News Highlights.

- According to the data released by the Tea Board Of India, tea exports in the first quarter of the financial year 2015 -16 (April –June 2016) increased by 2.56% to 42.06 million kg compared to the same corresponding period previous year. In terms of value, shipments increased by 14% to Rs. 856.67 crore compared to Rs.751.44 crore during the same period previous year.

- 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 corresponidng 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 to the same corresponding 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 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 same corresponding 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 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: 34 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	147.68	32,51,000	22,91,000
ORTHODOX	223.89	8,75,000	7,39,000
DARJEELING	-	-	-
DUST	155.65	12,47,000	9,32,000

(Source: Parcon)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Best Assams and Better Dooars declined in line with quality. Plainer Dooars witnessed steady tone. In the Orthodox variety, select tippy sorts noticed firm tone. There was some export enquiry from Middle – East and CIS countries. Buying interest was noticed from Hindustan Unilever Ltd., Tata Global and Western India buyers. Prices are likely to notice range –bound to weak tone in the coming days.

Guwahati Tea Auction: Sale No: 34 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	140.34	34,37,000	22,13,000
Dust	145.06	15,67,000	11,75,000

(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 Plainer sorts and fair for the remainder varieties. Withdrawal was noticed in Medium Leaf variety. Buying interest was noticed from Hindustan Unilever Limited, Tata Global and internal buyers. Prices are likely to notice firm tone in the near –term.

Siliguri Tea Auction: Sale No: 34 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	128.15	34,39,000	24,73,000
CTC Dust	120.81	4,97,000	3,31,000

(Source: Associated Brokers)

Prices noticed positive tone during the week. Quantity offered on sale declined during the week compared to previous week. Good and Best Category tea noticed firm tone. There was fair demand in the market. The Common and the Plainer varieties witnessed steady tone. There was good demand for Medium and Common sorts. Buying interest was noticed from blenders and local buyers. Prices are likely to notice range –bound to firm tone in the coming week.

Jalpaiguri Tea Auction: Sale No: 34 (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: 34 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	116.26	882513.90	807365.10
CTC Leaf	89.88	48557.00	42452.00
Orthodox Dust	93.15	13178.00	9625.00
Orthodox Leaf	156.59	152811.00	125604.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand from tea packeteers lent support to the market. Prices are likely to continue positive tone in the coming days.

Coimbatore Tea Auction: Sale No: 34 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	100.15	201013.00	186917.00
CTC Leaf	90.11	128331.00	102762.00
Orthodox Dust	90.37	7746.00	7746.00
Orthodox Leaf	113.89	4992.00	3661.00

(Source: Paramount Marketing, Coimbatore)

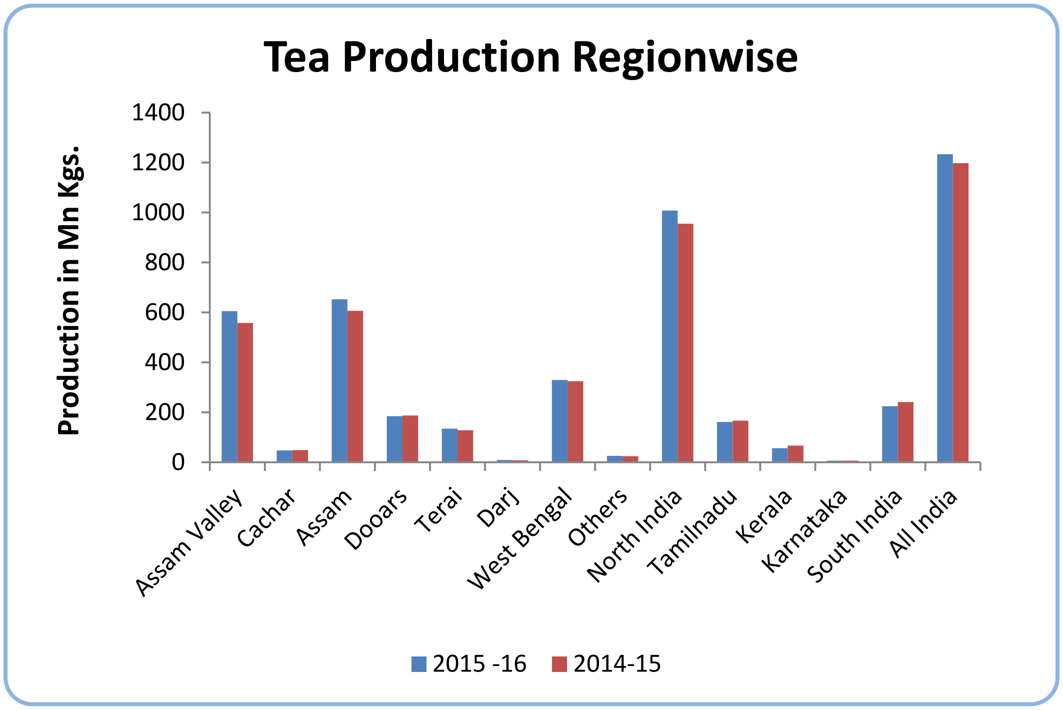
Prices witnessed positive tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand from the exporters for Leaf variety. Prices are likely to notice firm tone in the near –term.

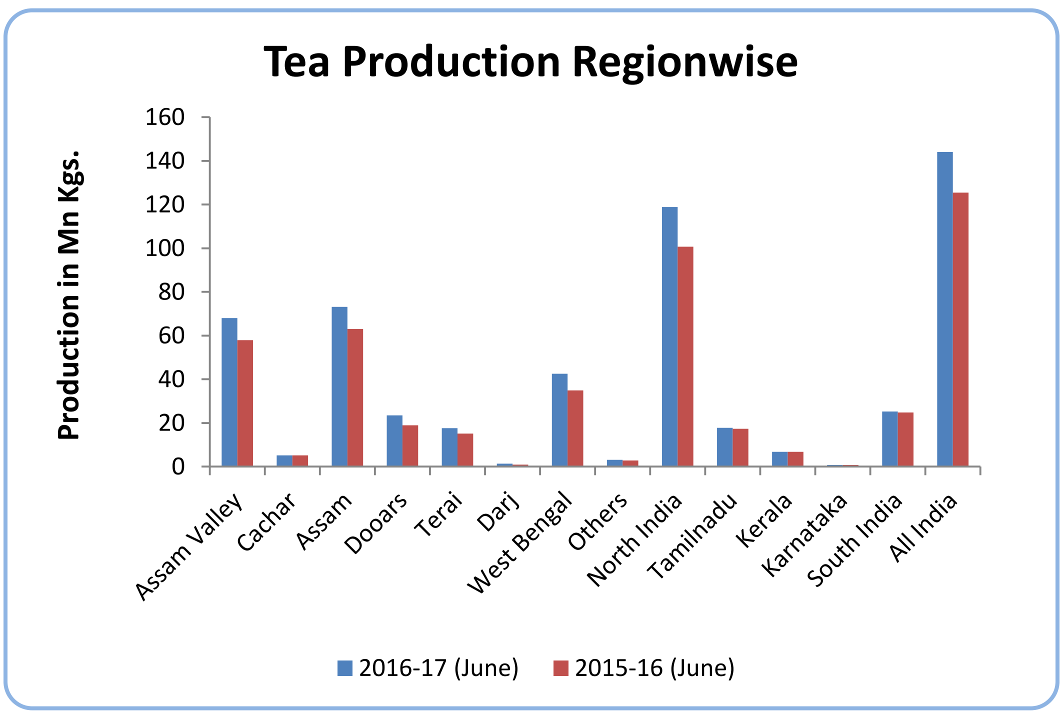
Coonoor Tea Auction: Sale No: 34 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	97.84	253174.00	244465.00
CTC Leaf	89.76	630772.00	592795.00
Orthodox Dust	104.73	46688.00	42656.00
Orthodox Leaf	124.54	67664.20	55788.80

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Volume offered on sale was at 10 –week's low. Buying interest from the blenders and loose tea buyers supported the market. Prices are likely to witness positive 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.

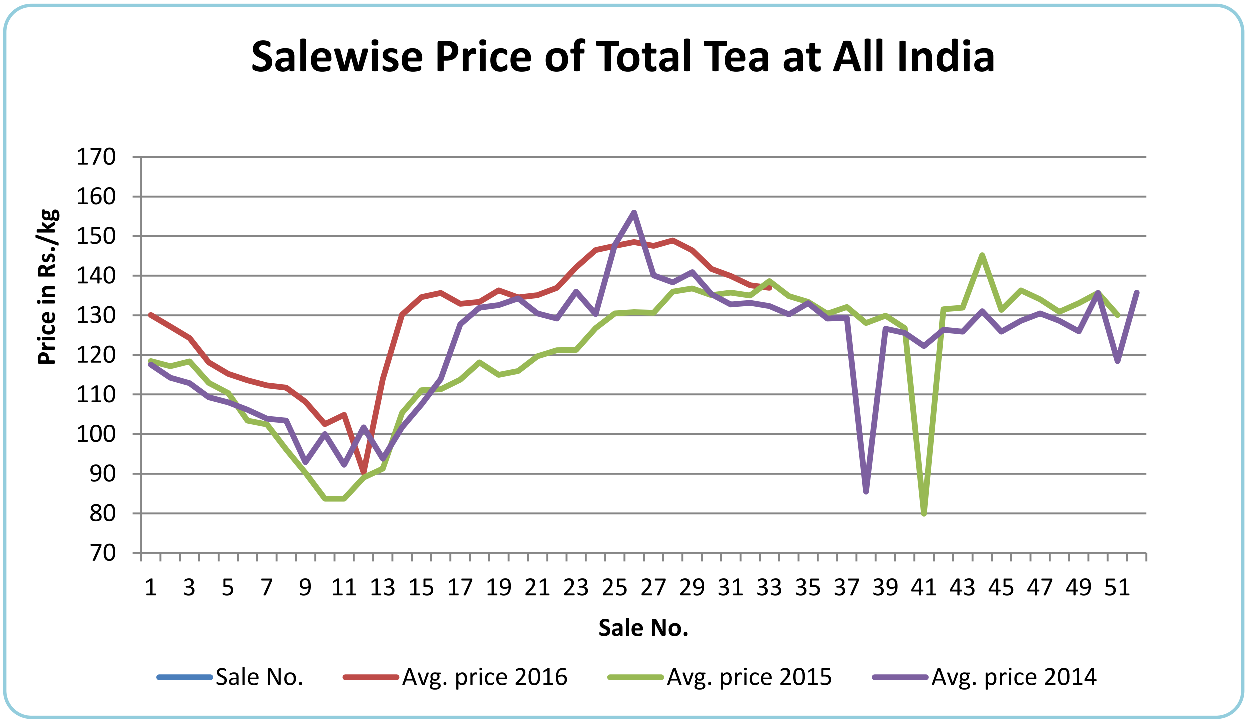
REGIONWISE QUARTERLY EXPORTS:

(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 June)*	55.34	1220.79	220.60	42.10	641.42	152.36	97.44	1862.21	191.11
2015 (Jan to June)	47.12	1002.03	212.65	45.01	617.27	137.14	92.13	1619.30	175.76
Inc/Dec in %	17.44	21.83	3.74	-6.47	3.91	11.09	5.76	15.00	8.73
2016-17 (Apr-June)*	22.79	539.18	236.59	19.27	317.39	164.71	42.06	856.57	203.65
2015-16 (Apr-June)	19.35	432.72	223.63	21.66	318.72	147.15	41.01	751.44	183.23
Inc/Dec in %	17.78	24.60	5.79	11.03	-0.42	11.93	2.56	13.99	11.14

*Provisional, subject to revision.

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 lower compared to previous year amid higher 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 2016-08-20

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	155.05(170.35)	141.17(152.27)	125.14(120.75)	NS(100.84)	111.39(91.13)	90.82(64.39)	93.72(71.34)	78.43(54.57)
Total Tea	167.57(184.63)	141.50(152.88)	125.14(120.75)	NS (100.84)	116.63(96.46)	92.82(65.91)	94.11(71.65)	78.43(54.57)

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

Variety	North India	South India	All India
CTC All Dust	141.48 (147.99)	96.75 (74.97)	132.05 (133.34)
Total Tea	146.97 (154.26)	100.17 (78.72)	136.93 (138.62)

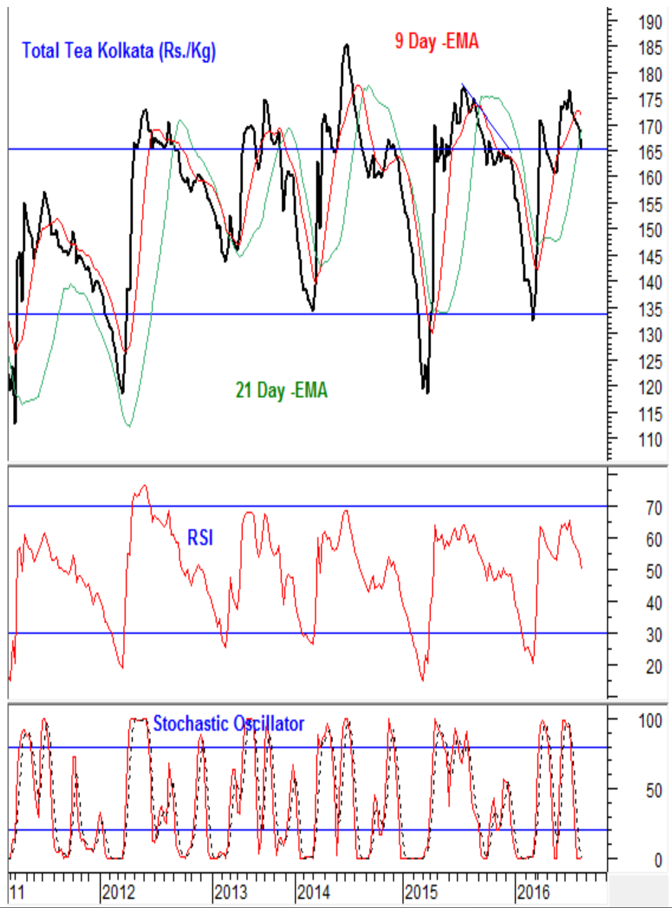
(Source: Tea Board)

Tea – Technical Outlook

Total Tea -Kolkata

Technical Commentary:
Tea prices declined during the week. Prices are likely to decline towards 150 levels in the coming days. Prices are holding below 9 –Day and 21 –Day EMA supporting the overall weak tone of the market in the medium -term. RSI is declining in the neutral region denoting weakness in the near –term.

The tea prices are likely to decline towards 150 levels in the coming days. Traders can wait for better buying levels 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	167.57	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 33 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 515	480 - 540
Average Westerns	440 - 460	440 - 470
Plainer Westerns	400 - 430	420 - 430
Western Mediums	400 - 700	370 - 560
Uva Teas	380 - 1500	370 - 850
Nuwara Eliya Teas	400 - 580	405 - 550
Udapussellawa Teas	385 - 470	395 - 440
CTC (BP1 and PF1)	300 - 490	360 - 600

In this week's auction, 5.9 million kgs of tea was offered for sale compared to 5.36 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 weak tone and Low Grown CTC's witnessed easy 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, Saudi Arabia and Iran.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	35		34		33	
Dates	06th/07th September 2016		30th/31st August 2016		23rd/24th August 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	688	751,254 kg	749	817,079 kg	767	834,240 kg
Main Sale Total	8,666	4,397,790 kg	8,441	4,216,440 kg	8,667	4,458,982 kg
High & Medium	789	385,618 kg	746	357,721 kg	770	372,832 kg
Low Growns Leafy	3,289	1,504,857 kg	3,281	1,473,486 kg	3,174	1,444,325 kg
Tippy	1,824	1,012,202 kg	1,816	995,478 kg	1,792	970,726 kg
Premium/Flowery	431	71,558 kg	562	97,049 kg	520	91,365 kg
Off Grades	1,890	1,012,142 kg	1,628	889,262 kg	1,947	1,087,392 kg
Dust	443	411,413 kg	408	403,444 kg	464	492,342 kg
Grand Total	9,354	5,149,044 kg	9,190	5,033,519 kg	9,434	5,293,222 kg
Reprints	372	231,988 kg	333	202,950 kg	353	224,319kg
Scheduled to Close (Ex) Dates (Ms)		18.08.16 19.08.16		11.08.16 12.08.16		04.08.16 05.08.16

Scheduled Closing Dates

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

Auction No. 36 : 13th/14th Sept 2016

Ex Estate : 25.08.2016

Main Sale : 26.08.2016

Auction No. 37 : 20th/21st Sept 2016

Ex Estate : 01.09.2016

Main Sale : 02.09.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 34

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
32	$ 3.36	$ 2.32	$ 3.04	$ 2.19
33	$ 3.20	$ 2.34	$ 2.92	$ 2.19
34	$ 3.04	$ 2.27	$ 2.76	$ 2.15

QUOTATIONS	BROKENS	FANNINGS	
Best	392 – 567	385 – 499	
Good	392 – 438	380 – 410	
Good Medium	349 – 438	341 – 418	
Medium	326 – 375	301 – 358	
Lower Medium	243 – 372	232 – 289	
Plain	192 – 329	174 - 232	(SL RUPEES)

During the week good demand was noticed for 7,401,593 kilos of tea on offer. Brighter DUST1s were firm to USC14 higher with mediums were firm to USC12 easier. Lower Mediums were firm up to USC8. Prices of Brighter BP1's were firm to USC12 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 coloury Fannings and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed firm tone. There was good demand from Yemen, Afghanistan, Pakistan Packers, Kazakhstan, Iran, Sudan and other CIS countries. There was some demand Egyptian Packers, UK and Bazaar. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 33

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	10.520	552.320 Kg	7.280	385.480 Kg	69.79
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	10.5240	552.320 Kg	7.280	385.480 Kg	69.79

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.340	129.860 Kg	1.680	94.380Kg	72.68
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.340	129.860 Kg	1.680	94.380Kg	72.68

GRAND TOTAL	12.860	682.180 Kg	8.960	479.860 Kg	

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
202-205	158-202	130-173	129-222	136-196	103-130	314

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
116-152	138-170	112-123	-	125-156

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
164-170	151-185	159-184	166-205	130-154	154-196	-

Market offerings increased to 12,860 paper sacks from 12,780 paper sacks. There was less demand in the market. Average price declined to USDcts 154.63 instead of USDcts 150.83 during last week's auction. Average price of Orthodox variety increased to USDcts 152.05 and average price of CTC increased to USDcts 163.86. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 70.34% during the period compared to 85.38% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	31/08/16	7/09/16	31/08/16	7/09/16
PTPN. IV	2.040 S	1.580 S	-	-
PTPN. VI	500 S	500 S	320 S	360 S
PTPN. VII	720 S	960 S	280 S	420 S
PTPN. VIII	6.180 S	4.340 S	980 S	1.040 S
PTPN. IX	480 S	300 S	-	-
PTPN. XII	- S	- S	420 S	420 S
Total Estate	9.920 S	7.680 S	2.000 S	2.240 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.920 S	7.680 S	2.000 S	2.240 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 17
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	227-232	Best	232-237
Medium	226-230	Good	230-232
Small	227-231	Medium	225-228
Plain	170-185	Plain	175-190

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. 34,814 packages and 72 packages of CTC Leaf of old season noticed good demand. 5,663 and 2 packages of CTC Dust of old season noticed good 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	June	35.60	32.28	Up to June	249.35	175.26	+ 74.09
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	26-08-2016	12-08-2016
USD	67.04	66.87
Srilankan Rupee	0.4606	0.4594
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6614	0.6594
Bangladeshi Taka	0.8554	0.8532

Overall Outlook and Recommendation:

In the domestic market, prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Heavy rains in the tea growing regions in the month of August have affected arrivals. Good demand from packeteers and loose tea buyers lent support to the market. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, prices noticed range –bound to firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Weather remained conducive in the growing regions. Good demand from the packeteers lent support to the market. 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 positive tone in the near –term.