News Highlights.

- According to the European Tea Committee, South Indian tea has low incidence of residues and low residue levels. This clearance will enhance the acceptability of South Indian teas in the global market especially within the EU.

- Indian tea plantations, according to him, are now following the plant protection code (PPC), which makes it obligatory to use only approved agro-chemicals. The code encourages tea growers to critically review their use of PPFs, reduce the use of PPFs (Plant Protection Formulations) wherever possible and over time, apply the PPFs in the safest way possible.

- Indian tea exports declined 4.87% in August to USD 68.38 million amid decline in the prices of tea according to the data released by commerce ministry. The main export destinations of Indian tea are Russia, the United Kingdom, the Netherlands, Germany, Poland, the UAE, Iran, Egypt, Iraq and Bangladesh. India is the world's second-biggest tea producer and also one of its largest consumers.

- According to the data released by the Tea Board Of India, tea production during the period January – July 2016 declined by 0.34 per cent to 562.52 million kg compared to 564.46 million kg during the same period previous year. Production of tea declined by 11.97 million kg in North India in July 2016 and increased by 0.62 million kg in South India during the period.

- The seventh edition of India International Tea Convention (IITC 2016) will be held at Ooty from September 22 to 24, 2016. It will be jointly hosted by United Planters Association of Southern India (UPASI), Tea Board and the Consultative Committee of Plantation Associations in association with the Indian Tea Exporters' Association (ITEA), the South India Tea Exporters Association (SITEA) and Federation of All India Tea Traders Association (FAITTA). The theme of the convention is 'let's team up for sustainability' and will have sessions dealing with sustainability and product safety issues.

- The United Planters' Association of Southern India (UPASI) and China Tea Marketing Association (CTMA) have signed an agreement to promote sustainability in the tea sector. According to the UPASI President, the MoU is a first step towards greater regional cooperation between the Indian and Chinese tea industries. Both parties will support each other in technological innovation with the aim of expanding the worldwide consumer base for high-quality tea.

- 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.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 38 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	147.03	33,16,000	24,21,000
ORTHODOX	212.38	7,68,000	5,31,000
DARJEELING	-	-	-
DUST	156.01	12,47,000	9,32,000

(Source: Parcon)

Prices noticed weak tone during the week except slight firmness in CTC variety. Quantity offered on sale increased during the week compared to previous week. There was good demand for Dust variety and fair demand for Leaf variety. Good/Best Assams noticed firm tone. There was some export enquiry around current levels. Withdrawals noticed in Poorly Made Sorts. There was some demand from Middle –East and CIS countries. Prices are likely to notice range –bound to firm tone in the coming week.

Guwahati Tea Auction: Sale No: 38 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	136.77	39,04,000	37,04,000
Dust	144.44	16,56,000	13,09,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. The Medium and the Plainer varieties witnessed positive tone and Better Mediums noticed fair demand in the market. Buying interest was noticed from blenders and internal buyers. Prices are likely to witness positive tone during the week.

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: 38 (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: 38 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	112.98	1117619.00	828733.50
CTC Leaf	93.68	84178.00	69498.00
Orthodox Dust	92.43	19314.00	17780.00
Orthodox Leaf	154.99	206777.00	156928.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrivals have picked up amid rains in the growing regions. There was good demand from internal buyers. Prices are likely to witness positive tone during the week.

Coimbatore Tea Auction: Sale No: 38 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.25	234281.00	211842.00
CTC Leaf	94.06	115429.00	109362.00
Orthodox Dust	93.04	4659.00	4659.00
Orthodox Leaf	102.54	7270.00	5881.00

(Source: Paramount Marketing, Coimbatore)

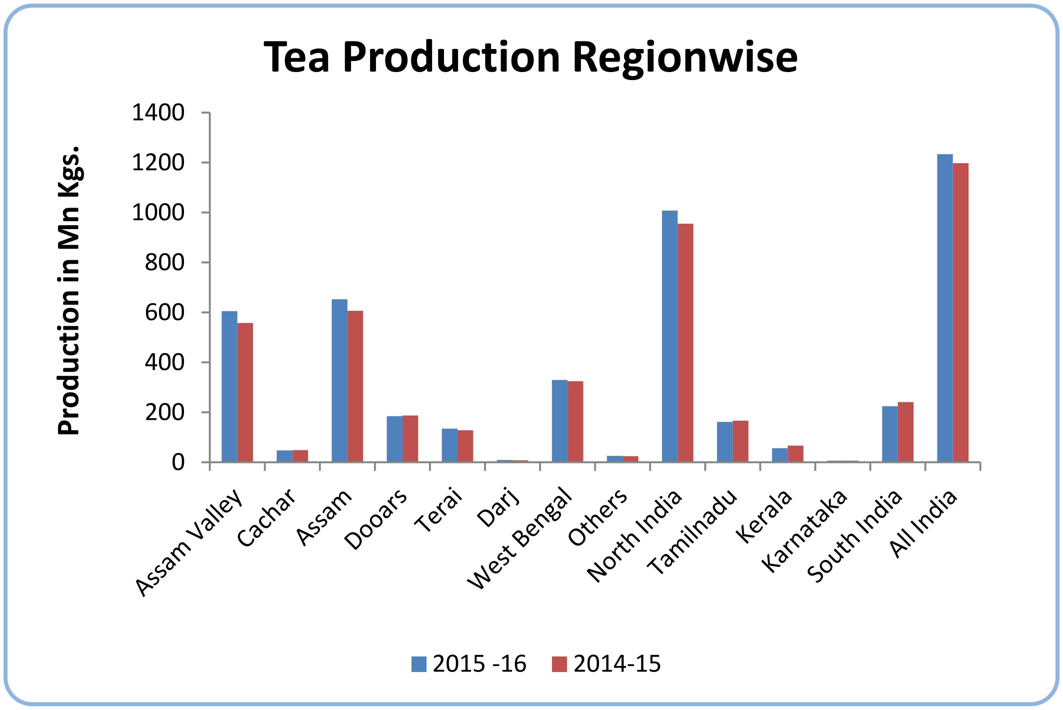
Prices noticed positive tone during the week. Quantity offered on sale increased during the week compared to previous week. Buying interest was noticed from the loose tea buyers and blenders. Prices are likely to notice range –bound to firm tone in the coming week.

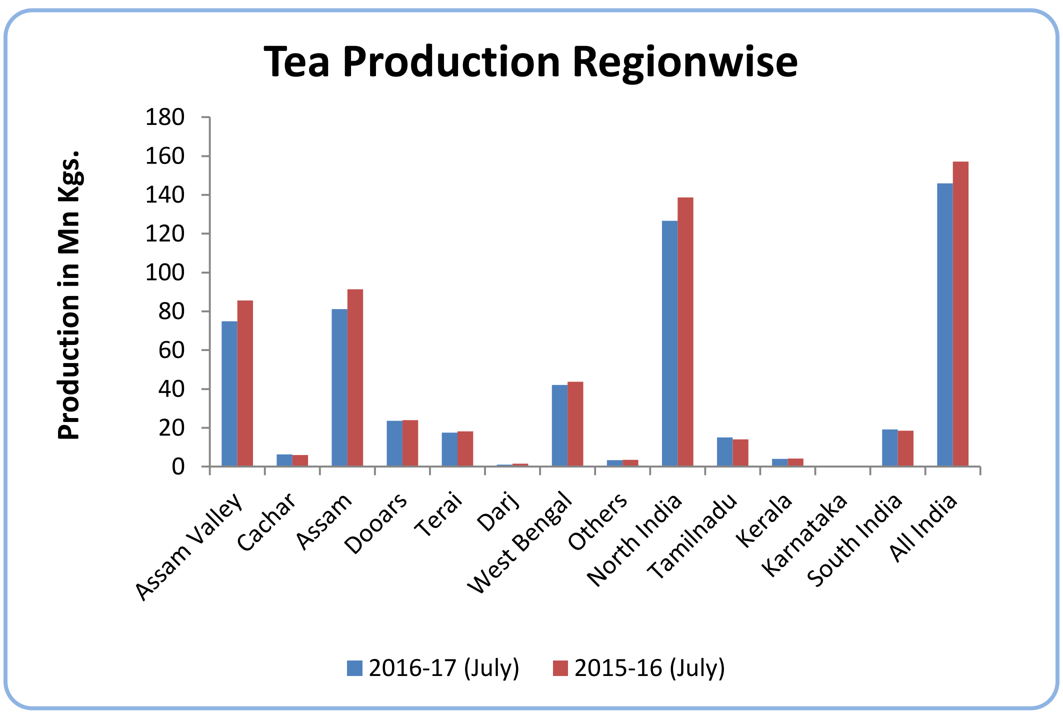
Coonoor Tea Auction: Sale No: 38 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	102.58	**368194.00**	**293313.00**
CTC Leaf	96.31	**797977.00**	**707641.00**
Orthodox Dust	113.29	**46961.00**	**44474.00**
Orthodox Leaf	126.76	**91459.80**	**89326.00**

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Nilgiris Broken variety. Prices are likely to witness positive 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.

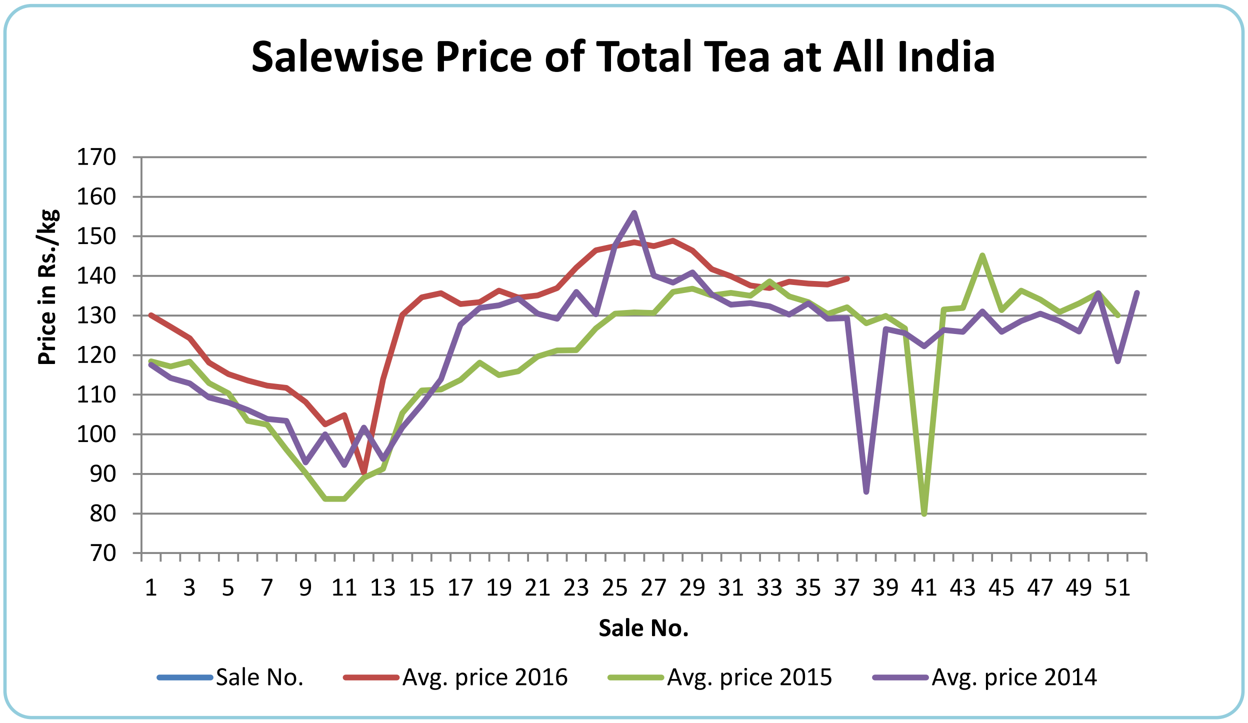
REGIONWISE QUARTERLY EXPORTS:

(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 July)*	64.50	1446.34	224.24	50.63	791.47	156.32	115.13	2237.81	194.37
2015 (Jan to July)	57.52	1262.88	219.55	55.20	754.06	136.61	112.72	2016.94	178.93
Inc/Dec in %	12.13	14.53	2.13	-8.28	4.96	14.44	2.14	10.95	8.63
2016-17 (Apr-July)*	31.94	764.74	239.43	27.81	467.43	168.08	59.75	1232.17	206.22
2015-16 (Apr-July)	29.75	693.57	233.13	31.85	455.51	143.02	61.60	1149.08	186.54
Inc/Dec in %	7.36	10.26	2.70	-12.68	2.62	17.52	-3.00	7.23	10.55

*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 higher compared to previous year amid good quality arrival in the domestic market. Prices have increased during the week compared to previous week amid good demand in the domestic and export market.

Weekly Average Prices at Indian Auction Centers for week ending 2016-09-17

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	150.20(164.58)	137.97(144.42)	129.82(116.21)	NS(NS)	NS(92.89)	99.41(67.02)	99.91(72.62)	84.79(50.24)
Total Tea	162.58(171.09)	138.37(144.87)	129.82(116.21)	NS(NS)	NS(99.05)	101.27(68.21)	100.17(72.66)	84.79(50.24)

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

Variety	North India	South India	All India
CTC All Dust	139.36 (141.75)	97.10 (76.26)	134.22 (127.61)
Total Tea	144.79 (144.81)	98.42 (80.43)	139.28 (130.38)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata
Technical Commentary: Tea prices noticed weak tone during the week. Prices are likely to decline towards 150 levels in the coming days. MACD is declining in the positive territory denoting overall weak tone of the market in the medium –term. Stochastic oscillator is steady in the oversold region supporting some recovery 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	162.58	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 37 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	480 - 550	480 - 570
Average Westerns	460 - 470	450 - 470
Plainer Westerns	440 - 450	420 - 440
Western Mediums	440 - 700	415 - 620
Uva Teas	425 - 670	400 - 570
Nuwara Eliya Teas	430 - 620	410 - 660
Udapussellawa Teas	410 - 450	420 - 480
CTC (BP1 and PF1)	315 - 490	395 - 620

In this week's auction, 5.49 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 weak tone. High Grown and Mid Grown CTC's noticed firm 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 noticed weak tone during the week. There was some demand from Russia, Syria,Turkey, Saudi Arabia and Iran.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	39		38		37	
Dates	04th/05th October 2016		27th/28th September 2016		20th/21st September 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	612	656,552 kg	644	707,560 kg	671	738,772 kg
Main Sale Total	8,433	4,234,999 kg	9,283	4,663,953 kg	9,200	4,754,225 kg
High & Medium	976	501,402 kg	1,087	566,817 kg	992	503,435 kg
Low Growns Leafy	3,091	1,386,807 kg	3,452	1,597,646 kg	3,427	1,587,595 kg
Tippy	1,728	959,131 kg	2,031	1,121,398 kg	2,025	1,167,144 kg
Premium/Flowery	434	74,275 kg	596	100,887 kg	494	90,416 kg
Off Grades	1,817	970,145 kg	1,757	942,087 kg	1,846	998,868 kg
Dust	387	343,239 kg	360	335,118 kg	416	406,767 kg
Grand Total	9,045	4,891,551 kg	9,927	5,371,513 kg	9,871	5,492,997 kg
Reprints	245	130,996 kg	256	132,627 kg	243	131,705 kg
Scheduled to Close (Ex)		15.09.16		08.09.16		01.09.16
Dates (Ms)		15.09.16		09.09.16		02.09.16

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: 38

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
36	$ 3.11	$ 2.25	$ 2.86	$ 2.15
37	$ 3.08	$ 2.29	$ 2.81	$ 2.18
38	$ 3.11	$ 2.43	$ 2.88	$ 2.31

QUOTATIONS	BROKENS	FANNINGS	
Best	454 – 582	445 – 542	
Good	431 – 514	424 - 509	
Good Medium	409 – 517	391 - 490	
Medium	333 – 451	309 - 405	
Lower Medium	232 – 348	232 - 299	
Plain	209 – 255	189 – 273	(SL RUPEES)

During the week fair demand was noticed for 6,852,954 kilos of tea on offer. Brighter DUST1s were USC4 to USC28 higher with mediums were firm to USC10 easier. Lower Mediums were firm to USC8 lower. Prices of Brighter BP1's were USC6 to USC32 higher. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's noticed steady tone 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 firm tone. There was good demand from Pakistan Packers, Afghanistan, Yemen, Kazakhstan, Bazaar, Sudan, CIS and other Middle –East countries. There was some demand Egyptian Packers, Russia and UK. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

<u>Indonesia Tea Auction (Jakarta): Sale No: 37</u>

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	10.020	534.620 Kg	9.420	501.540 Kg	93.81
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	10.020	534.620 Kg	9.420	501.540 Kg	93.81

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.440	136.040 Kg	2.360	131.840 Kg	96.91
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.440	136.040 Kg	2.360	131.840 Kg	96.91
GRAND TOTAL	12.440	586.380 Kg	11.780	633.38 0 Kg	94.44

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
175-220	145-190	131-150	127-218	161-195	111-130	312

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
111-151	131-147	106-119	276	132-142

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
135-178	138-191	161-173	164-210	125-140	139-170	-

Market offerings increased to 12,440 paper sacks from 10,440 paper sacks. There was good demand in the market. Average price increased to USDcts 143.25 instead of USDcts 139.18 during last week's auction. Average price of Orthodox variety declined to USDcts 140.74 and average price of CTC increased to USDcts 151.54. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 94.44% during the period compared to 80.44% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	28/09/16	5/09/16	28/09/16	5/09/16
PTPN. IV	1.480 S	1.020 S	-	-
PTPN. VI	140 S	120 S	560 S	320 S
PTPN. VII	1.220 S	1.060 S	400 S	300 S
PTPN. VIII	4.040 S	4.020 S	860 S	620 S
PTPN. IX	360 S	220 S	-	-
PTPN. XII	- S	- S	380 S	320 S
Total Estate	7.240 S	6.440 S	2.200 S	1.560 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.240 S	6.440 S	2.200 S	1.560 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 20
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	225-230	Best	232-237
Medium	227-231	Good	230-232
Small	228-232	Medium	227-230
Plain	185-200	Plain	190-205

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 internal buyers. 39,048 packages and 254 packages of CTC Leaf of old season noticed good demand. 6,523 and 6 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 firm 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	July	126.67	138.64	Up to July	441.41	422.40	+ 19.01
South India	July	19.18	18.56	Up to July	121.10	142.06	- 20.96
Kenya	June	35.60	32.28	Up to June	249.35	175.26	+ 74.09
Bangladesh	July	10.7	9.4	Up to July	33.4	24.0	+ 9.4
Malawi	July	0.9	1.1	Up to July	30.7	31.8	- 1.1

(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 4.50% and in South India, production has declined by 14.75% respectively till July 2016. Lack of sufficient rainfall has affected production in South India.

Currency	23-09-2016	02-09-2016
USD	66.65	66.58
Srilankan Rupee	0.4555	0.4599
Indonesian Rupiah	0.0051	0.0050
Kenyan Shilling	0.6586	0.6582
Bangladeshi Taka	0.8512	0.8505

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. Arrivals are picking up amid rains in the growing. In North India, the third flush of tea is coming in the market. There was good demand from the loose tea buyers and blenders. Arrival of good quality tea lends support to prices in South India. Prices are likely to notice range – bound to weak tone in the near –term.

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 is conducive in the growing regions. There was some enquiry from the exporters. The future offering of tea is likely to decline at Sri Lankan and Indonesian auction in the coming week.