

News Highlights.

- The Nilgiris Nelikolu Micro and Small Tea Growers and Farmers' Development Society (NSTF) is gearing up to showcase Speciality Specialty teas from the Nilgiris at the World Tea and Coffee Expo, 2016, scheduled to be held from October 20 to 22 in Mumbai. Demand for speciality specialty teas such as Orthodox tea, green and white tea are on the increase. White Tea, in particular, commands an average price of Rs.5,000-6,000 a kg. Though production volumes are very small, the demand for such teas is catching up.
- Output of tea in the current calendar year 2016 is set to decline in Nilgiri amid unfavourable weather in the growing regions. In 2013 it produced 111.60 mkg followed by 111.30 mkg in 2014. Last year it produced 101.75 mkg and in the current year till July 2016, production has declined by 17 per cent compared to previous year.
- The World Tea & Coffee Expo will be held in Mumbai between October 20 -22, 2016. An integral part of the Expo is a high level, 2-day conference by industry leaders, academicians and policy makers and also workshops by tea & coffee experts. The 2016 edition has about 70 exhibitors from 7 countries including pavilions from Tea Board of India and Sri Lanka Tea Board.
- The conference will cover topics like sustainability, GST impact, design and innovation especially in packaging and branding, changing prospects due to increasing cafe culture etc whereas the workshops shall impart skills on tea tasting, coffee brewing, coffee roasting and tea/coffee pairing according to sources.
- 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 However the Nilgiris Planter's Association was unable to continue the auctions as the Tea Board had withdrawn funding.
- 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.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 40 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	142.09	38,40,000	22,17,000
ORTHODOX	205.15	7,40,000	5,41,000
DARJEELING	-	-	-
DUST	149.09	14,91,000	11,58,000

(Source: Parcon)

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. In the Orthodox category, there was good demand for Select Tippy sorts and Fannings. Export demand was noticed from Middle –East countries. Buying interest was noticed from local buyers. Prices are likely to notice easy –tone in the coming days.

Guwahati Tea Auction: Sale No: 40 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	135.51	42,80,000	27,89,000
Dust	147.69	16,86,000	12,32,000

(Source: Associated Brokers)

Prices noticed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. Good and Best Assams noticed tone. Some buying interest was noticed from Hindustan Unilever Limited and Tata Global. There was good demand for Better Liquoring Assams from western India buyers. Prices are likely to notice weak tone in the near –term.

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	130.65	39,12,000	27,24,000
CTC Dust	124.24	6,09,000	4,62,000

(Source: Associated Brokers)

Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. There was fair demand in the market. Arrivals have increased amid conducive weather in the growing regions. Buying interest was noticed from Hindustan Unilever Limited, Tata Global and local packers. Prices are likely to notice weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 41 (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: 41 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	-	-	-
CTC Leaf	-	-	-
Orthodox Dust	-	-	-
Orthodox Leaf	-	-	-

(Source: Paramount Marketing, Coimbatore)

There was no sale at Cochin.

Coimbatore Tea Auction: Sale No: 41 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	105.53	251185.00	190475.00
CTC Leaf	95.57	134370.00	76516.00
Orthodox Dust	93.04	9172.00	7883.00
Orthodox Leaf	109.77	5587.00	2822.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed positive tone during the week. Quantity offered on sale declined during the week compared to previous week. Good demand from the exporters lent support to the market. Prices are likely to notice firm tone in the coming days.

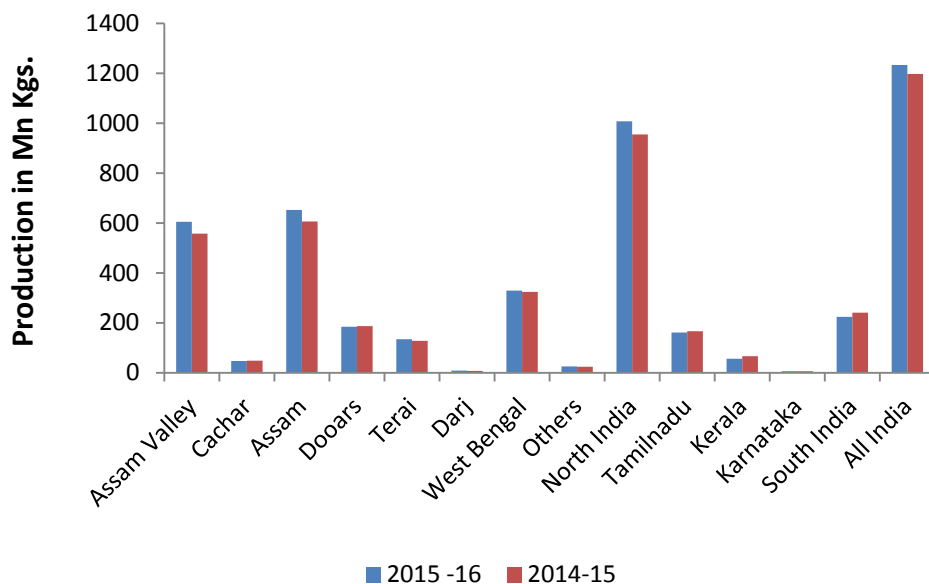
Coonoor Tea Auction: Sale No: 41 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	97.84	389751.00	195775.00
CTC Leaf	94.53	861109.00	660896.00
Orthodox Dust	105.47	64359.00	25252.00
Orthodox Leaf	117.87	104365.80	72406.00

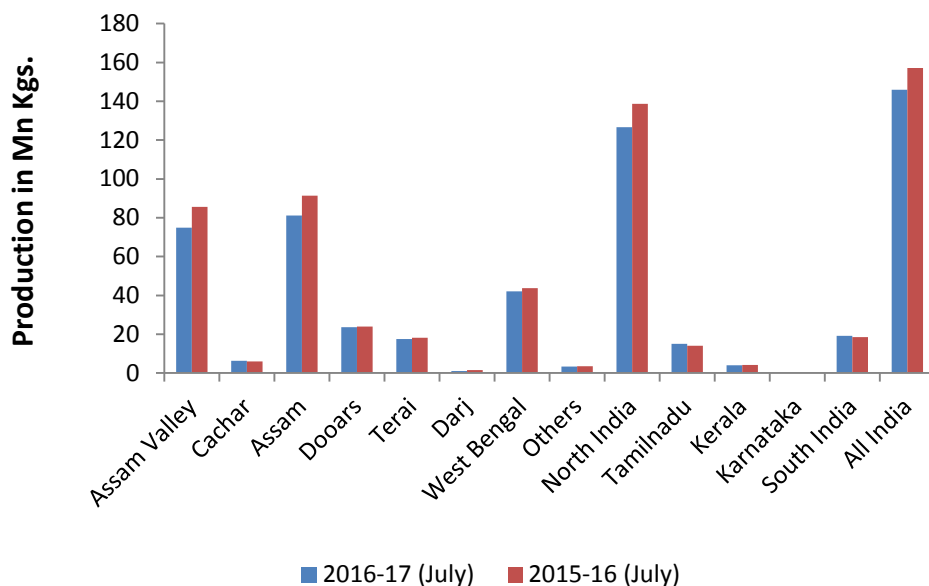
(Source: Paramount Marketing, Coimbatore)

Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. There was some demand from the local buyers and packeteers. Prices are likely to notice easy tone in the near –term.

Tea Production Regionwise



Tea Production Regionwise



(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:

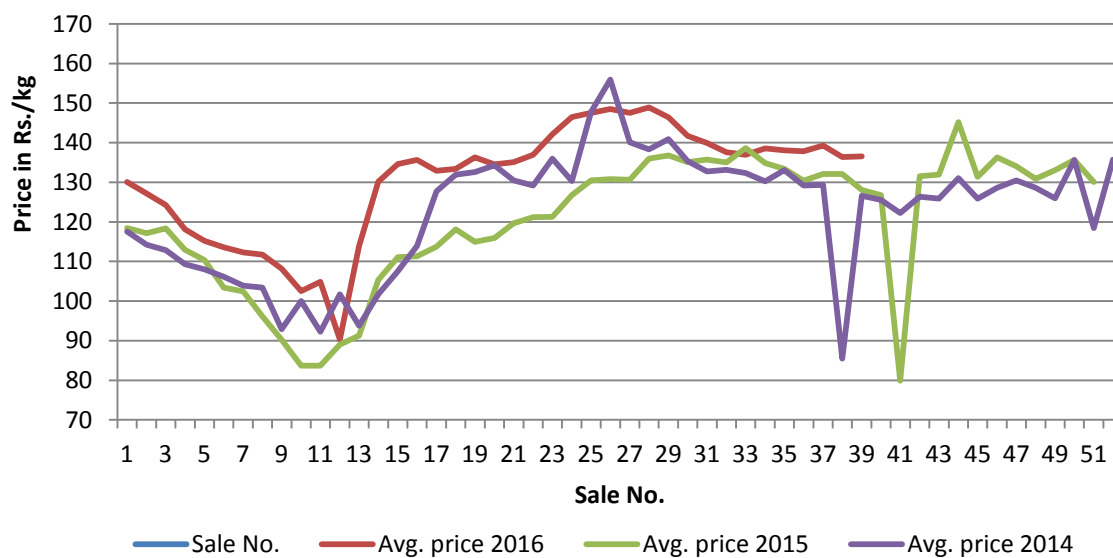
(Qty In M.Kgs, Value in Rs. Crs, Unit Price in Rs./kg)

	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

Salewise Price of Total Tea at All 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 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 2016-10-01

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	147.47(153.90)	138.78(145.37)	130.52(110.88)	NS(NS)	110.46(100.70)	98.24(68.30)	100.80(75.89)	88.52(56.21)
Total Tea	162.03(161.98)	138.97(145.55)	130.52(115.23)	NS(NS)	114.07(104.21)	100.40(69.71)	100.89(76.08)	88.52(56.33)

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

Variety	North India	South India	All India
CTC All Dust	138.78 (136.53)	101.58 (81.22)	131.55 (125.49)
Total Tea	144.41(139.54)	103.98 (84.14)	136.57 (128.07)

(Source: Tea Board)

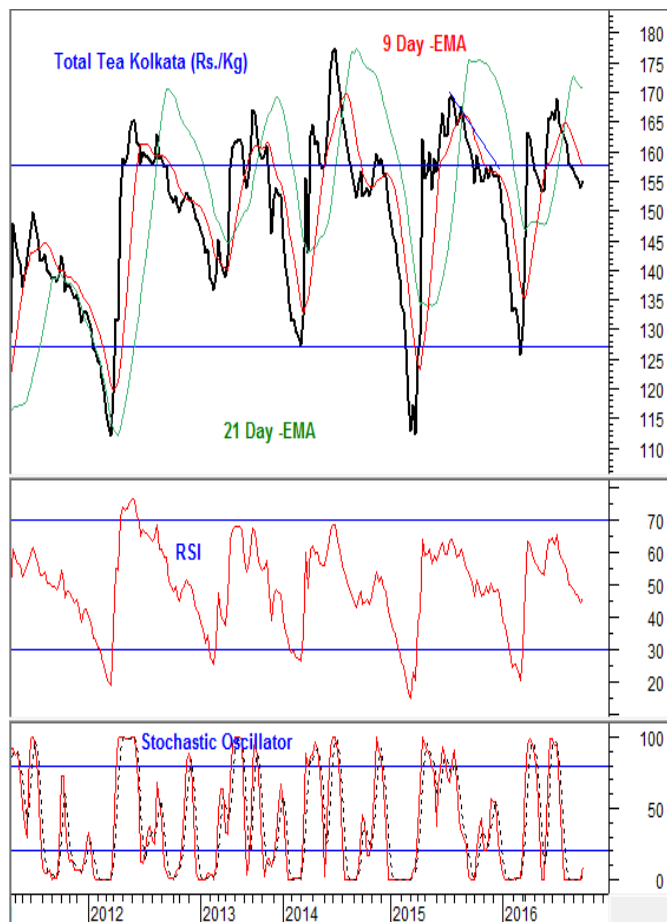
Tea – Technical Outlook

Technical Commentary:

Tea prices recovered slightly during the week. MACD is likely to enter the negative territory supporting the weak tone of the market in the medium –term. Stochastic oscillator is increasing in the oversold region supporting recovery in the near – term.

The tea prices are likely to decline towards 150 levels after recent recovery in the coming days. Traders can wait for better buying levels for their medium –term requirement.

Total Tea -Kolkata



Strategy: Buy On Near –Term Weakness

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	150.00	130.00	162.03	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 40 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	560 - 585	580 - 630
Average Westerns	520 - 550	540 - 570
Plainer Westerns	470 - 510	510 - 530
Western Mediums	480 - 940	470 - 600
Uva Teas	440 - 690	450 - 590
Nuwara Eliya Teas	450 - 600	540 - 650
Udapussellawa Teas	490 - 560	500 - 570
CTC (BP1 and PF1)	360 - 500	450 - 620

In this week's auction, 5.31 million kgs of tea was offered for sale compared to 4.89 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's witnessed positive tone and BOPF's noticed firm tone. High Grown and Mid Grown CTC's noticed firm tone and Low Grown CTC's noticed firm 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 steady to 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

	42		41		40	
AUCTION NO.						
	25 th /26 th October 2016		18 th /19 th October 2016		11 th /12 th October 2016	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	589	572,151 kg	679	685,522 kg	604	633,344 kg
Main Sale Total	8,283	4,073,169 kg	8,639	4,288,805 kg	9,266	4,680,299 kg
High & Medium	812	411,389 kg	952	472,410 kg	1,105	564,911 kg
Low Growns Leafy	3,124	1,372,618 kg	3,162	1,392,488 kg	3,264	1,483,695 kg
	1,849	1,009,274 kg	1,895	1,039,840 kg	2,037	1,125,471 kg
Tippy						
Premium/Flowery	524	82,955 kg	471	81,326 kg	531	95,740 kg
Off Grades	1,578	859,293 kg	1,731	925,169 kg	1,923	1,037,111 kg
Dust	396	337,640 kg	428	377,572 kg	406	373,371 kg
Grand Total	8,872	4,645,320 kg	9,318	4,974,327 kg	9,870	5,313,643 kg
Reprints	154	72,679 kg	294	143,477 kg	359	172,756 kg
Scheduled to Close (Ex)		06.10.16		29.09.16		22.09.16
Dates (Ms)		07.10.16		30.09.16		23.09.16

Scheduled Closing Dates

Auction No. 41 : 18th/19th Oct 2016

Ex Estate : 29.09.2016

Main Sale : 30.09.2016

Auction No. 42 : 25th/26th Oct 2016

Ex Estate : 06.10.2016

Main Sale : 07.10.2016

Auction No. 43 : 01st/ 02nd Nov. 2016

Ex Estate : 13.10.2016

Main Sale : 14.10.2016

Auction No. 44 : 08th/ 09th Nov. 2016

Ex Estate : 20.10.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 42

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2015	2016	2015	2016
39	\$ 3.12	\$ 2.37	\$ 2.84	\$ 2.25
40	\$ 3.19	\$ 2.35	\$ 2.94	\$ 2.24
41	\$ 3.24	\$ 2.32	\$ 3.02	\$ 2.20

QUOTATIONS	BROKENS	FANNINGS
Best	427 – 648	435 - 522
Good	478 – 539	429 - 481
Good Medium	408 – 539	394 - 477
Medium	345 – 408	304 - 385
Lower Medium	229 – 377	224 - 281
Plain	207 – 304	191 – 243 (SL RUPEES)

During the week good demand was noticed for 6,509,134 kilos of tea on offer. Brighter DUST1s were USC4 to USC20 higher with mediums were firm to USC22 lower. Lower Mediums were firm to USC8 higher. 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 and PF's noticed firm tone during the week. Well sorted clean coloury Fannings noticed firm tone and Dusts noticed positive tone during the week. Other Fannings noticed mixed tone and BMF's noticed firm tone. There was good demand from Afghanistan, Iran, Pakistan packers, Sudan and other Middle –East countries. There was some demand from Russia, UK, Bazaar, Egyptian Packers and Kazakhstan. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 40

ORTHODOX		OFFERED	SOLD	%	
PTPN	7.440	401.640 Kg	7.000	377.320 Kg	93.94
ESTATE					
PRIVATE	---	--- Kg	---	--- Kg	---,--
ESTATE					
TOTAL	7.440	401.640 Kg	7.000	377.320 Kg	93.94
C.T.C		OFFERED	SOLD	%	
PTPN	2.540	142.200 Kg	2.420	135.320 Kg	95.16
ESTATE					
PRIVATE	---	--- Kg	---	--- Kg	--,--
ESTATE					
TOTAL	2.540	142.200 Kg	2.420	135.320 Kg	95.16
GRAND	9.980	543.840 Kg	9.420	512.640 Kg	94.26
TOTAL					

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
175-196	148-184	122-161	122-183	131-192	101-131	-

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
120-158	127-156	107-110	150-152	131-140

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
148-159	142-192	160-173	152-197	110-150	133-159	-

Market offerings increased to 9,980 paper sacks from 8,120 paper sacks. There was good demand in the market. Average price declined to USDcts 141.75 instead of USDcts 136.75 during last week's auction. Average price of Orthodox variety increased to USDcts 138.22 and average price of CTC increased to USDcts 150.11. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 94.26% during the period compared to 77.57% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	19/10/16	26/10/16	19/10/16	26/10/16
PTPN. IV	1.380 S	720 S	-	-
PTPN. VI	360 S	400 S	240 S	440 S
PTPN. VII	980 S	1.000 S	240 S	240 S
PTPN. VIII	1.640 S	5.780 S	320 S	1.420 S
PTPN. IX	320 S	260 S	-	-
PTPN. XII	- S	- S	380 S	440 S
Total Estate	4.680 S	8.160 S	1.180 S	2.540 S
PP. London	- S	480 S	- S	- S
Sumatera				
Total Private	- S	480 S	- S	- S
Grand Total	4.680 S	8.640 S	1.180 S	2.540 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 23

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	212-217	Best	219-222
Medium	214-220	Good	216-218
Small	217-222	Medium	213-215
Plain	180-190	Plain	190-205

Tea prices at Bangladesh tea auction noticed weak tone amid high volumes on offer. The average price of tea during this week's auction was around USD 2.80/kg. Around 2.50 million kg of tea was offered for sale and nearly 15 percent remained unsold.

There was some demand from blenders and from internal buyers. 40,419 packages and 20 packages of CTC Leaf of old season noticed good demand. 6,583 packages of CTC Dust noticed good demand. In CTC Dust, good liquoring varieties noticed weak tone and medium levels witnessed easy tone. Good liquoring Broken varieties noticed weak tone in the market. Good liquoring varieties in fannings noticed weak tone during the week. Good liquoring Dusts noticed weak tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

<u>Country</u>	<u>MONTH</u>	<u>2016</u>	<u>2015</u>	<u>CUMULATIVE</u>	<u>2016</u>	<u>2015</u>	<u>CUMULATIVE</u> <u>+ INC./-DEC.</u>
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	July	29.29	30.94	Up to July	249.3	206.24	+ 43.06
Bangladesh	August	11.6	10.4	Up to August	44.9	34.4	+ 10.5
Malawi	August	1.8	0.8	Up to August	30.8	31.8	- 1.0

(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	14-10-2016	07-10-2016
USD	66.79	66.74
Srilankan Rupee	0.4557	0.4548
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6596	0.6593
Bangladeshi Taka	0.8527	0.8515

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound movement during the week. Quantity offered on sale declined during the week compared to previous week. There was no auction in some of the centers following the festival of 'Dussehra'. Buying interest was noticed from blenders and local tea buyers. In South India, demand from exporters lent support to the market. Prices are likely to notice range –bound to firm 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. Demand for quality tea lent support to the market. At Bangladesh auction prices declined amid high volumes on offer. 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 range –bound to firm tone in the coming days.

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