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: 35 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	139.60	36,70,000	25,00,000
Dust	144.37	16,75,000	13,40,000

(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 for Dust variety and Plainer sorts. Some withdrawal was noticed in Good and Better mediums. Buying interest was noticed from internal buyers and Western India buyers. Prices are likely to notice range –bound to weak tone in the coming days.

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: 35 (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: 35 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	116.40	889652.60	790695.70
CTC Leaf	91.66	55123.00	50719.00
Orthodox Dust	92.98	18704.00	11269.00
Orthodox Leaf	155.68	181951.00	160532.00

(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 firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 35 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	101.18	212789.00	190963.00
CTC Leaf	89.70	122394.00	95971.00
Orthodox Dust	90.37	4336.00	4336.00
Orthodox Leaf	106.98	5002.00	5002.00

(Source: Paramount Marketing, Coimbatore)

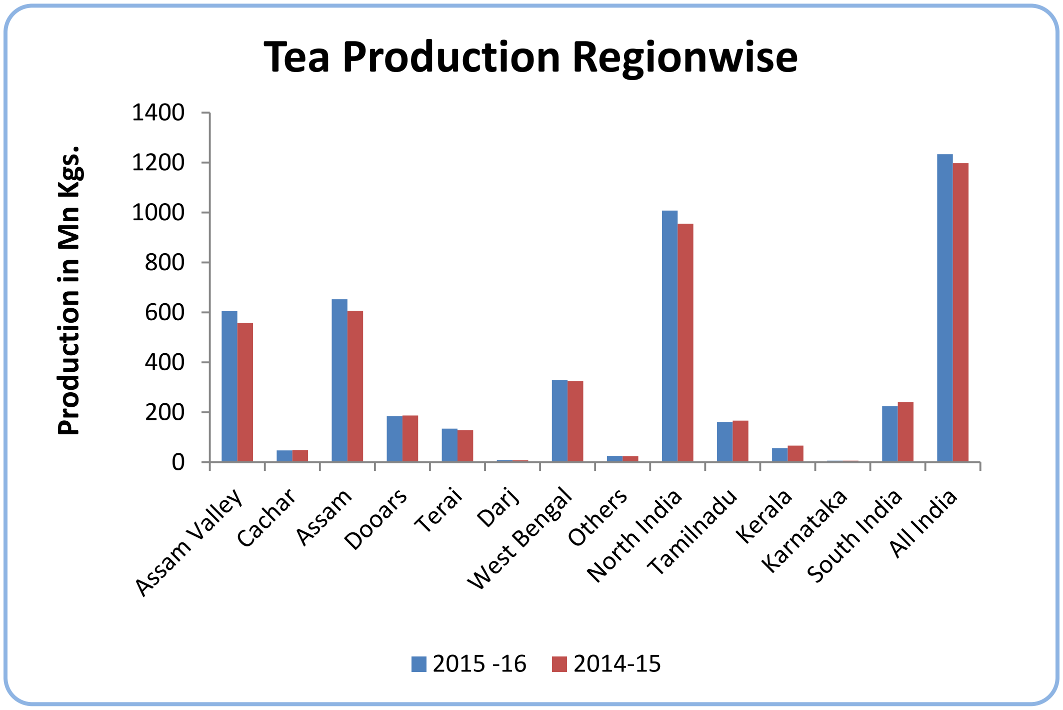
Prices noticed range –bound to firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand from loose tea buyers and blenders. Prices are likely to witness positive tone in the coming week.

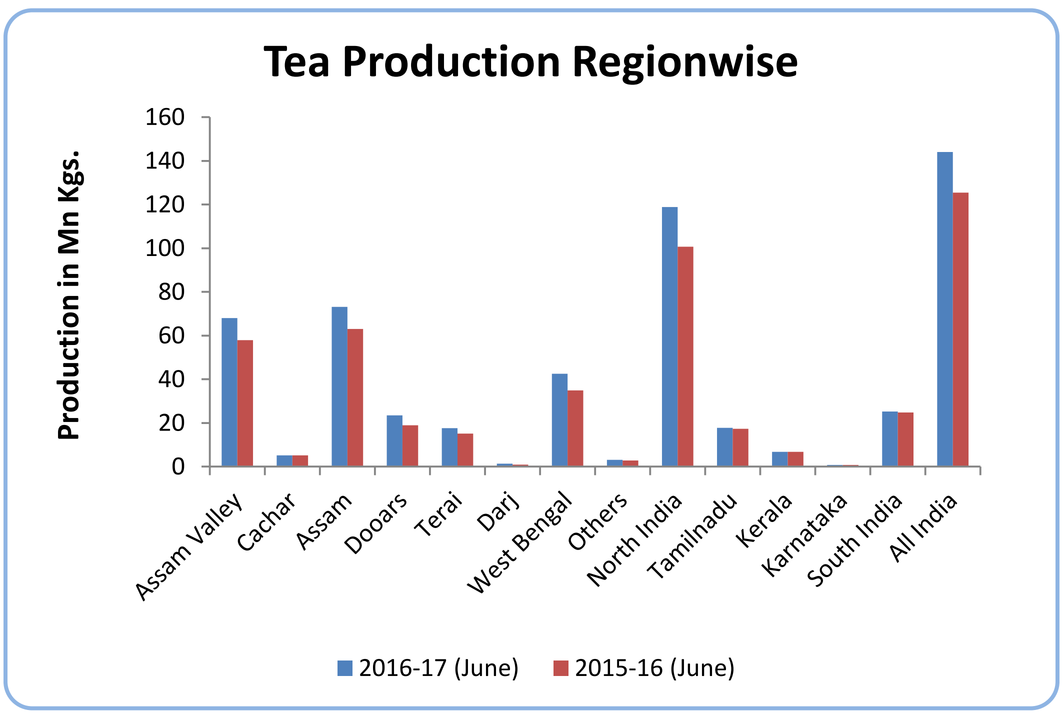
Coonoor Tea Auction: Sale No: 35 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	101.35	311527.50	294138.50
CTC Leaf	93.28	762085.00	696691.00
Orthodox Dust	104.07	42104.00	35374.00
Orthodox Leaf	119.01	75801.20	72144.20

(Source: Paramount Marketing, Coimbatore)

Prices witnessed positive tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand from the exporters and blenders lend support to the market. Prices are likely to notice firm tone in the coming days.





(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.

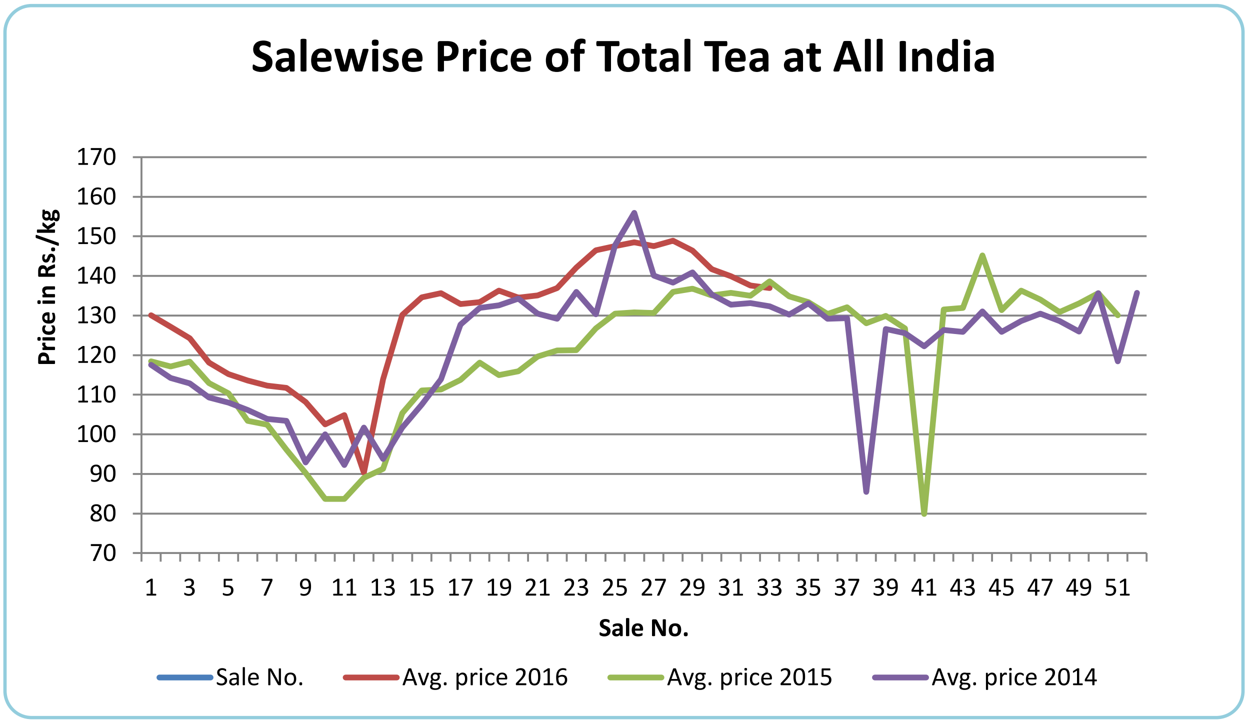
REGIONWISE QUARTERLY EXPORTS:

(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)

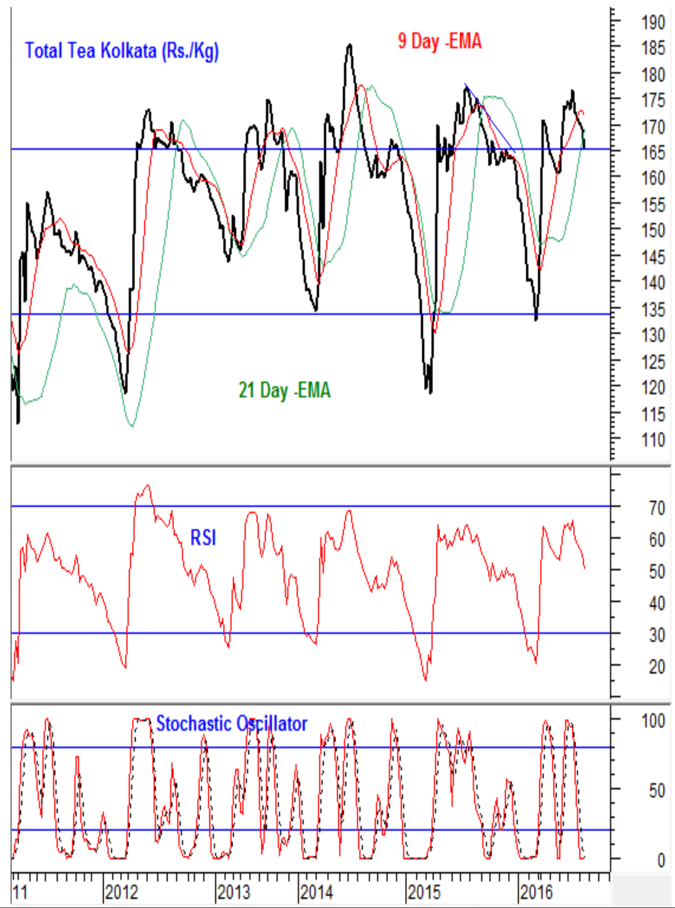
(Source: Tea Board)

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: 34 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	480 - 550	480 - 500
Average Westerns	440 - 470	440 - 470
Plainer Westerns	400 - 430	400 - 430
Western Mediums	405 - 740	390 - 600
Uva Teas	400 - 1600	370 - 920
Nuwara Eliya Teas	400 - 600	400 - 570
Udapussellawa Teas	370 - 445	400 - 460
CTC (BP1 and PF1)	300 - 540	360 - 630

In this week's auction, 5.905 million kgs of tea was offered for sale compared to 5.90 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 firm tone and Low Grown CTC's witnessed positive 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, Saudi Arabia and Iran.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	36		35		34	
Dates	13th/14th September 2016		06th/07th September 2016		30th/31st August 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	691	762,980 kg	688	751,254 kg	749	817,079 kg
Main Sale Total	9,106	4,706,656 kg	8,666	4,397,790 kg	8,441	4,216,440 kg
High & Medium	956	486,085 kg	789	385,618 kg	746	357,721 kg
Low Growns Leafy	3,386	1,579,199 kg	3,289	1,504,857 kg	3,281	1,473,486 kg
Tippy	1,967	1,106,141 kg	1,824	1,012,202 kg	1,816	995,478 kg
Premium/Flowery	487	87,721 kg	431	71,558 kg	562	97,049 kg
Off Grades	1,864	1,007,560 kg	1,890	1,012,142 kg	1,628	889,262 kg
Dust	446	439,950 kg	443	411,413 kg	408	403,444 kg
Grand Total	9,797	5,469,636 kg	9,354	5,149,044 kg	9,190	5,033,519 kg
Reprints	263	152,861 kg	372	231,988 kg	333	202,950 kg
Scheduled to Close (Ex) Dates		25.08.16		18.08.16		11.08.16
(Ms)		26.08.16		19.08.16		12.08.16

Scheduled Closing Dates

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

Auction No. 38 : 27th/28th Sept 2016

Ex Estate : 08.09.2016

Main Sale : 09.09.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 35

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
33	$ 3.20	$ 2.34	$ 2.92	$ 2.19
34	$ 3.04	$ 2.27	$ 2.76	$ 2.15
35	$ 3.10	$ 2.24	$ 2.84	$ 2.13

QUOTATIONS	BROKENS	FANNINGS	
Best	399 – 588	373 - 509	
Good	402 – 439	387 - 413	
Good Medium	364 – 452	344 - 419	
Medium	330 – 387	298 - 353	
Lower Medium	239 – 350	224 - 298	
Plain	186 - 330	179 – 224	(SL RUPEES)

During the week fair demand was noticed for 7,179,235 kilos of tea on offer. Brighter DUST1s were firm to USC16 lower with mediums were firm to USC10 easier. Lower Mediums were firm to USC14 lower. Prices of Brighter BP1's were firm to USC17 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 firm tone during the week. Other Fannings and BMF's noticed mixed tone. There was good demand from Pakistan Packers, Kazakhstan, Iran, Sudan and other CIS countries. There was some demand Egyptian Packers, UK, Bazaar, Russia and other Middle –Eastern countries. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 34

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	8.920	463.780 Kg	6.300	322.720 Kg	69.58
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	8.920	463.780 Kg	6.300	322.720 Kg	69.58

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.200	122.600 Kg	1.940	108.620 Kg	88.60
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.200	122.600 Kg	1.940	108.620 Kg	88.60
GRAND TOTAL	11.120	586.380 Kg	8.240	431.340 Kg	73.56

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
-	136-200	127-155	126-200	135-168	101-122	285-346

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
113-150	140-153	109-122	166	129-152

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
139-178	150-178	159-175	180-203	136-150	149-190	-

Market offerings increased to 11,120 paper sacks from 12,860 paper sacks. There was less demand in the market. Average price declined to USDcts 143.96 instead of USDcts 154.63 during last week's auction. Average price of Orthodox variety declined to USDcts 139.27 and average price of CTC declined to USDcts 157.02. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 173.56% during the period compared to 70.34% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	7/09/16	14/09/16	7/09/16	14/09/16
PTPN. IV	1.580 S	1.380 S	-	-
PTPN. VI	500 S	420 S	360 S	320 S
PTPN. VII	960 S	760 S	420 S	380 S
PTPN. VIII	4.340 S	4.140 S	1.040 S	840 S
PTPN. IX	300 S	280 S	-	-
PTPN. XII	- S	- S	420 S	320 S
Total Estate	7.680 S	6.680 S	2.240 S	1.860 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.680 S	6.980 S	2.240 S	1.860 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 18
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	229-233	Best	233-238
Medium	228-231	Good	231-233
Small	228-232	Medium	227-230
Plain	175-190	Plain	180-195

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. 34,558 packages and 74 packages of CTC Leaf of old season noticed good demand. 6,050 and 3 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	July	21.32	26.31	Up to July	175.38	199.30	- 23.92
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 23.92 million kgs. to 175.38 million kgs. till July 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	02-09-2016	26-08-2016
USD	66.58	67.04
Srilankan Rupee	0.4599	0.4606
Indonesian Rupiah	0.0050	0.0051
Kenyan Shilling	0.6582	0.6614
Bangladeshi Taka	0.8505	0.8554

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand from the loose tea buyers and blenders lend support to the market. Arrivals are picking up amid dry weather in the growing regions. In North India, there was good demand for third flush of tea. Prices are likely to notice range –bound to firm 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. There was good demand for quality leaf from the exporters. Weather is supporting the crop in the growing regions. 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 coming days.