

News Highlights.

- The post settlement procedure in the pan India e-auction did not work successfully and Tea Board has suspended the same. The Board has floated 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. The post-auction payment system was introduced by the Tea Board from sale 37 in September and Bank of India was made the settlement bank. However following glitches in the system, the same was suspended.
- 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 fertilisersfertilizers 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.

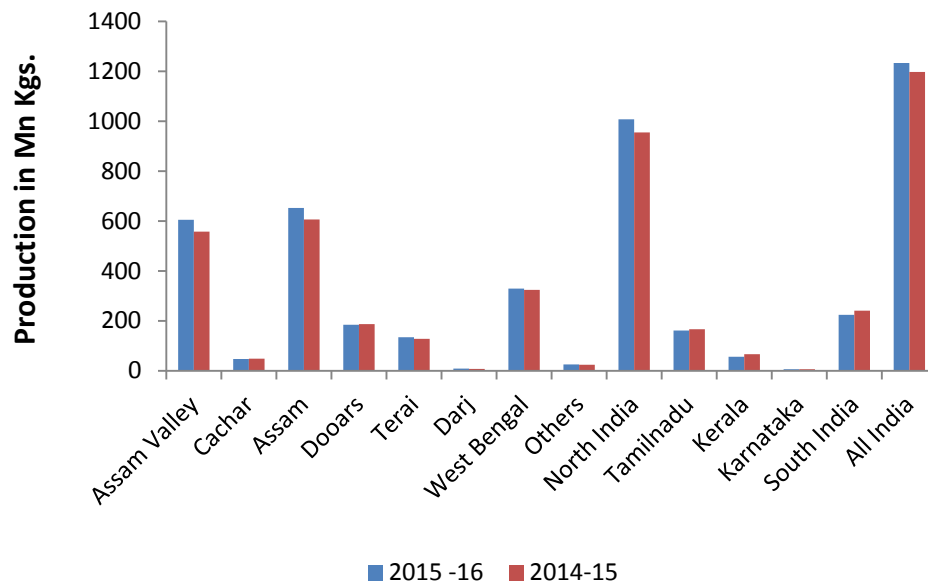
Coonoor Tea Auction: Sale No: 47 (Price in Rs./kg)

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

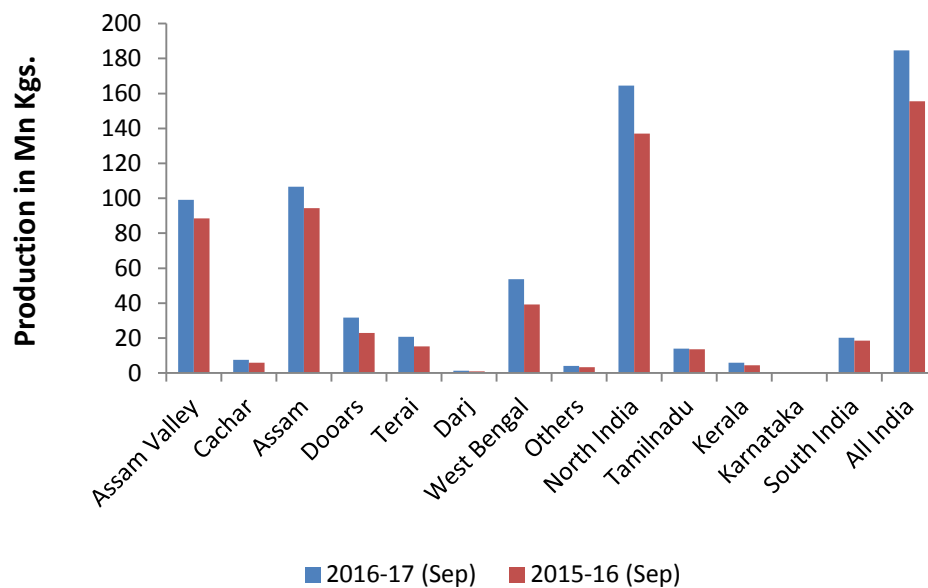
(Source: Paramount Marketing, Coimbatore)

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.

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:

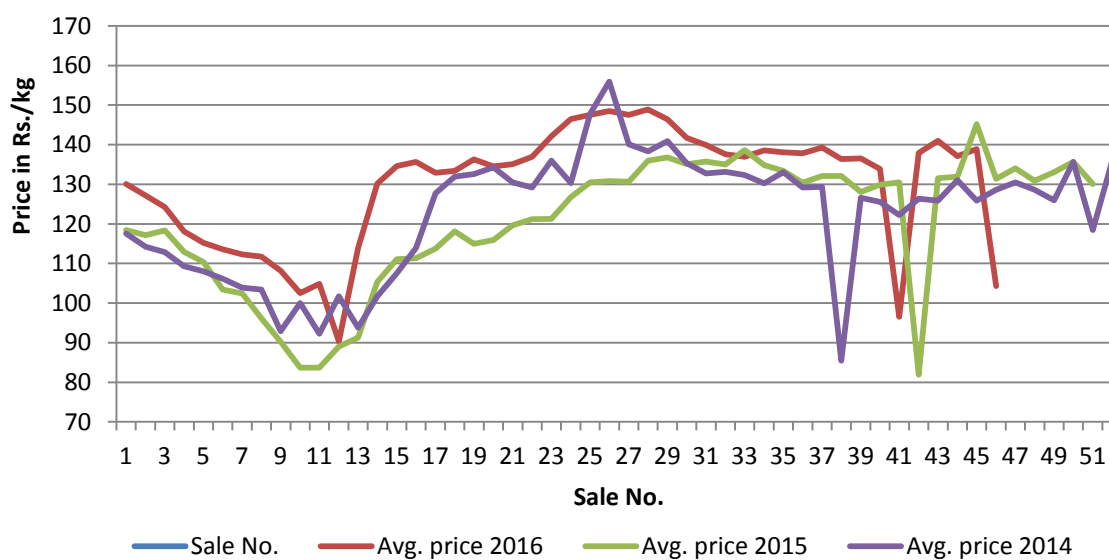
(Qty In M.Kgs, Value in Rs. Crs, Unit Price in Rs./kg)

		North India			South India		All India		
	Qty	Value	Unit Price	Qty	Value	Unit Price	Qty	Value	Unit Price
2016 (Jan to 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

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 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)

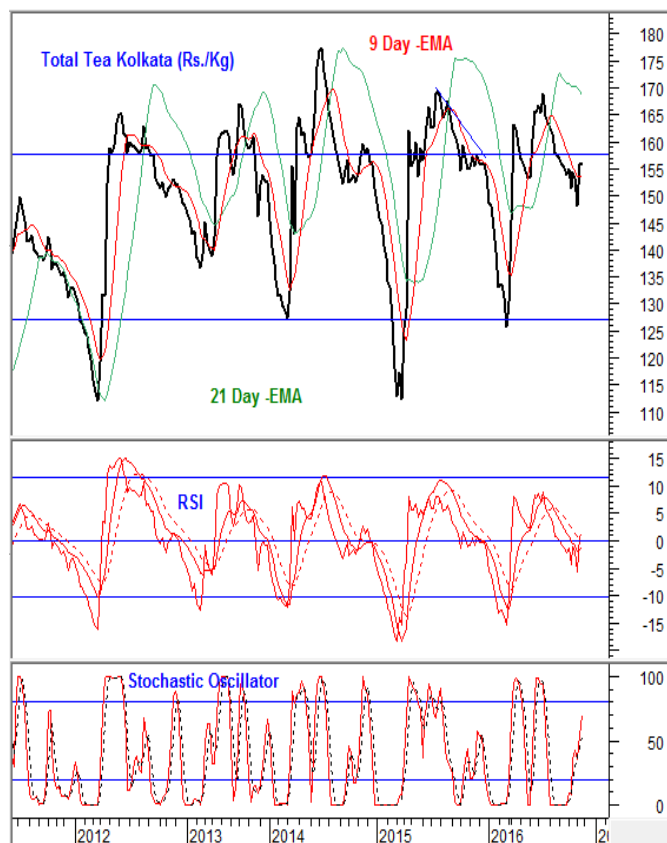
Tea – Technical Outlook

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.

Total Tea -Kolkata



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: 47 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	570 - 660	600 - 630
Average Westerns	540 - 560	560 - 590
Plainer Westerns	520 - 530	510 - 550
Western Mediums	520 - 800	510 - 600
Uva Teas	530 - 750	500 - 650
Nuwara Eliya Teas	470 - 500	480 - 520
Udapussellawa Teas	510 - 650	520 - 600
CTC (BP1 and PF1)	330 - 550	450 - 640

In this week's auction, 5.03 million kgs of tea was offered for sale compared to 4.41 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 firm tone and Low Grown CTC's witnessed steady to 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 weak tone during the week. There was some demand from Russia, Syria, Turkey, Saudi Arabia and Iran.

DETAILS OF TEAS AWAITING SALE

	49		48		47	
AUCTION NO.	14 th December 2016		05 th /06 th December 2016		29 th /30 th November 2016	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	651	731,967 kg	728	819,822 kg	719	743,836 kg
Main Sale Total	6,535	3,252,132 kg	8,937	4,548,889 kg	8,638	4,284,818 kg
High & Medium	571	267,617 kg	779	367,304 kg	754	360,353 kg
Low Grown Leafy	2,644	1,188,552 kg	3,457	1,588,614 kg	3,294	1,447,237 kg
	1,538	847,723 kg	2,006	1,124,116 kg	2,045	1,133,446 kg
Tippy						
Premium/Flowery	353	69,225 kg	465	96,150 kg	544	105,687 kg
Off Grades	1,168	618,176 kg	1,761	917,583 kg	1,513	821,293 kg
Dust	261	260,839 kg	469	455,122 kg	488	416,802 kg
Grand Total	7,186	3,984,099 kg	9,665	5,368,711 kg	9,357	5,028,654 kg
Reprints	1	1,037 kg	232	126,893 kg	183	79,156 kg
Scheduled to Close (Ex)		24.11.16		17.11.16		10.11.16
Dates (Ms)		25.11.16		18.11.16		11.11.16

Scheduled Closing Dates

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/21st Dec. 2016

Ex Estate : 01.12.2016

Main Sale : 02.12.2016

Auction No. 01 : 03rd/04th Jan. 2017

Ex Estate : 08.12.2016

Main Sale : 09.12.2016

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 48

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2015	2016	2015	2016
46	\$ 3.10	\$ 2.65	\$ 2.92	\$ 2.50
47	\$ 3.07	\$ 2.79	\$ 2.88	\$ 2.61
48	\$ 3.05	\$ 2.72	\$ 2.84	\$ 2.54

QUOTATIONS	BROKENS	FANNINGS
Best	525 – 609	528 - 593
Good	499 – 587	528 - 555
Good Medium	491 – 572	505 - 546
Medium	396 – 483	411 - 446
Lower Medium	231 – 381	243 - 358
Plain	217 – 277	205 - 320 (SL RUPEES)

During the week good demand was noticed for 8,229,984 kilos of tea on offer. Brighter DUST1s were firm to USC7 lower with mediums were firm to USC14 lower. Lower Mediums were USC2 to USC5 higher. Prices of Brighter BP1's were firm to USC15 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 steady 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 weak tone. There was good demand from Pakistan packers, Yemen, Middle –East countries, Russia and Egyptian packers. There was some demand from Afghanistan, Kazakhstan, Sudan, Iran and other CIS countries. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 46

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

(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	- S	440 S	- S	- S
Sumatera				
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: 30

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	166-173	Best	190-195
Medium	175-180	Good	181-188
Small	178-185	Medium	170-175
Plain	80-120	Plain	80-120

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. 48,856 and 10 packages of CTC Leaf of previous season noticed some demand. 7,284 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 firm 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	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	02-12-2016	25-11-2016
USD	68.26	68.44
Srilankan Rupee	0.4625	0.4612
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6701	0.6720
Bangladeshi Taka	0.8609	0.8622

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 increased during the week compared to previous week. At Bangladesh tea auction, there was not much demand for the quality of tea on offer. There was some demand from the exporters around current levels. The future offering of tea is likely to increase at Sri Lankan tea auction in the coming week. Prices are likely to notice range –bound to weak tone in the coming days.

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