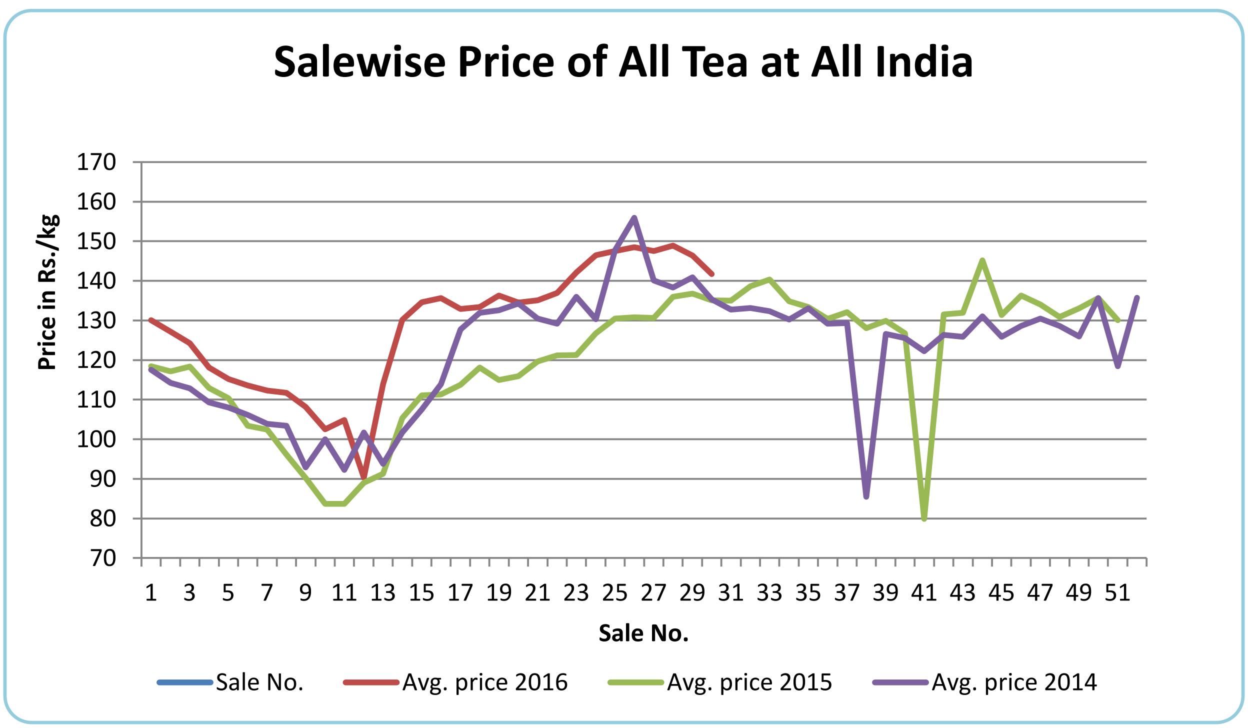
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam. 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 2016-07-30

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	159.43(169.45)	146.07(152.64)	135.79(126.78)	NS(NS)	115.98(86.06)	85.42(64.68)	91.17(71.21)	79.49(55.26)
Total Tea	177.98(185.04)	146.36(153.82)	135.79(126.79)	NS(NS)	121.41(91.33)	87.47(65.78)	91.47(72.28)	79.49(55.26)

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

Variety	North India	South India	All India
CTC All Dust	147.08 (149.78)	94.64 (71.02)	135.49 (129.21)
Total Tea	154.23 (156.64)	97.95 (73.85)	141.67 (135.10)

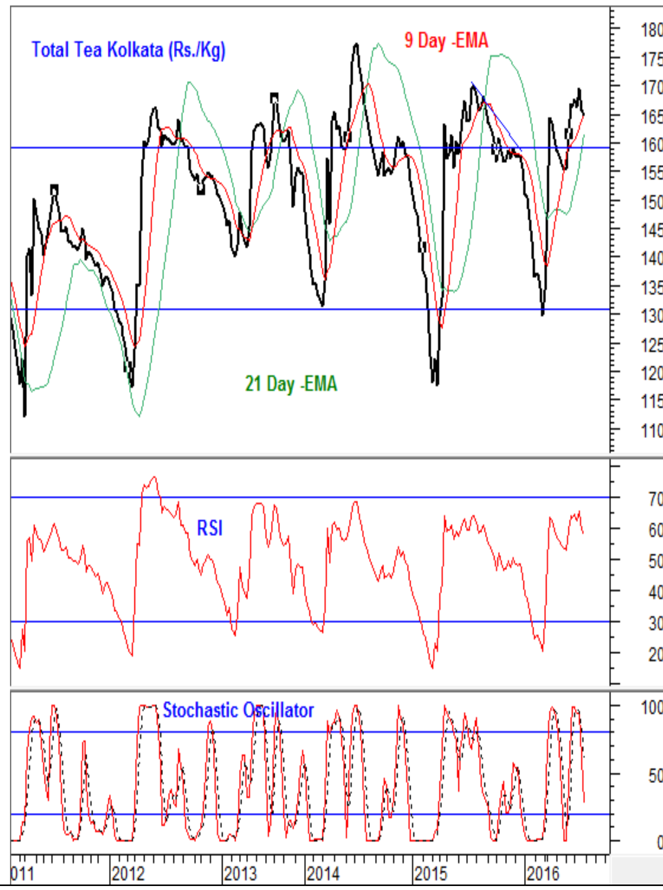
(Source: Tea Board)

Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:
Tea prices declined slightly during the week. Prices are holding above 9 –Day and 21 –Day EMA supporting the overall positive tone of the market in the medium –term. Any near –term weakness should be considered as good buying opportunity within the overall positive tone of the market. RSI is declining in the neutral region denoting weakness in the coming days.

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	177.98	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 30 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	460 - 520	480 - 560
Average Westerns	430 - 450	440 - 470
Plainer Westerns	410 - 420	390 - 470
Western Mediums	405 - 680	375 - 470
Uva Teas	420 - 1150	370 - 840
Nuwara Eliya Teas	425 - 485	415 - 540
Udapussellawa Teas	370 - 470	405 - 460
CTC (BP1 and PF1)	320 - 460	330 - 600

In this week's auction, 5.96 million kgs of tea was offered for sale compared to 6.31 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's and BOPF's noticed mixed tone. High Grown and Mid Grown CTC's noticed steady tone and Low Grown CTC's noticed firm 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 weak tone during the week. There was some demand from Russia, Turkey, Syria, and Iran.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	32		31		30	
Dates	15th/16th August 2016		09th/10th August 2016		02nd/03rd August 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	852	937,271 kg	764	833,422 kg	779	858,195 kg
Main Sale Total	9,248	4,790,108 kg	8,714	4,531,461 kg	9,642	5,106,002 kg
High & Medium	922	431,912 kg	886	432,458 kg	1,046	521,751 kg
Low Growns Leafy	3,447	1,599,775 kg	3,205	1,486,573 kg	3,570	1,703,434 kg
Tippy	1,792	985,392 kg	1,722	939,729 kg	1,841	1,036,222 kg
Premium/Flowery	492	81,953 kg	474	80,604 kg	456	83,580 kg
Off Grades	2,090	1,180,343 kg	1,942	1,090,756 kg	2,243	1,265,690 kg
Dust	505	510,733 kg	485	501,341 kg	486	495,325 kg
Grand Total	10,100	5,727,379 kg	9,478	5,364,883 kg	10,421	5,964,197 kg
Reprints	538	340,736 kg	384	244,265 kg	254	154,639 kg
Scheduled to Close (Ex)		28.07.16		21.07.16		14.07.16
Dates (Ms)		29.07.16		22.07.16		15.07.16

Scheduled Closing Dates

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

Auction No. 34 : 30th/31st Aug 2016

Ex Estate : 11.08.2016

Main Sale : 12.08.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 31

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
29	$ 3.45	$ 2.41	$ 3.14	$ 2.28
30	$ 3.46	$ 2.38	$ 3.12	$ 2.25
31	$ 3.40	$ 2.40	$ 3.09	$ 2.26

QUOTATIONS	BROKENS	FANNINGS
Best	403 – 501	394 – 462
Good	397 – 446	409 - 445
Good Medium	389 – 425	360 – 438
Medium	374 – 414	324 – 368
Lower Medium	243 – 371	259 – 314
Plain	187 – 365	181 – 282 (SL RUPEES)

During the week good demand was noticed for 7,648,417 kilos of tea on offer. Brighter DUST1s were firm up to USC10 with mediums were firm up to USC6. Lower Mediums were firm to USC20 lower. Prices of Brighter BP1's were firm 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 witnessed easy tone during the week. Well sorted clean coloury Fannings and Dusts noticed weak tone during the week. Other Fannings witnessed easy tone and BMF's noticed steady tone. There was good demand from Yemen, Afghanistan, Pakistan Packers and other Middle –East countries. There was some demand from Egyptian packers, Sudan, UK, Bazaar, CIS countries, Kazakhstan and Russia. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 30

ORTHODOX	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	13.500	702.740 Kg	12.300	641.900 Kg	91.34
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	13.500	702.740 Kg	12.300	641.900 Kg	91.34

C.T.C	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	2.460	134.160 Kg	2.300	126.220 Kg	94.08
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.460	134.160 Kg	2.300	126.220Kg	94.08
GRAND TOTAL	15.960	836.900 Kg	14.600	768.120Kg	91.78

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	**BOP**	**BOPF**	**PF**	**DUST**	**BT**	**BP**
210-220	**152-185**	**137-156**	**134-217**	**147-202**	**113-132**	**347**

Orthodox Secondary Grades				
PF.II	**DUST.II**	**BT.II**	**BP.II**	**DUST.III**
118-150	**138-170**	**107-127**	**212**	**141-159**

CTC First and Secondary Grades						
BP.1	**PF.1**	**PD**	**D.1**	**FANN**	**D.2**	**BPS**
146-191	**162-164**	**167-196**	**165-224**	**133-185**	**176-198**	**-**

Market offerings increased to 15,960 paper sacks from 11,200 paper sacks. There was good demand in the market. Average price declined to USDcts 155.98 instead of USDcts 158.06 during last week's auction. Average price of Orthodox variety increased to USDcts 153.12 and average price of CTC declined to USDcts 168.42. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 91.78% during the period compared to 99.73% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	10/08/16	16/08/16	10/08/16	16/08/16
PTPN. IV	2.040 S	2.320 S	-	-
PTPN. VI	520 S	260 S	420 S	420 S
PTPN. VII	1.020 S	1.360 S	220 S	140 S
PTPN. VIII	5.780 S	6.500 S	920 S	920 S
PTPN. IX	380 S	300 S	-	-
PTPN. XII	- S	- S	480 S	560 S
Total Estate	9.740 S	10.740 S	2.040 S	2.040 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.740 S	10.740 S	2.040 S	2.040 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 14
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	210-216	Best	220-225
Medium	210-216	Good	213-217
Small	212-218	Medium	208-211
Plain	170-180	Plain	170-185

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. 35,266 packages and 115 packages of CTC Leaf of old season noticed good demand. 6,275 and 4 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)

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	June	8.9	5.8	Up to June	27.7	14.7	+ 8.0
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	05-08-2016	229-07-2016
USD	66.78	67.04
Srilankan Rupee	0.4589	0.4593
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6588	0.6608
Bangladeshi Taka	0.8518	0.8548

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 firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Rains have been reported in the tea growing regions. In North India, tea estates are submerged in water. This will affect the quality and production of tea in the month of August. 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 firm tone in the near –term.