News Highlights.

- The post settlement procedure in the pan India e-auction did not work successfully and Tea Board has suspended the same for four weeks. The Board is planning to float fresh tender for inviting banks that would like to participate as the settlement bank in the pan India e-auction. Prices had declined by 5%-6% during the e-auction period as buyers were not willing to participate amid problems faced in the payment system.

- According to the agriculture industry regulator, Kenya's tea production is likely to increase by 3.5% in 2017 to 445 mkg compared to expected output of 430 mkg in 2016. Heavy rain associated with the El Nino weather phenomenon is likely to support the crop this year.

- A delegation of Indian officials and businessmen dealing in tea is visiting Egypt to participate in an exhibition as part of efforts by the government to enhance trade relations with the Arab country. The delegation for the October 29-November 3 visit is headed by Joydip Biswas, Deputy Director of the Tea Board of India, who is accompanied by Rishit Ravindra Patel, Ganesh Moorthy Lingan, Don Bosco Yasudass and Anil George Joseph.

- 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 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.

- 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 unfavourableunfavorable weather in the growing regions. In August 2016, production declined by 2.68 mkg to 154.56 mkg.

- According to the agriculture industry regulator, Kenya's tea production is likely to increase by 3.5% in 2017 to 445 mkg compared to expected output of 430 mkg in 2016. Heavy rain associated with the El Nino weather phenomenon is likely to support the crop this year.

Domestic Trade Scenario:

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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: 44 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	135.68	37,04,000	25,91,000
Dust	141.56	12,70,000	10,72,000

(Source: Associated Brokers)

Prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. Good and Best Assams noticed firm tone. There was some export enquiry around current levels. Buying interest was noticed from Western India buyers and Tata Global. Prices are likely to notice 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: 44 (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: 44 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	114.09	955556.70	810419.70
CTC Leaf	95.19	71331.00	70130.00
Orthodox Dust	94.52	7522.00	7351.00
Orthodox Leaf	143.00	176317.00	126084.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand from blenders and loose tea buyers for Dust variety. Prices are likely to notice range –bound to weak tone in the coming days.

Coimbatore Tea Auction: Sale No: 44 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.20	310208.00	300817.00
CTC Leaf	95.66	195340.00	184919.00
Orthodox Dust	93.60	4668.00	4668.00
Orthodox Leaf	114.81	7903.00	7903.00

(Source: Paramount Marketing, Coimbatore)

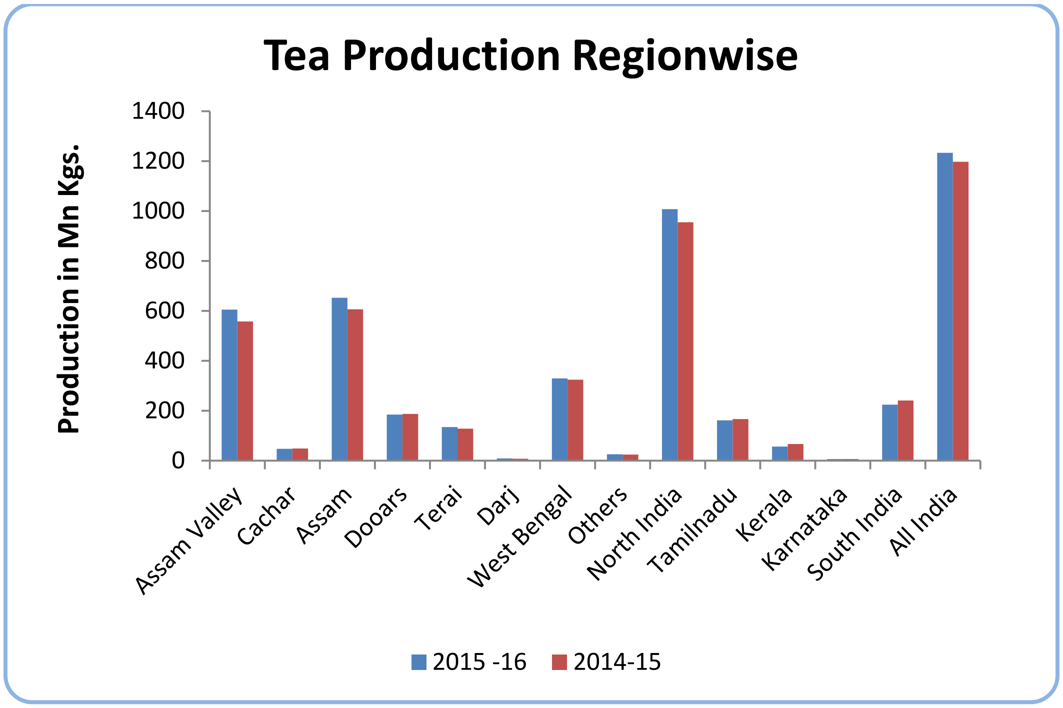
Prices witnessed positive tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand from the exporters for quality leaf. Prices are likely to notice firm ton in the coming week.

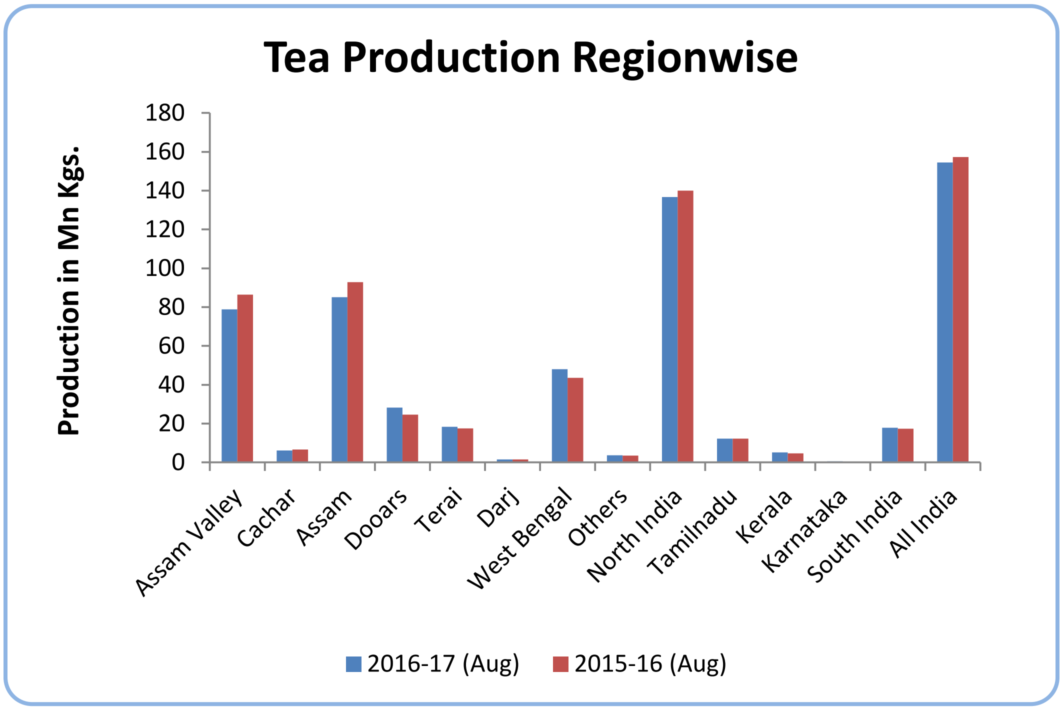
Coonoor Tea Auction: Sale No: 44 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	100.06	382125.00	366745.00
CTC Leaf	97.19	866015.00	818212.00
Orthodox Dust	105.13	78053.00	69885.00
Orthodox Leaf	122.62	107500.60	96297.20

(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 local buyers and Kerala State Civil Supplies. Prices are likely to notice firm tone in the near –term.





(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.

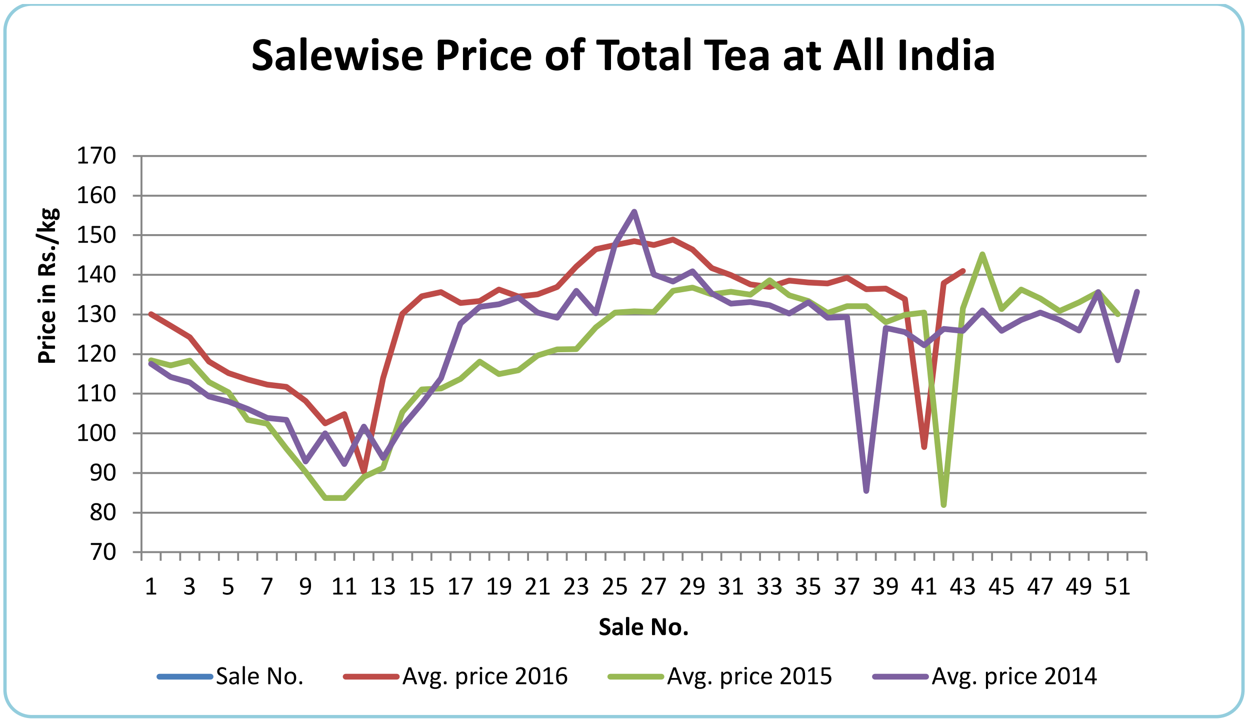
REGIONWISE QUARTERLY EXPORTS:

(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 higher compared to previous year amid lack of availability 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 2016-10-29

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	147.48(153.37)	137.98(140.56)	132.45(120.13)	NS(NS)	112.54(101.26)	NS(72.12)	NS(81.35)	89.57(56.19)
Total Tea	159.27(162.19)	138.31(140.67)	132.45(120.13)	NS(NS)	116.84(104.49)	NS(73.77)	NS(81.39)	89.57(56.38)

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

Variety	North India	South India	All India
CTC All Dust	139.41(138.27)	105.11(79.37)	136.07(128.24)
Total Tea	144.58(141.84)	108.86(81.78)	141.01(131.49)

(Source: Tea Board)

Tea – Technical Outlook | **Total Tea -Kolkata**

Technical Commentary:
Tea prices noticed weak tone during the week. 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	130.00	120.00	159.27	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 43 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	580 - 600	620 - 650
Average Westerns	560 - 570	580 - 610
Plainer Westerns	540 - 550	530 - 570
Western Mediums	490 - 840	470 - 600
Uva Teas	510 - 680	430 - 580
Nuwara Eliya Teas	480	460 - 540
Udapussellawa Teas	470 - 570	450 - 580
CTC (BP1 and PF1)	420 - 510	460 - 660

In this week's auction, 4.49 million kgs of tea was offered for sale compared to 4.65 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's noticed firm tone and BOPF's witnessed easy tone. High Grown and Mid Grown CTC's noticed weak 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 positive 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.	45		44		43	
Dates	15th/16th November 2016 No. of Lots	No. of Kgs	08th/09th November 2016 No. of Lots	No. of Kgs	01st/02nd November 2016 No. of Lots	No. of Kgs
Ex Estate	681	687,716 kg	643	625,066 kg	575	566,146 kg
Main Sale Total	8,312	4,148,212 kg	7,676	3,724,062 kg	7,960	3,921,435 kg
High & Medium	733	357,095 kg	725	344,550 kg	761	372,187 kg
Low Growns Leafy	3,132	1,353,823 kg	2,867	1,218,951 kg	2,888	1,246,487 kg
Tippy	1,898	1,039,659 kg	1,662	890,251 kg	1,730	937,550 kg
Premium/Flowery	439	77,896 kg	424	73,801 kg	415	73,845 kg
Off Grades	1,675	911,878 kg	1,594	846,052 kg	1,750	928,412 kg
Dust	435	407,861 kg	404	350,457 kg	416	362,954 kg
Grand Total	8,993	4,835,928 kg	8,319	4,349,128 kg	8,535	4,487,581 kg
Reprints	213	110,707 kg	138	86,391 kg	186	98,851 kg
Scheduled to Close (Ex)		27.10.16		20.10.16		13.10.16
Dates (Ms)		28.10.16		21.10.16		14.10.16

Scheduled Closing Dates

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

Auction No. 46 : 22nd/23rd Nov. 2016

Ex Estate : 03.11.2016

Main Sale : 04.11.2016

Auction No. 47 : 29th/30th Nov. 2016

Ex Estate : 10.11.2016

Main Sale : 11.11.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 44

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
42	$ 3.37	$ 2.31	$ 3.13	$ 2.17
43	$ 3.18	$ 2.45	$ 2.98	$ 2.29
44	$ 3.10	$ 2.60	$ 2.89	$ 2.40

QUOTATIONS	BROKENS	FANNINGS	
Best	508 – 613	481 – 554	
Good	496 – 581	467 - 516	
Good Medium	461 – 578	417 – 508	
Medium	407 – 481	353 – 401	
Lower Medium	227 – 379	233 – 289	
Plain	211 – 271	198 - 274	(SL RUPEES)

During the week good demand was noticed for 7,400,472 kilos of tea on offer. Brighter DUST1s were firm up to USC22 with mediums were firm to USC22 higher. Lower Mediums were firm to USC8 lower. Prices of Brighter BP1's were USC3 to USC26 higher. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's witnessed steady tone and PF's noticed firm tone during the week. Well sorted clean coloury Fannings noticed firm tone and Dusts noticed steady tone during the week. Other Fannings and BMF's noticed firm tone. There was good demand from Pakistan packers, U.K., Afghanistan, Bazaar, Egyptian Packers and other Middle –East countries. There was some demand from Kazakhstan, Russia and other CIS countries. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 43

ORTHODOX		OFFERED	SOLD		%
PTPN ESTATE	9.680	524.040 Kg	8.100	437.440 Kg	83.47
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	9.680	524.040 Kg	8.100	437.440 Kg	83.47
C.T.C		**OFFERED**	**SOLD**		**%**
PTPN ESTATE	3.080	172.940 Kg	2.880	162.400 Kg	93.91
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	3.080	172.940 Kg	2.880	162.400 Kg	93.91
GRAND TOTAL	12.760	696.980 Kg	10.980	599.840 Kg	86.06

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
197	135-189	125-164	115-198	132-153	102-140	332

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
105-162	121-144	100-102	310	120-136

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	BPS
147-156	141-156	152-190	164-218	126-132	131-176	-

Market offerings increased to 12,760 paper sacks from 10,700 paper sacks. There was good demand in the market. Average price declined to USDcts 137.64 instead of USDcts 140.89 during last week's auction. Average price of Orthodox variety declined to USDcts 132.97 and average price of CTC declined to USDcts 148.73. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 86.06% during the period compared to 90.00% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	9/11/16	16/11/16	9/11/16	16/11/16
PTPN. IV	580 S	500 S	-	-
PTPN. VI	480 S	400 S	280 S	280 S
PTPN. VII	700 S	560 S	240 S	220 S
PTPN. VIII	5.580 S	6.280 S	1.320 S	1.180 S
PTPN. IX	340 S	300 S	-	-
PTPN. XII	- S	- S	420 S	400 S
Total Estate	7.680 S	8.040 S	2.260 S	2.080 S
PP. London Sumatera	440 S	400 S	- S	- S
Total Private	440 S	400 S	- S	- S
Grand Total	8.120 S	8.440 S	2.260 S	2.080 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 26
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	185-190	Best	200-205
Medium	187-194	Good	192-199
Small	194-199	Medium	185-189
Plain	150-160	Plain	150-160

Tea prices at Bangladesh tea auction noticed weak tone amid less demand for lower quality tea on offer. The average price of tea during this week's auction was around USD 2.50/kg. Around 2.39 million kg of tea was offered for sale and nearly 29.4 percent remained unsold.

There was some demand from blenders and loose buyers. 37,537 packages and 10 packages of CTC Leaf of previous season noticed less demand. 6,074 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	September	19.80	27.21	Up to September	218.62	252.94	- 34.31
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 34.31 million kgs. to 218.62 million kgs. till September 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	04-11-2016	28-10-2016
USD	66.72	66.83
Srilankan Rupee	0.4510	0.4500
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6565	0.6585
Bangladeshi Taka	0.8501	0.8501

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 witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. Buying interest was noticed from blenders and loose tea buyers. There was less demand for inferior quality of tea on offer at Bangladesh tea auction. 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 weak tone in the coming week.