News Highlights.

- According to traders, Indian customs have been obstructing the export of Nepali tea to the southern market and also third countries by asking for the quality certificate of Central Food Laboratories (CFL) from individual traders. Indian Darjeeling tea was facing competition from Nepali tea n terms of quality. The traders have asked the Nepali Ambassador to India to ease export.

- Small Tea Planters in Assam are hoping to benefit from Baba Ramdev's Patanjali Group. The Patanjali Group is likely to set up its base in the State and this will earn the small tea planters good price for the world famous green tea produced in Assam. Tea planters in Assam are seeing a huge opportunity in the marketing of green tea through Patanjali Ayurveda.

- In South India, tea is grown on 1.19 lakh hectares and produces around 230 million kg. annually, accounting for around one fifth of total tea production in India. In the current season, output is expected to decline in South India amid lack of sufficient rainfall in South Indian tea growing regions. Output is expected to decline by 30-35% in Nilgiris, the largest tea producing district in South India. According to Tea Board of India, tea production in South India during the period January –September 2016 declined by around 10% to 159 million kg compared with same period previous year.

- 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 corresponding 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:

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: 45 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	137.33	24,64,000	18,66,000
Dust	143.90	9,61,000	8,76,000

(Source: Associated Brokers)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Dust variety from blenders. Buying interest was noticed from Western India buyers and packeeters like Goodriche, Everyday etc. Prices are likely to notice positive tone in the coming week.

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

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	130.98	43,78,000	32,11,000
CTC Dust	123.96	4,66,000	3,59,000

(Source: Associated Brokers)

Prices witnessed positive tone during the week. Quantity offered on sale declined during the week compared to previous week. Good Quality tea noticed firm tone and Common varieties noticed steady tone. There was some export enquiry around current level. There was good demand from internal buyers and blenders. Prices are likely to notice firm tone in the near –term.

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: 45 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	115.98	846780.00	734540.00
CTC Leaf	97.74	39317.00	38678.00
Orthodox Dust	96.54	14154.00	13047.00
Orthodox Leaf	146.96	212167.20	161988.60

(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 firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 45 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.43	316527.00	287120.00
CTC Leaf	96.82	165052.00	147652.00
Orthodox Dust	95.58	9870.00	9272.00
Orthodox Leaf	114.49	11946.00	11946.00

(Source: Paramount Marketing, Coimbatore)

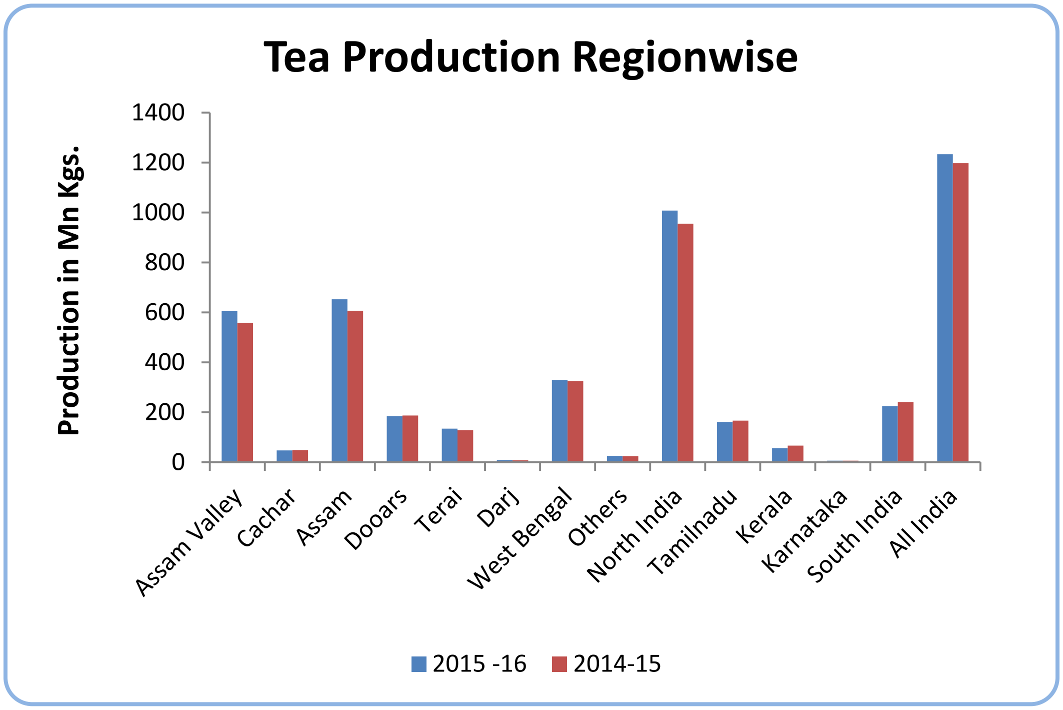
Prices noticed positive tone during the week. Quantity offered on sale declined during the week compared to previous week. There was demand from blenders and loose tea buyers. Prices are likely to notice firm tone in the coming week.

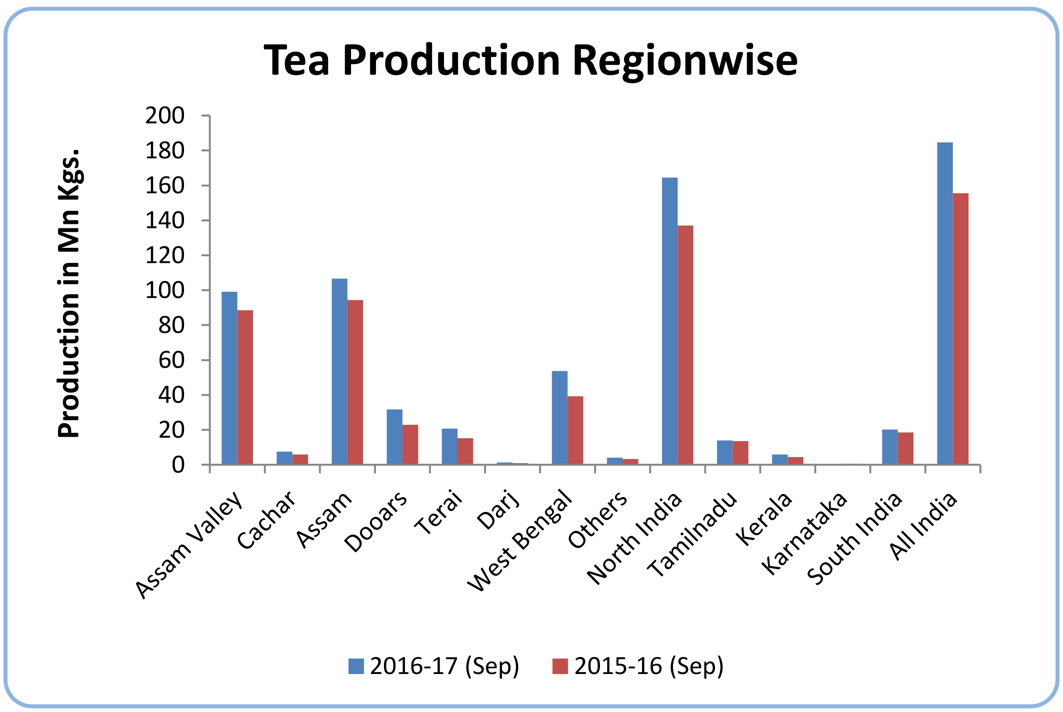
Coonoor Tea Auction: Sale No: 45 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	100.91	419453.00	403991.00
CTC Leaf	96.94	910929.00	809585.00
Orthodox Dust	106.69	68742.00	59930.00
Orthodox Leaf	122.14	103274.20	90573.20

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Buying interest was noticed from blenders and local buyers. Prices are likely to notice range – bound to 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.

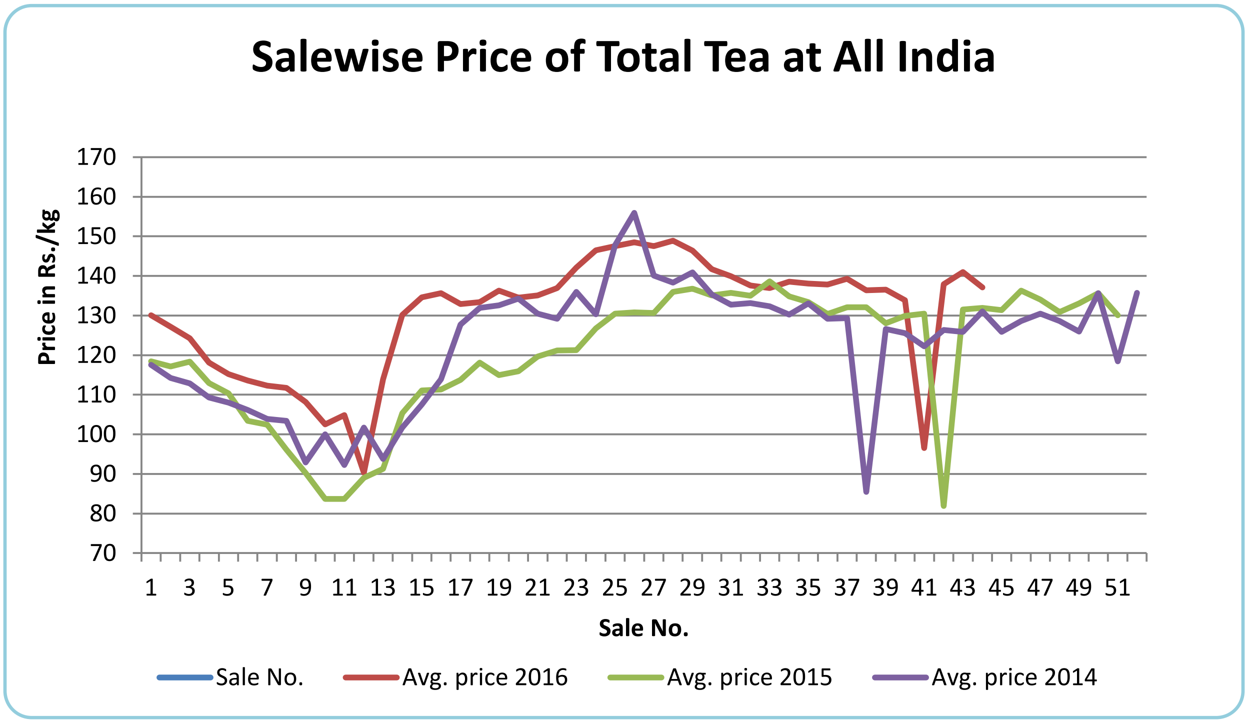
REGIONWISE QUARTERLY EXPORTS:

(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 Sep)*	90.66	2057.7	226.97	65.76	1032	156.93	156.42	3089.70	197.53
2015 (Jan to Sep)	86.15	2026.24	235.20	71.33	966.59	135.51	157.48	2992.83	190.05
Inc/Dec in %	5.24	1.55	-3.50	-7.81	6.77	15.81	-0.67	3.24	3.94
2016-17 (Apr-Sep)*	58.10	1376.10	236.85	42.94	707.96	164.87	101.04	2084.06	206.26
2015-16 (Apr-Sep)	58.38	1456.93	249.56	47.98	668.04	139.23	106.36	2124.97	199.79
Inc/Dec in %	-0.48	-5.55	-5.09	-10.50	5.98	18.41	-5.00	-1.93	3.24

*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 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 2016-11-05

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	150.34(155.49)	137.18(141.27)	NS(121.91)	NS(NS)	112.43(94.38)	98.47(72.45)	100.27(79.24)	91.34(57.25)
Total Tea	160.73(162.96)	137.41(141.44)	NS(121.91)	NS(NS)	116.23(99.32)	100.19(74.06)	100.50(79.33)	91.34(57.50)

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

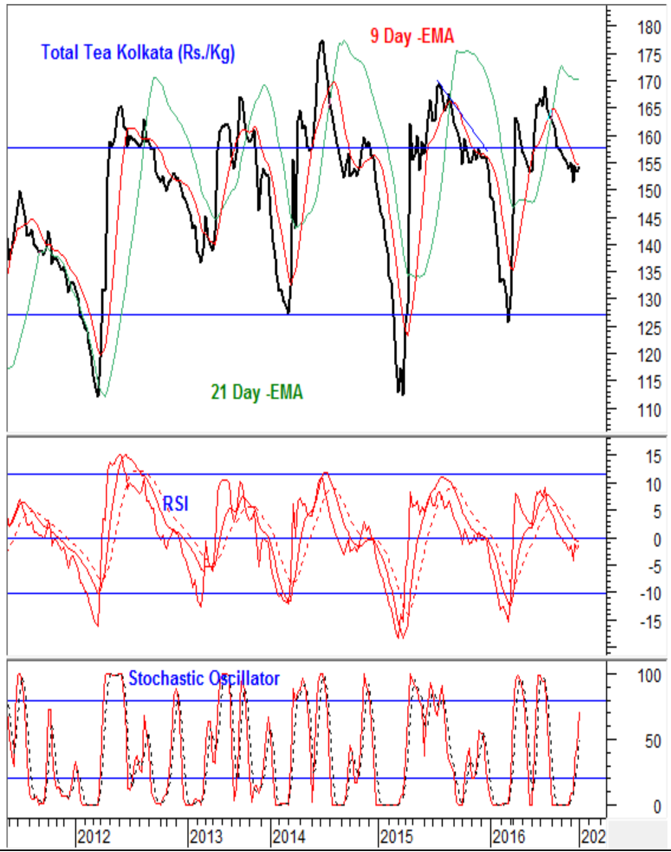
Variety	North India	South India	All India
CTC All Dust	143.84 (139.37)	101.95 (78.27)	131.68 (129.13)
Total Tea	150.25 (142.51)	104.18 (81.53)	137.11 (131.89)

(Source: Tea Board)

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

Technical Commentary:
Tea prices noticed recovery during the week. MACD is declining in the negative territory denoting overall weak tone of the market in the medium –term. Stochastic oscillator is increasing in the neutral 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	130.00	120.00	160.73	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 44 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	580 - 610	600 - 630
Average Westerns	550 - 570	570 - 590
Plainer Westerns	520 - 540	540 - 560
Western Mediums	490 - 880	450 - 600
Uva Teas	520 - 690	430 - 610
Nuwara Eliya Teas	450	450
Udapussellawa Teas	450 - 530	460 - 590
CTC (BP1 and PF1)	435 - 640	420 - 510

In this week's auction, 4.35 million kgs of tea was offered for sale compared to 4.49 million kgs of tea during the previous week. There was some demand for Select Best teas during the week. Better western BOP's noticed weak tone and BOPF's witnessed positive tone. High Grown and Mid Grown CTC's noticed mixed 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 firm tone during the week. There was some demand from Russia, Syria,Turkey, Saudi Arabia and Iran.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	46		45		44	
Dates	22nd /23rd November 2016		15th/16th November 2016		08th/09th November 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	610	607,118 kg	681	687,716 kg	643	625,066 kg
Main Sale Total	7,911	3,803,731 kg	8,312	4,148,212 kg	7,676	3,724,062 kg
High & Medium	590	289,119 kg	733	357,095 kg	725	344,550 kg
Low Growns Leafy	3,138	1,343,566 kg	3,132	1,353,823 kg	2,867	1,218,951 kg
Tippy	1,859	1,000,951 kg	1,898	1,039,659 kg	1,662	890,251 kg
Premium/Flowery	467	84,562 kg	439	77,896 kg	424	73,801 kg
Off Grades	1,529	800,563 kg	1,675	911,878 kg	1,594	846,052 kg
Dust	328	284,970 kg	435	407,861 kg	404	350,457 kg
Grand Total	8,521	4,410,849 kg	8,993	4,835,928 kg	8,319	4,349,128 kg
Reprints	229	108,367 kg	213	110,707 kg	138	86,391 kg
Scheduled to Close (Ex)		03.11.16		27.10.16		20.10.16
Dates (Ms)		04.11.16		28.10.16		21.10.16

Scheduled Closing Dates

Auction No. 45 : 15^{th}/16^{th} Nov. 2016

Ex Estate : 27.10.2016

Main Sale : 28.10.2016

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

Ex Estate : 03.11.2016

Main Sale : 04.11.2016

Auction No. 47 : 29^{th}/30^{th} Nov. 2016

Ex Estate : 10.11.2016

Main Sale : 11.11.2016

Auction No. 48 : 05^{th}/06^{th} Dec. 2016

Ex Estate : 17.11.2016

Main Sale : 18.11.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 45

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
43	$ 3.18	$ 2.45	$ 2.98	$ 2.29
44	$ 3.10	$ 2.60	$ 2.89	$ 2.40
45	$ 3.02	$ 2.60	$ 2.85	$ 2.45

QUOTATIONS	BROKENS	FANNINGS
Best	481 – 651	438 - 549
Good	493 – 555	460 - 508
Good Medium	455 – 549	417 - 490
Medium	350 – 464	328 - 429
Lower Medium	226 – 400	242 - 318
Plain	211 – 343	205 - 303 (SL RUPEES)

During the week good demand was noticed for 7,575,449 kilos of tea on offer. Brighter DUST1s were firm up to USC10 with mediums were firm up to USC17 lower. Lower Mediums were USC2 to USC10 higher. Prices of Brighter BP1's were firm to USC22 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's witnessed positive tone and PF's noticed weak 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, U.K., Bazaar, Egyptian Packers and other Middle – East countries. There was some demand Kazakhstan, other CIS countries, Afghanistan, Russia and Iran. 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: 27
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	182-190	Best	199-205
Medium	185-192	Good	192-197
Small	190-197	Medium	180-185
Plain	140-160	Plain	140-160

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. 44,851 packages of CTC Leaf of previous season noticed good demand. 6,075 packages of CTC Dust noticed fair demand. In CTC Dust, good liquoring varieties noticed firm 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	September	164.44	136.96	Up to September	742.51	699.33	+ 43.18
South India	September	20.16	18.50	Up to September	159.16	177.83	- 18.67
Kenya	August	29.46	28.41	Up to August	308.10	234.62	+ 73.48
Bangladesh	September	13.4	10.0	Up to September	58.4	44.4	+ 14.0
Malawi	September	2.8	1.3	Up to September	35.4	33.9	+ 1.5

(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 6.17% and in South India, production has declined by 10.50% respectively till September 2016. Lack of sufficient rainfall has affected production in South India.

Currency	11-11-2016	04-11-2016
USD	67.01	66.72
Srilankan Rupee	0.4535	0.4510
Indonesian Rupiah	0.0050	0.0051
Kenyan Shilling	0.6587	0.6565
Bangladeshi Taka	0.8540	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 tea in the market. Arrivals are less in South India amid lower production in the growing regions. Demand is likely to increase in the coming days. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, prices noticed range –bound to weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Demand is likely to increase in the coming days ahead of the winter season. The future offering of tea is likely to increase at Sri Lankan and Indonesian auction in the coming week. Prices are likely to notice range –bound to firm tone in the near –term.