News Highlights.

- According to government, tea production in India registered 3 per cent growth in 2015 -16 at 1233.14 million kgs compared to previous year. This is the highest ever tea production in India. The production is has been in an increasing trend during the last few years due to increase in number of small tea growers and their increased contribution to tea production which is about 34 per cent of the total tea production.

- According to Tea Board Of India, Indian tea output in June increased by 15 per cent to 144.11 million kg compared to same corresponding period previous year amid good rain in the growing regions of North India. Production in Assam, the top producing State increased by 16 per cent to 73.14 mkg in June this year compared to previous year supported by ample rains. Output increased by 22 per cent in June at 42.53 mkg in West Bengal.

- According to a report sent to the Tea Board by the tea companies in Nilgiris, output of tea declined by 17 per cent to 1.22 mkg in July 2016 compared to the same corresponding period previous year. Production in the first seven months of calendar year 2016 has declined by 28 per cent to 6.91 mkg from 9.53 mkg during the same period previous year. Prolonged dry weather, inadequate moisture due to low rainfall and heavy wind causing evaporation in tea leaves reduced the harvest of green leaves.

- Tea output in India has increased by 2.31 per cent to 416.66 mkg in the first half of the calendar year 2016 compared with the same period in 2015. North India produced 30.98 mkg more to reach 314.74 mkg. In South India, production declined by 21.58 mkg to 101.92 mkg.

- 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 output of 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.

- 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 to the correspondingsame period of 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 the East African Tea Traders Association, Kenya is likely to miss government target of 450 -500 million kgs output in 2016 following strike by the employees at the end of June. Kenya produced 399 million kilograms in 2015, earning the East African nation $1.24 billion and is the largest exporter of black tea in the world.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 32 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	159.36	28,96,000	20,87,000
ORTHODOX	233.50	6,50,000	5,63,000
DARJEELING	-	-	-
DUST	155.74	13,00,000	8,69,000

(Source: Parcon)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was fair demand in the market and prices declined in line with quality. Plainer Dooars and Dust noticed steady tone. There was good demand for Dust variety from Hindustan Unilever Limited and Tata Global. Prices are likely to notice range –bound to weak tone in the coming week.

Guwahati Tea Auction: Sale No: 32 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	141.89	34,77,000	22,36,000
Dust	145.66	15,53,000	10,62,000

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was fair demand in the market. Plainer Dusts noticed steady tone and there was some enquiry for Better Medium Dust variety. Buying interest was noticed from internal buyers, Hindustan Unilever Limited and Tata Global. Prices are likely to witness easy tone in the near –term.

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	133.36	30,55,000	22,27,000
CTC Dust	126.37	5,40,000	3,91,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Prices declined in line with quality. Withdrawal was noticed in Dust and Fanning. There was some demand from the internal buyers and blenders. Prices are likely to notice range –bound to firm tone in the coming days.

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: 32 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	112.72	882060.85	722734.25
CTC Leaf	90.61	37692.00	29189.00
Orthodox Dust	91.58	19432.00	6957.00
Orthodox Leaf	151.59	183515.00	134880.00

(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 Kerala State Civil Supplies. Prices are likely to notice range – bound to weak tone in the coming days.

Coimbatore Tea Auction: Sale No: 32 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	94.21	288646.00	270810.00
CTC Leaf	85.72	150335.00	129661.00
Orthodox Dust	93.21	5374.00	5374.00
Orthodox Leaf	113.31	11647.00	11647.00

(Source: Paramount Marketing, Coimbatore)

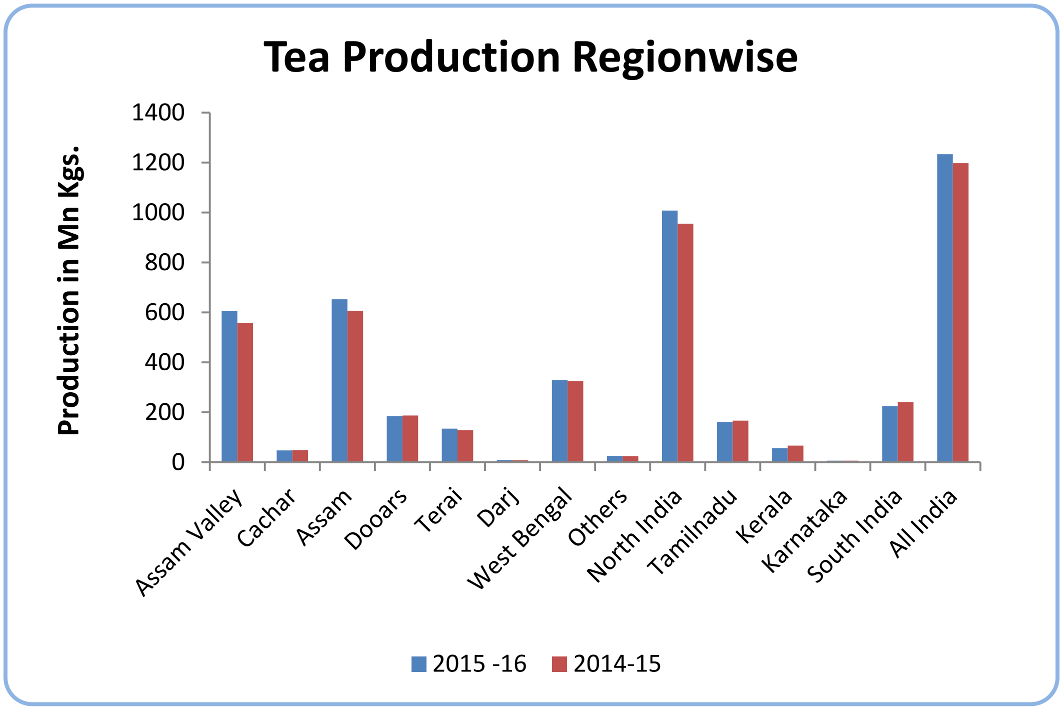
Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Rains during the last few weeks have affected arrivals. Demand from the exporters lent some support to the market. Prices are likely to witness positive tone in the coming week.

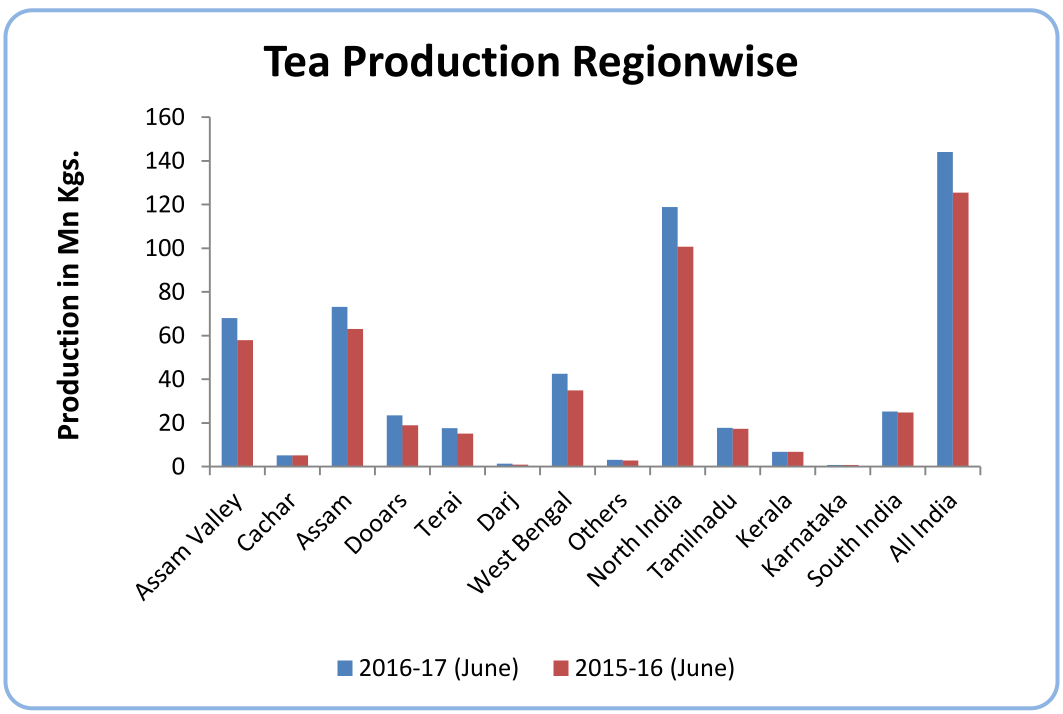
Coonoor Tea Auction: Sale No: 32 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	90.90	413215.50	387024.50
CTC Leaf	85.85	941681.00	905905.00
Orthodox Dust	100.96	58425.00	52170.00
Orthodox Leaf	123.54	100439.00	99025.60

(Source: Paramount Marketing, Coimbatore)

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





(Source: Tea Board)

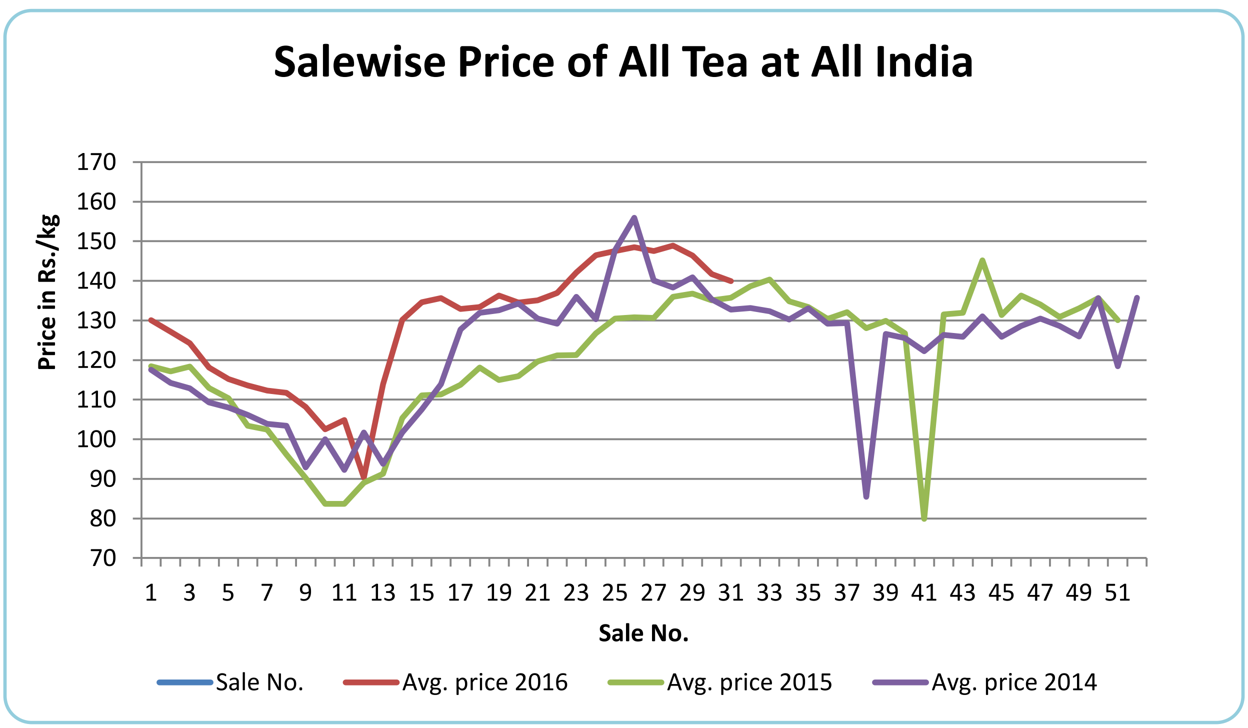
The above graph shows region wise production comparison, between 2014-15 and 2013-14 during the last two years and in the month of January in comparison with to previous year. In the year 2015 (Jan –Dec), production declined by 1.3% to 1191.10 million kg mainly on account of lower in production in Assam.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

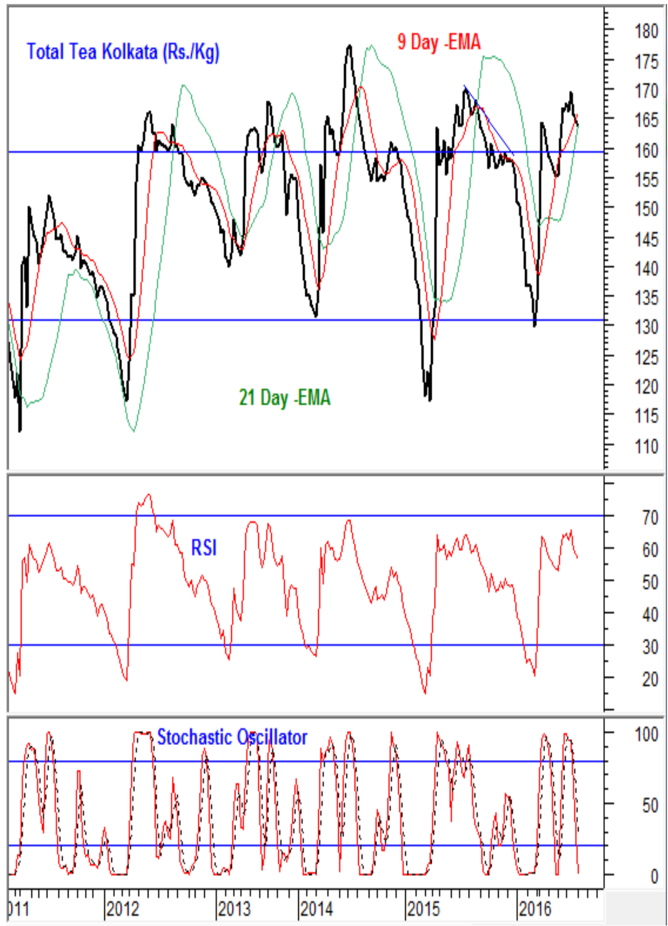
Weekly Average Prices at Indian Auction Centers for week ending 2016-08-06

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	159.40(163.72)	144.15(151.02)	132.32(127.01)	NS(NS)	114.47(86.66)	85.97(64.57)	90.28(70.21)	77.76(56.71)
Total Tea	175.75(179.62)	144.60(152.66)	132.32(127.01)	NS(NS)	117.26(90.74)	88.29(65.86)	90.94(70.51)	77.76(56.71)

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

Variety	North India	South India	All India
CTC All Dust	146.30 (147.66)	92.41 (71.01)	133.09 (129.79)
Total Tea	154.30 (154.72)	94.61 (73.54)	139.92 (135.73)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata
Technical Commentary: Tea prices noticed weak tone during the week. MACD is declining in the positive territory denoting weak tone of the market in the medium –term. Prices are likely to increase towards 200 levels in the medium –term. Stochastic oscillator is declining in the oversold region supporting 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 On Near –Term Weakness

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	130.00	175.75	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 31 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 500	480 - 590
Average Westerns	440 - 460	450 - 470
Plainer Westerns	410 - 430	420 - 440
Western Mediums	445 - 670	400 - 470
Uva Teas	425 - 1350	420 - 820
Nuwara Eliya Teas	450 - 470	405 - 450
Udapussellawa Teas	420 - 470	410 - 470
CTC (BP1 and PF1)	360 - 470	370 - 600

In this week's auction, 5.36 million kgs of tea was offered for sale compared to 5.96 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 firm tone. High Grown and Mid Grown CTC's noticed firm tone and Low Grown CTC's noticed mixed 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 witnessed positive tone during the week. There was some demand from Russia, Turkey, Syria, Iraq, Saudi Arabia and Iran.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	33		32		31	
Dates	23rd/24th August 2016 No. of Lots	No. of Kgs	15th/16th August 2016 No. of Lots	No. of Kgs	09th/10th August 2016 No. of Lots	No. of Kgs
Ex Estate	767	834,240 kg	852	937,271 kg	764	833,422 kg
Main Sale Total	8,667	4,458,982 kg	9,248	4,790,108 kg	8,714	4,531,461 kg
High & Medium	770	372,832 kg	922	431,912 kg	886	432,458 kg
Low Growns Leafy Tippy	3,174 1,792	1,444,325 kg 970,726 kg	3,447 1,792	1,599,775 kg 985,392 kg	3,205 1,722	1,486,573 kg 939,729 kg
Premium/Flowery	520	91,365 kg	492	81,953 kg	474	80,604 kg
Off Grades	1,947	1,087,392 kg	2,090	1,180,343 kg	1,942	1,090,756 kg
Dust	464	492,342 kg	505	510,733 kg	485	501,341 kg
Grand Total	9,434	5,293,222 kg	10,100	5,727,379 kg	9,478	5,364,883 kg
Reprints	353	224,319kg	538	340,736 kg	384	244,265 kg
Scheduled to Close (Ex) Dates (Ms)		04.08.16 05.08.16		28.07.16 29.07.16		21.07.16 22.07.16

Scheduled Closing Dates

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

Auction No. 35 : 06th/07th Sept 2016

Ex Estate : 18.08.2016

Main Sale : 19.08.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 32

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
30	$ 3.46	$ 2.38	$ 3.12	$ 2.25
31	$ 3.40	$ 2.40	$ 3.09	$ 2.26
32	$ 3.36	$ 2.32	$ 3.04	$ 2.19

QUOTATIONS	BROKENS	FANNINGS	
Best	397 – 534	390 - 505	
Good	394 – 430	389 - 410	
Good Medium	366 – 450	344 - 424	
Medium	351 – 406	312 - 401	
Lower Medium	259 – 344	229 - 287	
Plain	186 - 344	175 - 272	(SL RUPEES)

During the week good demand was noticed for 7,968,002 kilos of tea on offer. Brighter DUST1s were firm to USC8 lower with mediums were firm to USC10 easier. Lower Mediums were firm. Prices of Brighter BP1's were firm to USC16 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 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 weak tone. There was good demand from Yemen, Afghanistan, Egyptian Packers, Russia, Bazaar and other Middle –East countries. There was some demand from Pakistan packers, Sudan, UK, Kazakhstan and other CIS countries. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 31

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	9.180	477.640 Kg	8.960	465.400 Kg	97.44
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	9.180	477.640 Kg	8.960	465.400 Kg	97.44

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.120	117.740 Kg	2.120	117.740 Kg	100
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.120	117.740 Kg	2.120	117.740Kg	100
GRAND TOTAL	11.300	595.380 Kg	11.080	583.140Kg	97.94

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
208-210	158-210	136-171	133-221	141-199	118-134	346

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
123-160	139-165	115-125	157	131-161

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
145-193	165-196	168-194	165-221	132-190	150-189	-

Market offerings declined to 11,300 paper sacks from 15,960 paper sacks. There was good demand in the market. Average price declined to USDcts 152.73 instead of USDcts 155.98 during last week's auction. Average price of Orthodox variety declined to USDcts 148.07 and average price of CTC increased to USDcts 168.42. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 97.94% during the period compared to 97.72% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	16/08/16	24/08/16	16/08/16	24/08/16
PTPN. IV	2.320 S	2.540 S	-	-
PTPN. VI	260 S	540 S	420 S	440 S
PTPN. VII	1.360 S	760 S	140 S	400 S
PTPN. VIII	6.500 S	6.280 S	920 S	1.040 S
PTPN. IX	300 S	500 S	-	-
PTPN. XII	- S	- S	560 S	500 S
Total Estate	10.740 S	10.620 S	2.040 S	2.380 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	10.740 S	10.620 S	2.040 S	2.380 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 15
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	215-225	Best	225-230
Medium	215-225	Good	218-224
Small	217-227	Medium	212-217
Plain	185-200	Plain	180-200

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. 34,350 packages and 171 packages of CTC Leaf of old season noticed good demand. 6,106 packages of CTC Dust noticed some demand. In CTC Dust, good liquoring varieties noticed firm tone and medium levels witnessed easy tone. Good liquoring Broken varieties noticed steady tone 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	June	118.81	100.74	Up to June	230.01	188.17	+ 41.84
South India	June	25.30	24.77	Up to June	87.09	97.40	- 10.31
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 22.24% and in South India, production has declined by 10.59% respectively till June 2016. Lack of sufficient rainfall has affected production in South India.

Currency	12-08-2016	05-08-2016
USD	66.87	66.78
Srilankan Rupee	0.4594	0.4589
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6594	0.6588
Bangladeshi Taka	0.8532	0.8518

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone. Quantity offered on sale declined during the week compared to previous week. Rain during the last few days affected arrivals. Prices declined in line with quality. In South India production has been affected amid lack of rainfall in the growing regions. Good demand is expected from the exporters in the coming days. Buying interest was noticed from the local and internal buyers. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices noticed range –bound to weak tone during the week. Quantity offered on sale declined during the week compared to previous week. In North India, production has picked up in June amid good rain in the growing regions. Rain was noticed in parts of Indonesia and Vietnam. The future offering of tea is likely to increase at Sri Lankan tea auction and decline at Indonesian auction in the coming week. Prices are likely to notice range –bound to firm tone in the coming days.