News Highlights.

- The Central government is likely to consider the plea by the Nilgiri Planter's Association that the Tea Board be granted funds to conduct the pan-India e-auction of Nilgiris Winter Speciality Tea grades. The auction held for the Speciality teas with the funding of the Tea Board used to fetch an average price of Rs.1600/kg. However the Nilgiris Planter's Association was unable to continue the auctions as the Tea Board had withdrawn funding.

- At the recently concluded India International Tea Convention In Ooty, representative from the US, Egypt, Iran, Pakistan and Bangladesh who preferred South India tea in their markets have asked the industry to focus on improving the quality of tea. Indian tea is facing tough competition from Kenya and Sri Lanka. According to industry sources, the Tea Board of India and United Planters Association of South India (UPASI) should make plans to restore lost markets like Egypt.

- 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 bewas held at Ooty from September 22 to 24, 2016. It will bewas 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 havewith sessions dealing withpertaining to 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 to expanding the worldwide consumer base for high-quality tea.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 39 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	143.61	33,50,000	20,98,000
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	154.76	12,58,000	11,13,000

(Source: Parcon)

Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. Leaf variety witnessed easy tone and Dust variety gained amid good demand. Buying interest was noticed from Tata Global and Hindustan Unilever Limited. Prices are likely to notice easy tone in the near – term.

Guwahati Tea Auction: Sale No: 39 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	135.43	39,65,000	28,09,000
Dust	146.15	15,15,000	13,80,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Good and Best Assams. Withdrawals were noticed in the mid-segment category. There was good demand from 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: 39 (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: 39 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	112.92	1071229.80	815806.20
CTC Leaf	92.70	64859.00	54051.00
Orthodox Dust	95.61	16068.00	9412.00
Orthodox Leaf	150.01	173421.00	88301.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Good demand from blenders for dust variety lent support to the market. Weather is supportive in the growing regions. Prices are likely to notice positive tone in the near –term.

Coimbatore Tea Auction: Sale No: 39 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.92	218469.00	191668.00
CTC Leaf	95.76	106082.00	102323.00
Orthodox Dust	91.77	9785.00	9089.00
Orthodox Leaf	105.64	5487.00	5487.00

(Source: Paramount Marketing, Coimbatore)

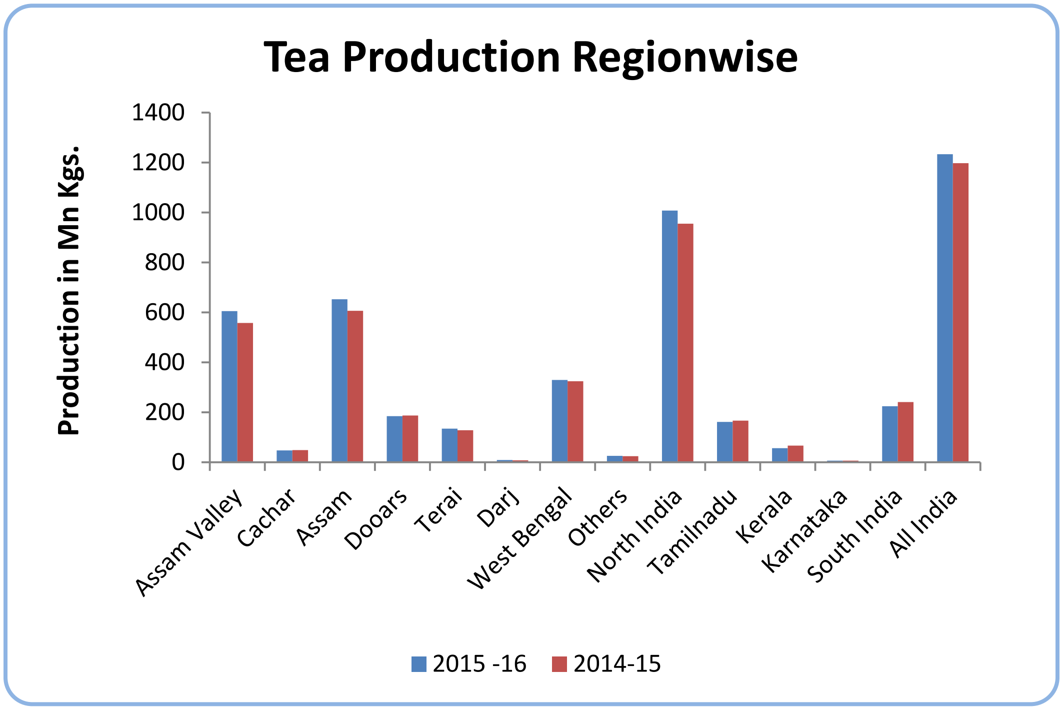
Prices noticed firm tone during the week except slight weakness in Orthodox Leaf variety. Quantity offered on sale declined during the week compared to previous week. There was some demand from the loose tea buyers and packeteers. Prices are likely to notice range –bound to firm tone in the coming days.

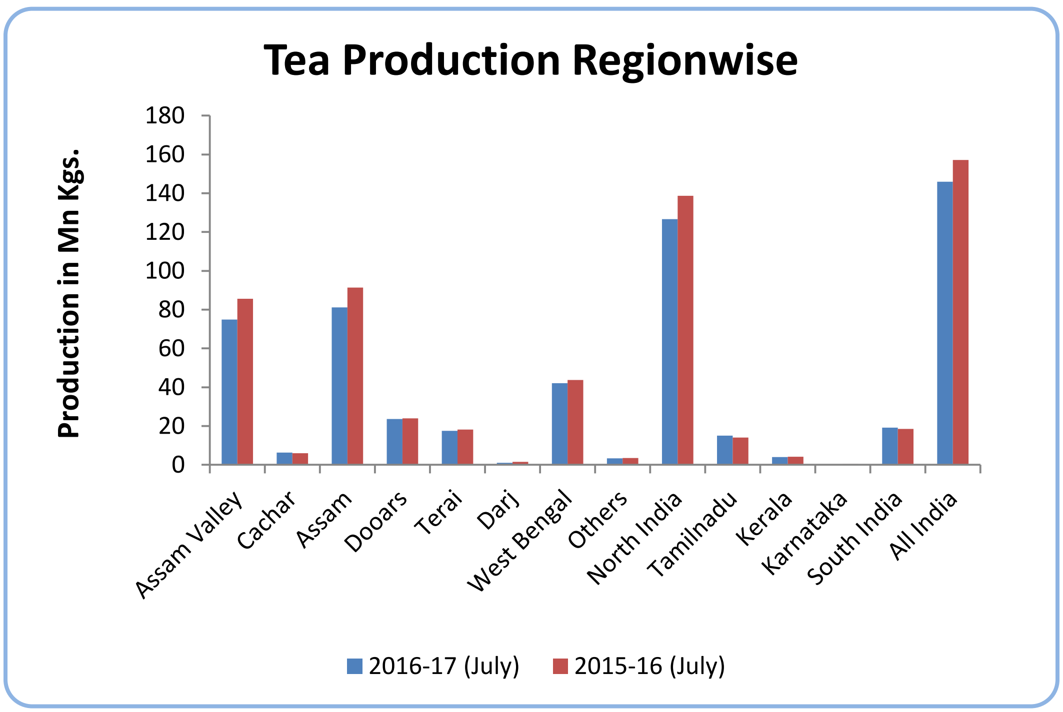
Coonoor Tea Auction: Sale No: 39 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	100.39	401430.00	332644.00
CTC Leaf	96.20	817698.00	749580.00
Orthodox Dust	117.06	52341.00	42796.00
Orthodox Leaf	130.39	88665.60	81312.40

(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 and exporters. Prices are likely to notice firm 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.

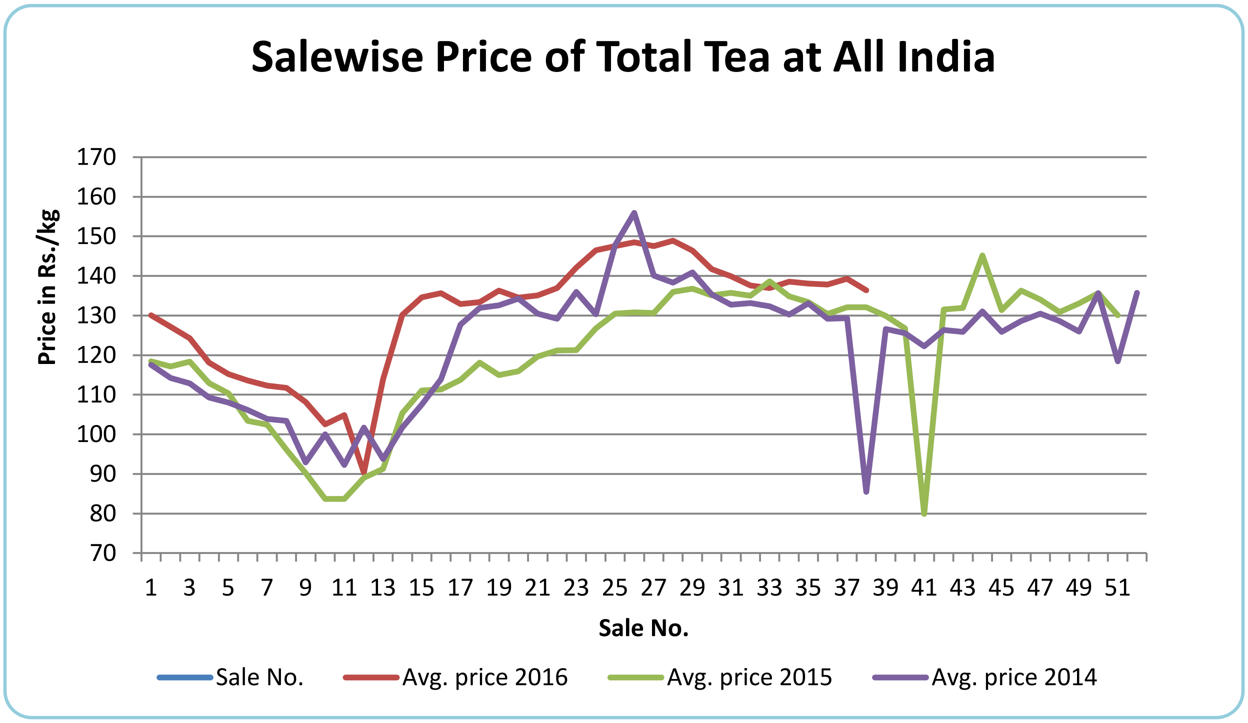
REGIONWISE QUARTERLY EXPORTS:

(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 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 lower compared to previous year amid higher arrivals in the domestic market. Prices have increased during the week compared to previous week amid good demand in the domestic and export market.

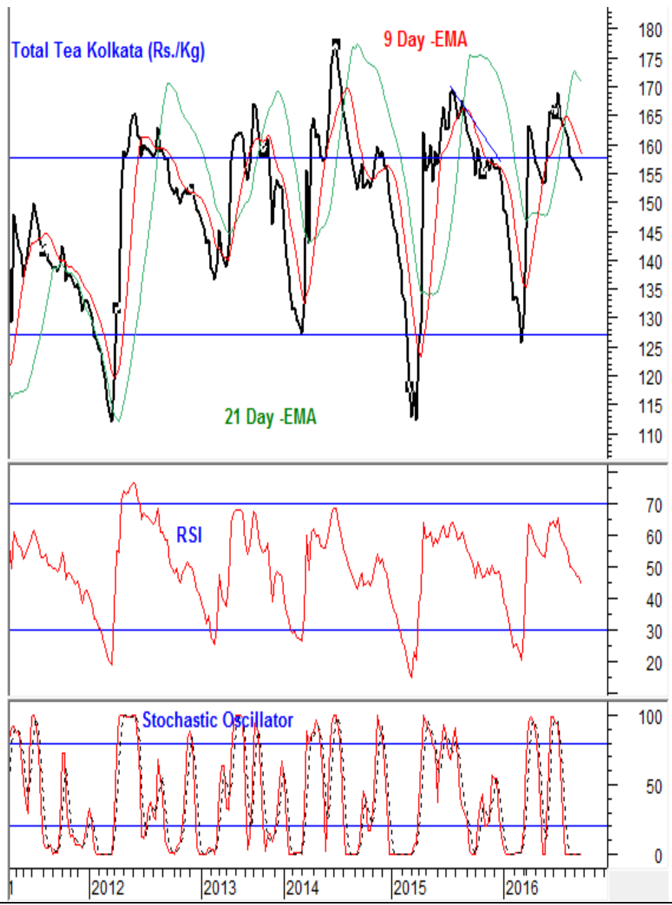
Weekly Average Prices at Indian Auction Centers for week ending 2016-09-24

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	149.87(158.22)	139.27(146.82)	129.71(115.23)	NS(NS)	111.12(98.50)	98.79(68.40)	100.02(72.51)	88.03(55.13)
Total Tea	160.50(166.49)	139.63(146.99)	129.71(115.23)	NS(NS)	117.54(102.68)	100.99(69.71)	100.06(72.51)	88.03(55.13)

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

Variety	North India	South India	All India
CTC All Dust	139.92 (141.64)	101.52 (80.29)	132.22 (129.07)
Total Tea	144.45 (145.16)	105.14 (83.45)	136.36 (132.12)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata
Technical Commentary: Tea prices declined during the week and are likely to ease towards 150 levels in the coming days. Prices are holding below 9 – Day and 21 –Day EMA denoting the overall weak tone of the market. RSI declining in the neutral region supporting 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	160.50	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 38 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	490 - 530	490 - 540
Average Westerns	470 - 480	460 - 480
Plainer Westerns	450 - 460	430 - 450
Western Mediums	410 - 880	420 - 515
Uva Teas	450 - 720	410 - 550
Nuwara Eliya Teas	445 - 600	425 - 440
Udapussellawa Teas	425 - 480	430 - 500
CTC (BP1 and PF1)	310 - 470	410 - 620

In this week's auction, 5.37 million kgs of tea was offered for sale compared to 5.49 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 noticed steady to firm 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.	40		39		38	
Dates	11th/12th October 2016 No. of Lots	No. of Kgs	04th/05th October 2016 No. of Lots	No. of Kgs	27th/28th September 2016 No. of Lots	No. of Kgs
Ex Estate	604	633,344 kg	612	656,552 kg	644	707,560 kg
Main Sale Total	9,266	4,680,299 kg	8,433	4,234,999 kg	9,283	4,663,953 kg
High & Medium	1,105	564,911 kg	976	501,402 kg	1,087	566,817 kg
Low Growns Leafy Tippy	3,264 2,037	1,483,695 kg 1,125,471 kg	3,091 1,728	1,386,807 kg 959,131 kg	3,452 2,031	1,597,646 kg 1,121,398 kg
Premium/Flowery	531	95,740 kg	434	74,275 kg	596	100,887 kg
Off Grades	1,923	1,037,111 kg	1,817	970,145 kg	1,757	942,087 kg
Dust	406	373,371 kg	387	343,239 kg	360	335,118 kg
Grand Total	9,870	5,313,643 kg	9,045	4,891,551 kg	9,927	5,371,513 kg
Reprints	359	172,756 kg	245	130,996 kg	256	132,627 kg
Scheduled to Close (Ex) Dates (Ms)		22.09.16 23.09.16		15.09.16 15.09.16		08.09.16 09.09.16

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: 39

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
37	$ 3.08	$ 2.29	$ 2.81	$ 2.18
38	$ 3.11	$ 2.43	$ 2.88	$ 2.31
39	$ 3.12	$ 2.37	$ 2.84	$ 2.25

QUOTATIONS	BROKENS	FANNINGS
Best	487 – 634	452 - 547
Good	461 – 539	446 - 501
Good Medium	423 – 550	380 - 470
Medium	357 – 406	314 - 373
Lower Medium	226 – 360	216 - 299
Plain	213 – 331	187 – 269 (SL RUPEES)

During the week good demand was noticed for 6,593,834 kilos of tea on offer. Brighter DUST1s were USC14 to USC20 higher with mediums were firm up to USC46. Lower Mediums were lower up to USC6. Prices of Brighter BP1's were USC16 to USC22 higher. 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 noticed firm tone and Dusts noticed weak tone during the week. Other Fannings and BMF's noticed firm tone. There was good demand from Yemen, Kazakhstan, Bazaar, U.K., Sudan, CIS and other Middle –East countries. There was some demand from Pakistan Packers, Egyptian Packers and Afghanistan. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 37

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: 21

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	225-228	Best	232-236
Medium	226-230	Good	229-231
Small	227-231	Medium	226-228
Plain	190-200	Plain	195-210

Tea prices at Bangladesh tea auction noticed firm tone amid good demand for quality leaf amid tight supplies. The average price of tea during this week's auction was around USD 2.80/kg. Around 2.40 million kg of tea was offered for sale and nearly 5.2 percent remained unsold.

There was good demand from blenders and from internal buyers. 37,559 packages and 10 packages of CTC Leaf of old season noticed good demand. 6,104 packages of CTC Dust 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	August	23.01	26.42	Up to August	198.60	225.72	- 27.12
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 27.12 million kgs. to 198.60 million kgs. till August 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	30-09-2016	23-09-2016
USD	66.59	66.65
Srilankan Rupee	0.4538	0.4555
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6577	0.6586
Bangladeshi Taka	0.8488	0.8512

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. The arrival of third flush of tea is declining in North India. There was good demand for quality leaf from the exporters. Buying interest from the loose tea buyers and blenders lend support to the market. In South India, there is good quality arrival of tea. Prices are likely to notice range –bound to weak tone in the coming week.

In the global market, prices noticed steady to firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There is good demand for quality amid lower supplies in the market. There was some export enquiry around current levels. The future offering of tea is likely to decline at Sri Lankan auction in the coming week. Prices are likely to witness positive tone in the coming days.