News Highlights.

- According to Tea Board sources, it has been decided to keep on hold, the post-auction settlement module, for four weeks. Recently auctions in many centers have been postponed several times and small tea buyers have not been able to take delivery after remitting money. During this time, the NSEIT will discuss with stakeholders to ensure that the bank payment module is made robust so that there are no hold ups in the auctions as it happened in the last few weeks.

- Indian tea exports are likely to decline in 2016 amid devaluation of pound and the impact of weaker crude oil prices on the Middle East economy. Prices have declined by around 8 -10% amid lower demand from the global markets. India exports around 20 million kg of tea to the UK every year and in the first eight months of the current calendar year exports have declined by 12.64%. The tea industry is looking at new markets like Chile and Canada to increase its coverage. Exports in the current year could decline by around 5 -6% compared to previous year.

- According to the state-run Tea Board, Indian output of tea declined by 1.7 per cent to 154.56 million kg in September 2016 compare to the same period previous year. Production in Assam declined by 8.5 per cent to 85.01 million kg compared to the same period previous year.

- According to an expert, new locations have been found in the eastern foothills area of Arunachal Pradesh. The new tea gardens at Namsai in Arunachal Pradesh had good production rate with quality leaves. A 24-member team of the Korean International Tea Research Institute and Federation of Korean Tea Masters, including five guides, would visit the State's tea gardens at Namsai to exchange views on the taste of Korean and Arunachal tea.

- Thousands of workers in the tea industry in the Nilgiris, are unlikely to get Diwali Bonus this year. Cash flows of tea producers, buyers, sellers and around 60000 small growers have been affected by the settlement module in the pan-India auction systems. The factories are not able to pay bonuses to their workers on the one hand, and on the other, small growers and small-scale factory owners are unable to spend for their purchases.

- 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 Tea Board Of India, output of tea during January -August 2016 declined by 4.63 mkg to 717.07 mkg compared to 721.70 mkg during the same period previous year. Production has declined amid unfavourable weather in the growing regions. In August 2016, production declined by 2.68 mkg to 154.56 mkg.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 42 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	146.65	36,48,000	26,32,000
ORTHODOX	212.47	9,37,000	8,02,000
DARJEELING	-	-	-
DUST	151.93	15,50,000	13,20,000

(Source: Parcon)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Good/Best Assams noticed firm tone. There was good demand for Dust variety. There was good demand from the exporters for Orthodox variety. Buying interest was noticed from Hindustan Unilever Limited and Tata Global. There was good demand from the Middle –East countries. Prices are likely to notice firm tone in the near –term.

Guwahati Tea Auction: Sale No: 42 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	138.04	36,01,000	25,50,000
Dust	146.62	13,91,000	11,93,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Good and Best Assams noticed firm tone. Buying interest was noticed from Hindustan Unilever Limited and Tata Global. Prices are likely to notice range –bound to weak tone in the coming days.

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: 42 (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: 42 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	113.85	999667.60	817213.70
CTC Leaf	93.57	61084.00	54355.00
Orthodox Dust	97.82	4920.00	3752.00
Orthodox Leaf	144.97	198887.00	122884.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Buying interest was noticed from Kerala State Civil Supplies. Prices are likely to notice range – bound to weak tone in the coming week.

Coimbatore Tea Auction: Sale No: 42 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	101.80	244330.00	214668.00
CTC Leaf	95.49	132896.00	123047.00
Orthodox Dust	91.85	5553.00	5553.00
Orthodox Leaf	103.68	8487.00	8379.00

(Source: Paramount Marketing, Coimbatore)

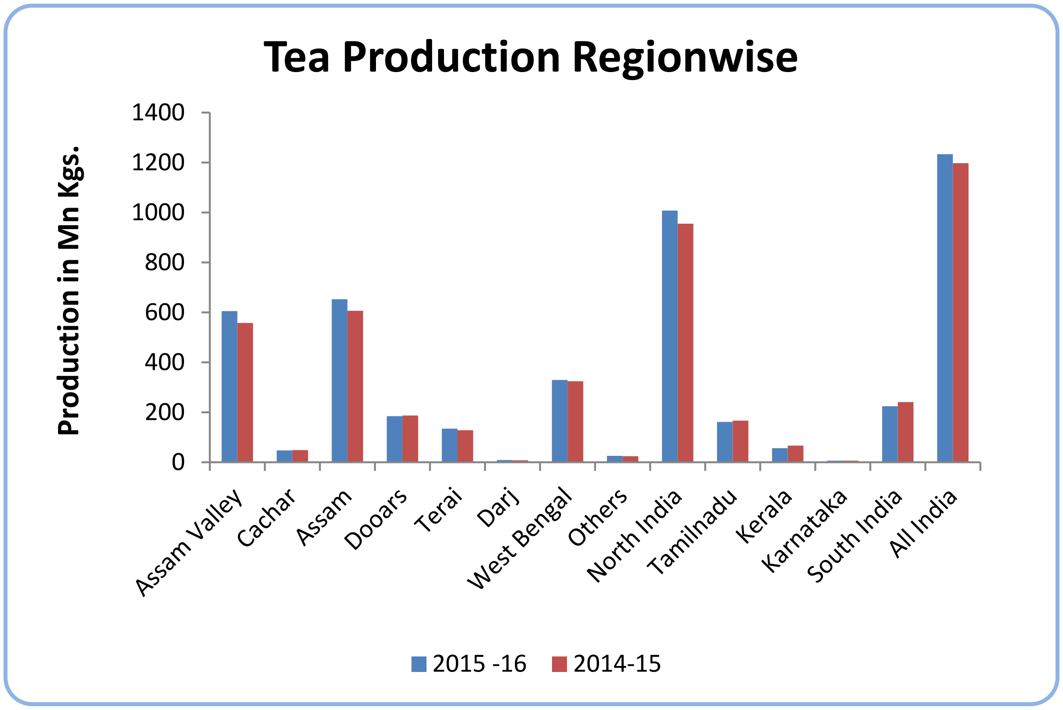
Prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. There was some demand from the blenders and loose tea buyers. Prices are likely to notice weak tone in the near –term.

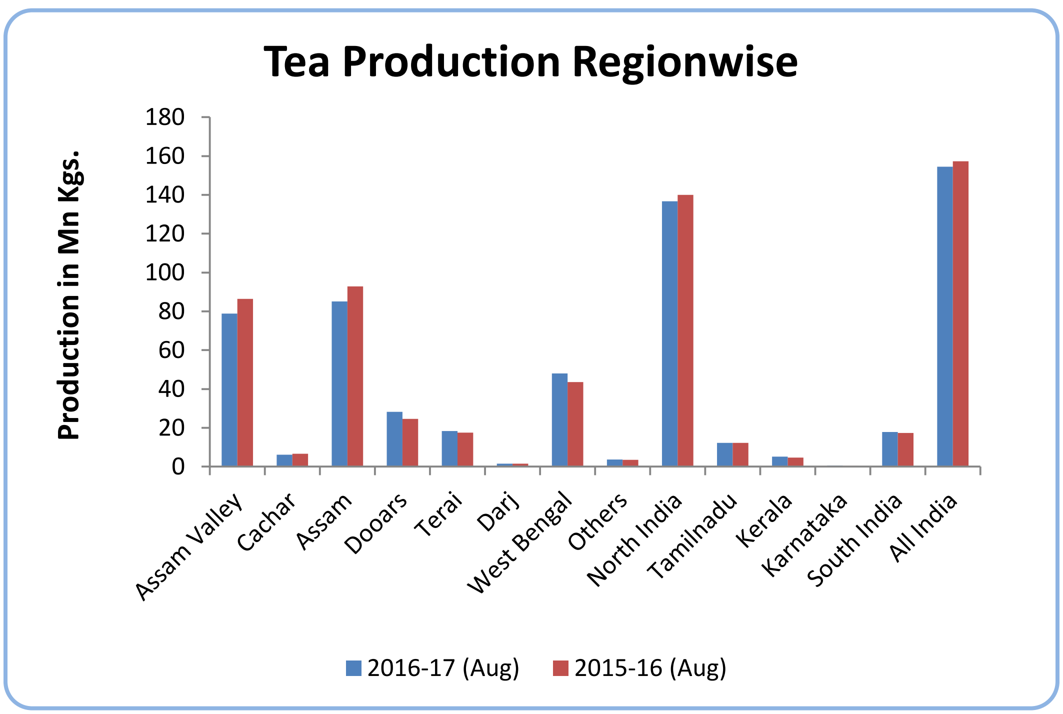
Coonoor Tea Auction: Sale No: 42 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	98.65	331455.00	320442.00
CTC Leaf	95.99	706393.00	673260.00
Orthodox Dust	105.53	56490.00	45756.00
Orthodox Leaf	121.51	89122.00	69572.80

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Good demand for Nilgiris Broken variety from exporters lent 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.

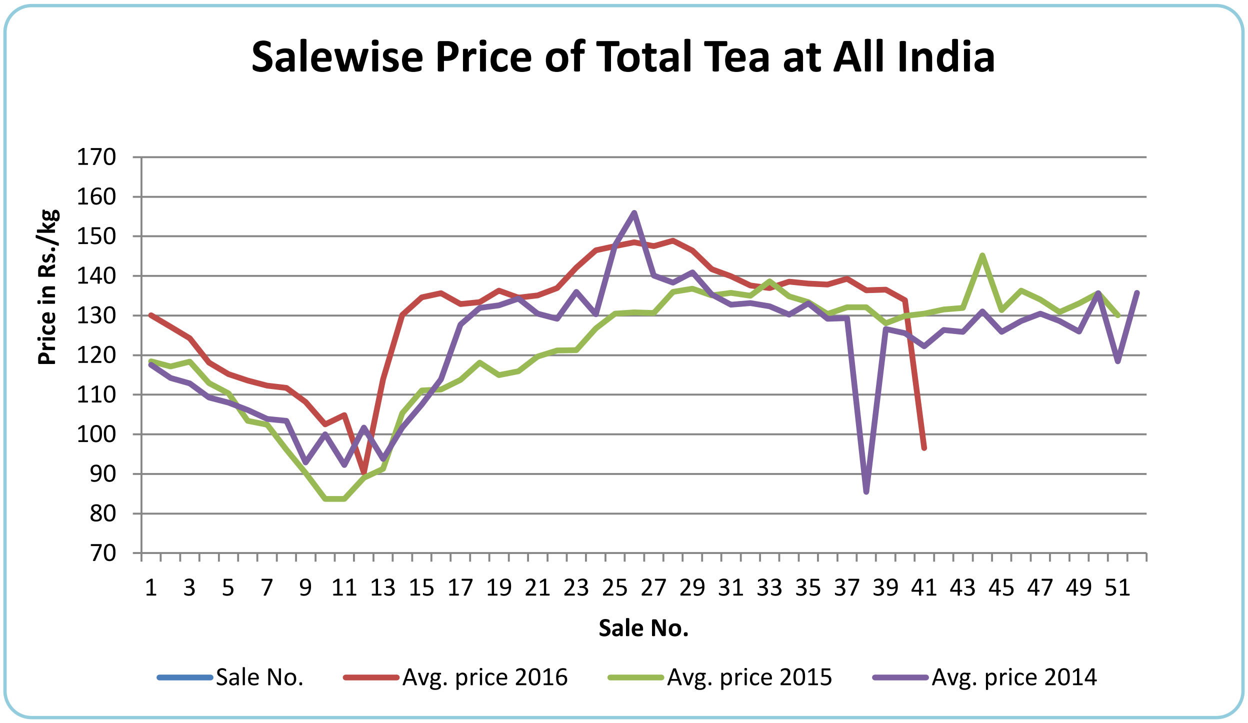
REGIONWISE QUARTERLY EXPORTS:

(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 Aug)*	76.99	1733.41	225.15	58.58	919.91	157.03	135.57	2653.32	195.72
2015 (Jan to Aug)	71.32	1666.8	233.71	63.08	857.45	135.93	134.4	2524.25	187.82
Inc/Dec in %	7.95	4.00	-3.66	-7.13	7.28	15.53	0.87	5.11	4.21
2016-17 (Apr-Aug)*	44.43	1051.81	236.73	35.76	595.87	166.63	80.19	1647.68	205.47
2015-16 (Apr-Aug)	43.55	1097.49	252.01	39.73	558.90	140.67	83.28	1656.39	198.89
Inc/Dec in %	2.02	-4.16	-6.06	-9.99	6.61	18.45	-3.71	-0.53	3.31

*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 lack of demand 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 2016-10-15

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	NS(157.02)	NS(140.93)	NS(115.19)	NS(NS)	NS(105.60)	95.58(72.71)	102.40(81.11)	88.40(51.73)
Total Tea	NS(166.09)	NS(141.20)	NS(115.19)	NS(NS)	NS(107.84)	97.27(74.18)	102.47(81.16)	88.40(51.79)

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

Variety	North India	South India	All India
CTC All Dust	NS(138.10)	95.43(81.89)	95.43(126.73)
Total Tea	NS(142.42)	96.52(84.15)	96.52(130.51)

(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 and 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 coming days. ***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	130.00	120.00	155.68	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 41 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	580 - 610	590 - 660
Average Westerns	550 - 570	550 - 580
Plainer Westerns	510 - 540	460 - 540
Western Mediums	490 - 760	435 - 580
Uva Teas	450 - 690	430 - 630
Nuwara Eliya Teas	430 - 460	NQ
Udapussellawa Teas	460 - 550	460 - 590
CTC (BP1 and PF1)	340 - 520	440 - 620

In this week's auction, 4.97 million kgs of tea was offered for sale compared to 5.31 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's noticed weak tone and BOPF's witnessed easy tone. High Grown and Mid Grown CTC's noticed firm tone and Low Grown CTC's noticed 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 steady to weak 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.	43		42		41	
Dates	01st/02nd November 2016 No. of Lots	No. of Kgs	25th/26th October 2016 No. of Lots	No. of Kgs	18th/19th October 2016 No. of Lots	No. of Kgs
Ex Estate	575	566,146 kg	589	572,151 kg	679	685,522 kg
Main Sale Total	7,960	3,921,435 kg	8,283	4,073,169 kg	8,639	4,288,805 kg
High & Medium	761	372,187 kg	812	411,389 kg	952	472,410 kg
Low Growns Leafy Tippy	2,888 1,730	1,246,487 kg 937,550 kg	3,124 1,849	1,372,618 kg 1,009,274 kg	3,162 1,895	1,392,488 kg 1,039,840 kg
Premium/Flowery	415	73,845 kg	524	82,955 kg	471	81,326 kg
Off Grades	1,750	928,412 kg	1,578	859,293 kg	1,731	925,169 kg
Dust	416	362,954 kg	396	337,640 kg	428	377,572 kg
Grand Total	8,535	4,487,581 kg	8,872	4,645,320 kg	9,318	4,974,327 kg
Reprints	186	98,851 kg	154	72,679 kg	294	143,477 kg
Scheduled to Close (Ex) Dates (Ms)		13.10.16 14.10.16		06.10.16 07.10.16		29.09.16 30.09.16

Scheduled Closing Dates

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

Main Sale : 21.10.2016

Auction No. 45 : 15th/16th Nov. 2016

Ex Estate : 27.10.2016

Main Sale : 28.10.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 43

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
40	$ 3.19	$ 2.35	$ 2.94	$ 2.24
41	$ 3.24	$ 2.32	$ 3.02	$ 2.20
42	$ 3.37	$ 2.31	$ 3.13	$ 2.17

QUOTATIONS	BROKENS	FANNINGS
Best	478 – 608	434 - 518
Good	434 – 536	420 - 469
Good Medium	391 – 539	382 - 475
Medium	350 – 405	297 - 370
Lower Medium	231 – 359	231 - 284
Plain	210 – 299	185 – 243 (SL RUPEES)

During the week good demand was noticed for 7,296,708 kilos of tea on offer. Brighter DUST1s were USC4 to USC20 higher with mediums were firm to USC10 lower. Lower Mediums were firm to USC5 lower. Prices of Brighter BP1's were firm to USC26 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 mixed tone and Dusts noticed firm tone during the week. Other Fannings noticed mixed tone and BMF's noticed firm tone. There was good demand from Pakistan packers, U.K., Yemen and other Middle – East countries. There was some demand from Sudan, Bazaar, Russia, Iran, CIS countries, Egyptian Packers and Kazakhstan. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 41

ORTHODOX		OFFERED	SOLD		%
PTPN ESTATE	4.680	250.600 Kg	4.120	219.680 Kg	87.66
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	4.680	250.600 Kg	4.120	219.680 Kg	87.66
C.T.C		OFFERED	SOLD		%
PTPN ESTATE	1.180	66.460 Kg	1.100	62.160 Kg	93.53
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	1.180	66.460 Kg	1.100	62.160 Kg	93.53
GRAND TOTAL	5.860	317.060 Kg	5.220	281.840 Kg	88.89

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
181-221	145-182	112-163	120-208	133-191	100-135	296-325

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
105-156	122-142	100-103	250-279	127-132

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
152-159	137-183	153-177	161-196	107-138	124-178	-

Market offerings declined to 5,860 paper sacks from 9,980 paper sacks. There was good demand in the market. Average price increased to USDcts 156.55 instead of USDcts 141.75 during last week's auction. Average price of Orthodox variety increased to USDcts 157.07 and average price of CTC increased to USDcts 154.73. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 88.89% during the period compared to 94.26% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	26/10/16	2/11/16	26/10/16	2/11/16
PTPN. IV	720 S	640 S	-	-
PTPN. VI	400 S	440 S	440 S	700 S
PTPN. VII	1.000 S	560 S	240 S	220 S
PTPN. VIII	5.780 S	7.820 S	1.420 S	1.580 S
PTPN. IX	260 S	300 S	-	-
PTPN. XII	- S	- S	440 S	600 S
Total Estate	8.160 S	9.760 S	2.540 S	3.100 S
PP. London Sumatera	- S	440 S	- S	- S
Total Private	- S	440 S	- S	- S
Grand Total	4.680 S	10.200 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	205-209	Best	214-217
Medium	207-210	Good	209-212
Small	209-212	Medium	206-208
Plain	170-185	Plain	175-185

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 loose buyers. 37,392 packages of CTC Leaf noticed less demand. 6,135 packages of CTC Dust noticed fair 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)

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	August	136.66	139.97	Up to August	578.07	562.37	+ 15.70
South India	August	17.90	17.27	Up to August	139.00	159.33	- 20.33
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 2.80% and in South India, production has declined by 12.75% respectively till August 2016. Lack of sufficient rainfall has affected production in South India.

Currency	21-10-2016	14-10-2016
USD	66.87	66.79
Srilankan Rupee	0.4551	0.4557
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6599	0.6596
Bangladeshi Taka	0.8496	0.8527

Overall Outlook and Recommendation:

In the domestic 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 in the market. Buying interest was noticed from loose tea buyers and blenders. In South India, there was good demand from the exporters for Nilgiris variety. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices noticed range –bound to weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was some enquiry from the exporters. Buying interest was noticed from the blenders and loose tea buyers. The future offering of tea is likely to decline at Sri Lankan and Indonesian auction in the coming week. Prices are likely to notice range –bound to weak tone in the coming days.