News Highlights.

- The Centre is planning to start crop insurance scheme for small tea growers in three regions in Assam, West Bengal and Tamil Nadu for one crop cycle during the next two years staring from 2016 -17. The Tea Board Of India would be the nodal agency for the scheme and the cost will be shared between the Centre, the state governments and the growers in the ratio of 75:15:10. The three regions where the scheme is proposed to be run as a pilot are Golaghat (Assam), Jalpaiguri (West Bengal) and Coonoor (Tamil Nadu) for the crop cycle of March to November for two consecutive years, according to Tea Board Of India. The small tea growers have suffered crop loss between of 30 and to 50 per cent amid hale stormshailstorms, excess rainfall and pest attack.

- The Tea Board of India has clarified that it will continue to protect (PGI) tag on Darjeeling Tea and protect the brand equity of 'Darjeeling' in Europe. The Tea Board will work with the European authorities for its enforcement. On November 9, 2011 Darjeeling tea became the first Indian product to be protected as a geographical indication in the EU.

- According to Tea Board Of India, India's tea production increased by 3% to 901.67 mkg during January –September 2016 compared to the same corresponding period previous year. Production of tea in North India increased to 742.51 mkg during the period compared to 699.33 million kg during previous year. In South India, production of tea declined to 159.16 mkg compared to 177.83 mkg during the same period previous year.

- According to the data released by the Tea Board of India, India's exports declined by 5% to 101.04 mkg during April –September 2016 compared to the same corresponding period previous year. During the period, exports to Pakistan declined by 48% to 4.34 mkg compared to the same period previous year.

- The Tea Board Of India has delayed the implementation of the pan-India post –auction module by another eight weeks effective November 17, 2016 or until further orders. Problems in the post –auction module software have not been resolved. The majority of the buyers were not getting receiving delivery orders for the payment being made at the auction or refund for an unsuccessful transaction.

- 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, output of tea in Sri Lanka declined by 15.2 per cent in the first ten months of the calendar year 2016 amid severe drought, poor application of fetilisersfertilizers and a government ban on pesticides. Total production this year is likely to be 275 -280 mkg according to sources.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 47 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	154.40	33,98,000	24.63,000
ORTHODOX	212.33	6,46,000	5,81,000
DARJEELING	-	-	-
DUST	155.98	12,91,000	10,30,000

(Source: Parcon)

Prices noticed firm tone during the week except slight weakness in Dust variety, Quantity offered on sale declined during the week compared to previous week. There was good demand for Leaf variety tea. Good/Best Assams noticed firm tone. In the Orthodox variety, there was good demand from Middle –East and CIS countries. Buying interest was noticed from Tata Global and Hindustan Unilever Limited. Prices are likely to witness positive tone in the coming days.

Guwahati Tea Auction: Sale No: 47 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	135.65	32,44,000	22,73,000
Dust	143.87	12,46,000	9,77,000

(Source: Associated Brokers)

Prices witnessed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Good/Best Assams noticed firm tone and Plainer sorts eased in line with quality. Dust variety witnessed steady tone. There was some demand from the exporters and internal buyers. Prices are likely to notice firm tone in the near –term.

Siliguri Tea Auction: Sale No: 46 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	129.14	38,70,000	28,42,000
CTC Dust	123.18	4,69,000	3,57,000

(Source: Associated Brokers)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Good/Best Assams noticed steady tone. Withdrawals were noticed in Medium varieties. Other varieties declined in line with quality. Prices are likely to notice positive tone in the coming week.

Jalpaiguri Tea Auction: Sale No: 47 (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: 47 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	111.13	893088.50	762619.20
CTC Leaf	96.13	55619.00	53351.00
Orthodox Dust	97.91	9931.00	9931.00
Orthodox Leaf	141.28	197233.00	145838.00

(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 the exporters for Orthodox variety. Prices are likely to notice firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 47 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.29	266427.00	236126.00
CTC Leaf	97.02	123673.00	112417.00
Orthodox Dust	95.14	6477.00	6477.00
Orthodox Leaf	110.36	6090.00	6090.00

(Source: Paramount Marketing, Coimbatore)

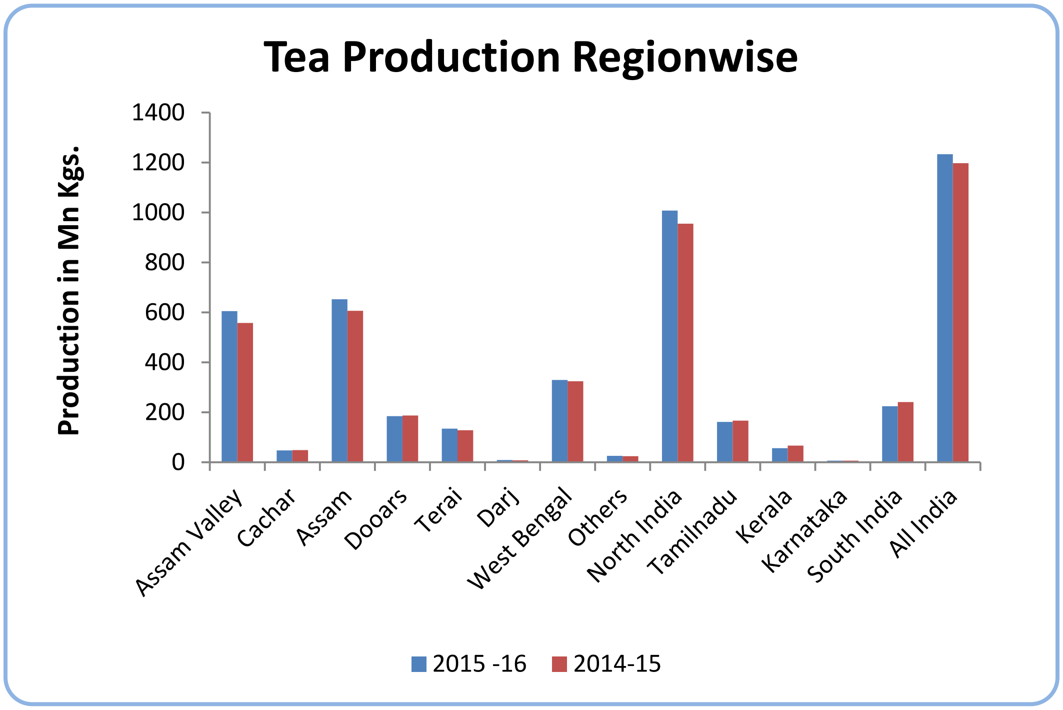
Prices witnessed positive tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand from the blenders and loose tea buyers. Prices are likely to notice firm tone in the coming week.

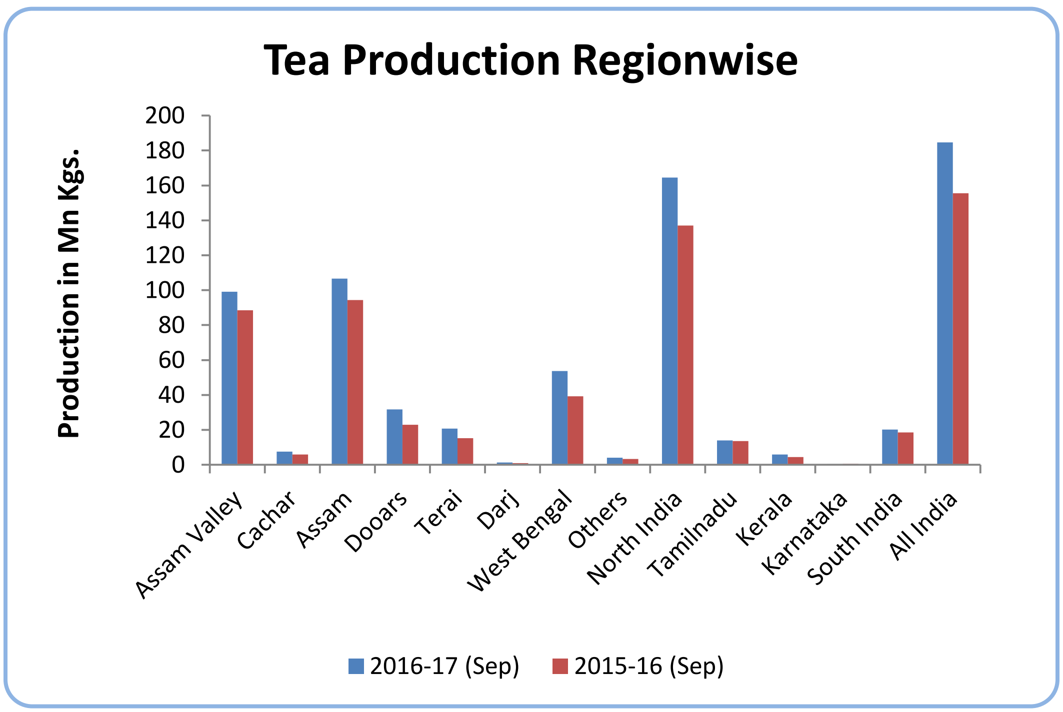
Coonoor Tea Auction: Sale No: 47 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	103.43	257985.00	254752.00
CTC Leaf	98.08	668652.00	617246.00
Orthodox Dust	109.79	51680.00	48754.00
Orthodox Leaf	116.16	71129.40	58205.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except slight weakness in Orthodox Leaf variety. Quantity offered on sale increased during the week compared to previous week. Good demand was noticed from the local buyers and packeteers. Prices are likely to witness positive 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.

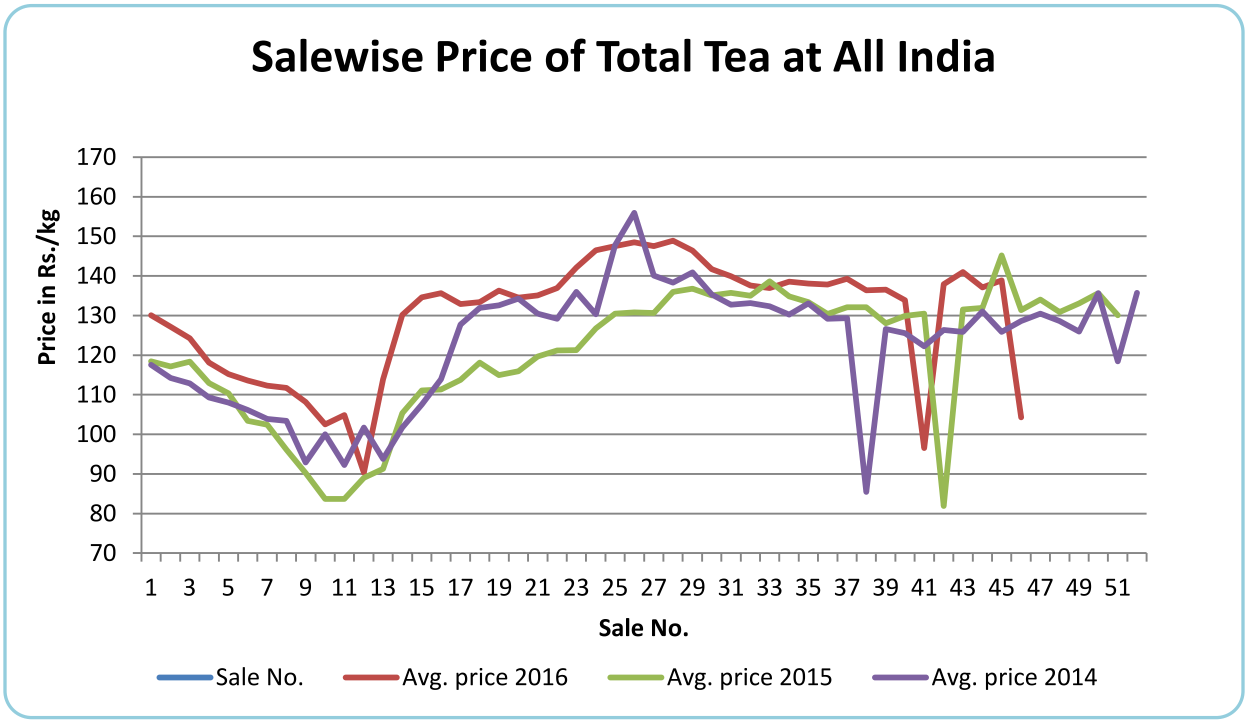
REGIONWISE QUARTERLY EXPORTS:

(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 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 lower compared to previous year amid new crop arrival 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 2016-11-19

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	154.58(152.56)	137.02(141.95)	124.00(125.17)	NS(NS)	111.10(94.81)	98.54(73.33)	101.58(79.55)	91.26(62.93)
Total Tea	164.10(163.09)	137.29(142.01)	124.00(125.17)	NS(NS)	115.27(99.34)	99.37(74.63)	101.70(79.82)	91.26(63.63)

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

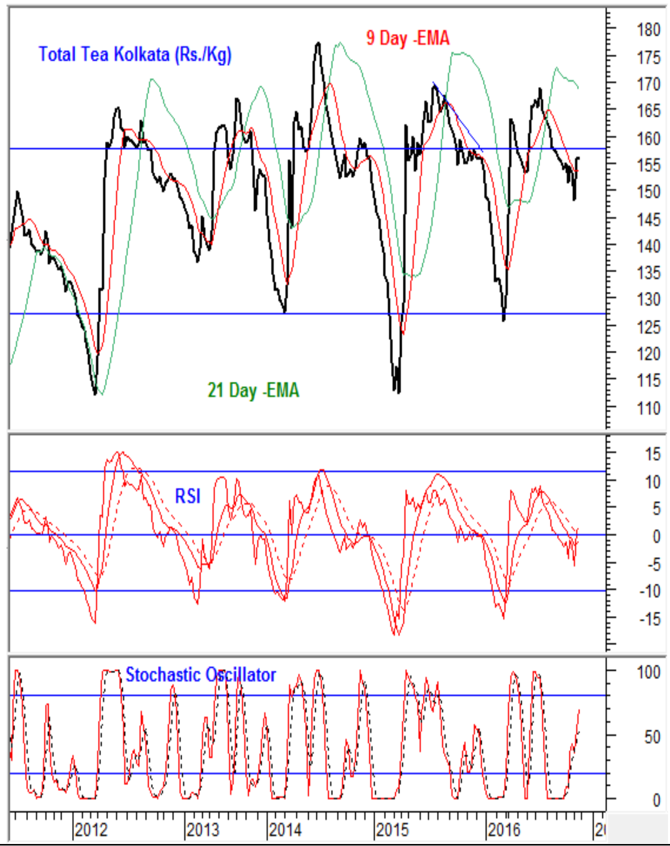
Variety	North India	South India	All India
CTC All Dust	139.68(139.53)	102.10(80.62)	132.47(127.64)
Total Tea	144.70(143.69)	104.26(83.49)	104.26(131.36)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata

Technical Commentary:
Tea prices noticed positive tone during the week. MACD has entered the negative territory supporting the overall weak tone of the market in the medium –term. Stochastic oscillator is increasing in the neutral region denoting 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	164.10	200.00	230.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 45 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	580 - 660	610 - 640
Average Westerns	550 - 570	580 - 600
Plainer Westerns	520 - 540	550 - 570
Western Mediums	560 - 880	500 - 650
Uva Teas	490 - 620	450 - 600
Nuwara Eliya Teas	460 - 530	460 - 550
Udapussellawa Teas	520 - 530	520 - 620
CTC (BP1 and PF1)	380 - 560	450 - 660

In this week's auction, 4.41 million kgs of tea was offered for sale compared to 4.84 million kgs of tea during the previous week. There was some demand for Select Best teas during the week. Better western BOP's and BOPF's witnessed positive tone. High Grown and Mid Grown CTC's noticed weak tone and Low Grown CTC's witnessed 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 weak tone. In the Tippy catalogues, better made FBOP and FF1's witnessed 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.	48		47		46	
Dates	05th/ 06th December 2016		29th / 30th November 2016		22nd /23rd November 2016	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	728	819,822 kg	719	743,836 kg	610	607,118 kg
Main Sale Total	8,937	4,548,889 kg	8,638	4,284,818 kg	7,911	3,803,731 kg
High & Medium	779	367,304 kg	754	360,353 kg	590	289,119 kg
Low Growns Leafy	3,457	1,588,614 kg	3,294	1,447,237 kg	3,138	1,343,566 kg
Tippy	2,006	1,124,116 kg	2,045	1,133,446 kg	1,859	1,000,951 kg
Premium/Flowery	465	96,150 kg	544	105,687 kg	467	84,562 kg
Off Grades	1,761	917,583 kg	1,513	821,293 kg	1,529	800,563 kg
Dust	469	455,122 kg	488	416,802 kg	328	284,970 kg
Grand Total	9,665	5,368,711 kg	9,357	5,028,654 kg	8,521	4,410,849 kg
Reprints	232	126,893 kg	183	79,156 kg	229	108,367 kg
Scheduled to Close (Ex) Dates (Ms)		17.11.16 18.11.16		10.11.16 11.11.16		03.11.16 04.11.16

Scheduled Closing Dates

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

Ex Estate : 10.11.2016

Main Sale : 11.11.2016

Auction No. 48 : 05th/06th Dec. 2016

Ex Estate : 17.11.2016

Main Sale : 18.11.2016

Auction No. 49 : 14th Dec. 2016

Ex Estate : 24.11.2016

Main Sale : 25.11.2016

Auction No. 50 : 20th/ 21th Dec. 2016

Ex Estate : 01.12.2016

Main Sale : 02.12.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 47

AUCTION AVERAGE PRICE

AUCTION	KENYA 2015	KENYA 2016	TOTAL 2015	TOTAL 2016
45	$ 3.02	$ 2.60	$ 2.85	$ 2.45
46	$ 3.10	$ 2.65	$ 2.92	$ 2.50
47	$ 3.07	$ 2.79	$ 2.88	$ 2.61

QUOTATIONS	BROKENS	FANNINGS	
Best	527 - 637	539 - 608	
Good	507 – 571	539 - 562	
Good Medium	498 – 573	504 - 562	
Medium	395 – 439	395 - 474	
Lower Medium	234 – 381	234 - 342	
Plain	212 – 275	197 - 313	(SL RUPEES)

During the week good demand was noticed for 8,229,984 kilos of tea on offer. Brighter DUST1s were USC18 to USC30 firm with mediums were firm up to USC40. Lower Mediums were firm to USC8 lower. Prices of Brighter BP1's were firm to USC14 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 and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed steady to firm tone. There was good demand from Pakistan packers, Afghanistan, Yemen, Bazaar, Sudan, U.K., Kazakhstan, Middle -East and other CIS countries. There was some demand from Russia, Sudan and Egyptian packers. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 46

ORTHODOX		OFFERED	SOLD		%
PTPN ESTATE	9.540	503.820 Kg	8.500	448.100 Kg	88.94
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	9.540	503.820 Kg	8.500	448.100 Kg	88.94
C.T.C		**OFFERED**	**SOLD**		**%**
PTPN ESTATE	2.200	120.760 Kg	2.020	112.060 Kg	92.80
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.200	120.760 Kg	2.020	112.060 Kg	92.80
GRAND TOTAL	11.740	624.580 Kg	10.520	560.160 Kg	89.69

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
176-222	142-195	125-165	108-184	118-190	104-120	260

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
104-144	123-138	101-112	-	125-135

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	FNGS2
150-160	131-163	136-163	154-232	106-156	117-162	-

Market offerings declined to 11,740 paper sacks from 12,260 paper sacks. There was good demand in the market. Average price increased to USDcts 138.28 instead of USDcts 138.12 during last week's auction. Average price of Orthodox variety increased to USDcts 137.64 and average price of CTC declined to USDcts 141.26. Secondary variety and Fannings noticed mixed tone. Quantity sold increased to 89.69% during the period compared to 71.12% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	30/11/16	7/12/16	30/11/16	7/12/16
PTPN. IV	520 S	840 S	-	-
PTPN. VI	200 S	160 S	300 S	200 S
PTPN. VII	700 S	760 S	200 S	400 S
PTPN. VIII	6.380 S	6.640 S	1.240 S	900 S
PTPN. IX	480 S	360 S	-	-
PTPN. XII	- S	- S	540 S	340 S
Total Estate	8.280 S	8.760 S	2.280 S	1.840 S
PP. London Sumatera	- S	440 S	- S	- S
Total Private	- S	440 S	- S	- S
Grand Total	8.280 S	9.200 S	2.280 S	1.840 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 29
(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	173-180	Best	188-193
Medium	175-182	Good	183-188
Small	178-187	Medium	175-178
Plain	110-130	Plain	110-130

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. 43,028 packages of CTC Leaf of previous season noticed less demand amid withdrawals in the market. 6,575 packages of CTC Dust noticed fair demand. In CTC Dust, good liquoring varieties noticed steady 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	October	18.56	26.86	Up to October	237.32	279.81	- 42.49
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	September	36.8	36.5	Up to September	344.9	271.1	+ 73.8
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 42.49 million kgs. to 279.81 million kgs. till October 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	25-11-2016	18-11-2016
USD	68.44	68.10
Srilankan Rupee	0.4612	0.4586
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6720	0.6677

Bangladeshi Taka	0.8622	0.8627

Overall Outlook and Recommendation:

In the domestic market, prices noticed mostly firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was demand from the exporters around current levels. Buying interest from the internal buyers and blenders lend support to the market. Arrivals are less in North India. Prices are likely to witness positive tone in the coming days.

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. Lower quality of tea is on offer at Bangladesh auction. Demand is expected to increase in the coming days ahead of winter season. The future offering of tea is likely to increase at increase at Sri Lankan auction and decline at Indonesian auction in the coming week. Prices are likely to notice range –bound to firm tone in the near –term.

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