News Highlights.

- Tea output in the Nilgiris, the largest tea growing district in South India, increased by 26.15 per cent in January to 0.82 million kg compared to 0.65 mkg during the same period previous year amid dry weather. Favourable weather contributed to increased cropping and manufacturing levels. All agro-climatic zones in the Nilgiris received higher rainfall last month than in January 2015.

- India's tea exports declined by 5.20% in the calendar year 2016 compared to previous year following increase in price. Overall exports in terms of volume declined to 216.79 mkg in 2016 compared to 228.66 mkg in 2015. Though the average price was almost flat at $2.97 per kg, the unit price increased by 4.79 per cent to Rs.199.60/kg amid exchange fluctuations. The overall export earnings declined to Rs.4,327.04 crores in 2016 from Rs.4,355.32 crores in 2015.

- Small tea growers have come up as the highest contributor to total yield of tea in West Bengal. Out of 357 million kg tea production in West Bengal, STG's (Small Tea Growers) contributed 43% of the total production. In national platform, though the percentage contribution of STGs to the total yield remained at the same level of 34%, it showed a growth of 13.3mkg against the total yield growth of 30 mkg. There are around 50, 000 STGs in the country.

- Global output of black tea increased to 2181.78 mkg in 2016 compared to 2104.87 mkg in 2015. Output increased following increase of 72.01 mkg in Kenya where production increased from 399.21 mkg to 471.22 mkg and Bangladesh recorded an increase of 16.34 mkg at 82.68 mkg. Indian production in 2016 increased by 30.49 mkg to reach 1239.15 mkg. This helped in offsetting lower production in Sri Lanka, Uganda and Tanzania.

- According to sources at Iran Tea Organization, around 31,200 tonnes of dried tea leaves were produced in Iranian year starting March 20, 2016. Production increased by around 60% compared with previous year. Around 28-29% of the domestic demand for tea is met by local production. The government has guaranteed purchase system in place for many crops including tea.

- Slovakia has shown interest for investment in Kenya's tea sector. According to the President of Slovakia, the country is looking to invest in Kenya's tea industries. Kenya's fast-growing economy, courtesy of innovative technologies, has made the country a desirable destination for investments according to official sources. The infrastructure has been developed to reduce the cost of doing business.

- According to Kenya's Agriculture and Food Authority, it is planning to double annual shipments to Russia to 44 million kilograms within next three years. Russia purchased around 152 million kilograms of tea in 2016 and from that it purchased around 18 million kilograms from Kenya. Orthodox tea, which is popular in Russia, Iran and Western Europe, is a specialty product made from black tea that's processed by traditional methods of withering, rolling and oxidization, while regular black tea is manufactured through machines that crush, tear and curl the leaves. Kenya produced a record 473 million kilograms tea in 2016 and is exploring strategies to increase its share in the global market.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 04 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	130.74	25,88,000	18,22,000
ORTHODOX	152.42	4,01,000	3,50,000
DARJEELING	-	-	-
DUST	133.56	9,40,000	7,12,000

(Source: Parcon)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for quality tea and fair for the remaining varieties. Good Sorts noticed steady tone. Buying interest was noticed from Hindustan Unilever Limited and Tata Global. In the Orthodox variety, there was some enquiry from the exporters around current levels. Prices declined in line with quality and there was good demand from local buyers in the market. Prices are likely to witness easy tone in the coming days.

Guwahati Tea Auction: Sale No: 07 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	105.74	37,83,000	27,54,000
Dust	108.66	11,42,000	9,33,000

(Source: Associated Brokers)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Common and Plainer Sorts noticed steady to weak tone. Buying interest was noticed from blenders and internal buyers. Prices are likely to witness positive tone in the near –term.

Siliguri Tea Auction: Sale No: 07 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	106.39	20,45,000	15,62,000
CTC Dust	104.33	1,68,000	1,62,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Good demand noticed for Leaf variety. Browner sorts were discounted following end of season. Loose tea buyers lent support to the market. Prices are likely to notice range –bound to firm tone in the coming week.

Jalpaiguri Tea Auction: Sale No: 07 (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: 07 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	135.26	702046.50	652907.40
CTC Leaf	108.15	61050.00	51193.00
Orthodox Dust	107.10	3854.00	3438.00
Orthodox Leaf	144.33	123049.00	95003.00

(Source: Paramount Marketing, Coimbatore)

Prices witnessed positive tone during the week except slight weakness in Orthodox Leaf variety. 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 firm tone in the near -term.

Coimbatore Tea Auction: Sale No: 07 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	118.02	180911.00	158246.00
CTC Leaf	104.91	106142.00	100775.00
Orthodox Dust	101.19	8920.00	8572.00
Orthodox Leaf	116.90	8244.00	6316.00

(Source: Paramount Marketing, Coimbatore)

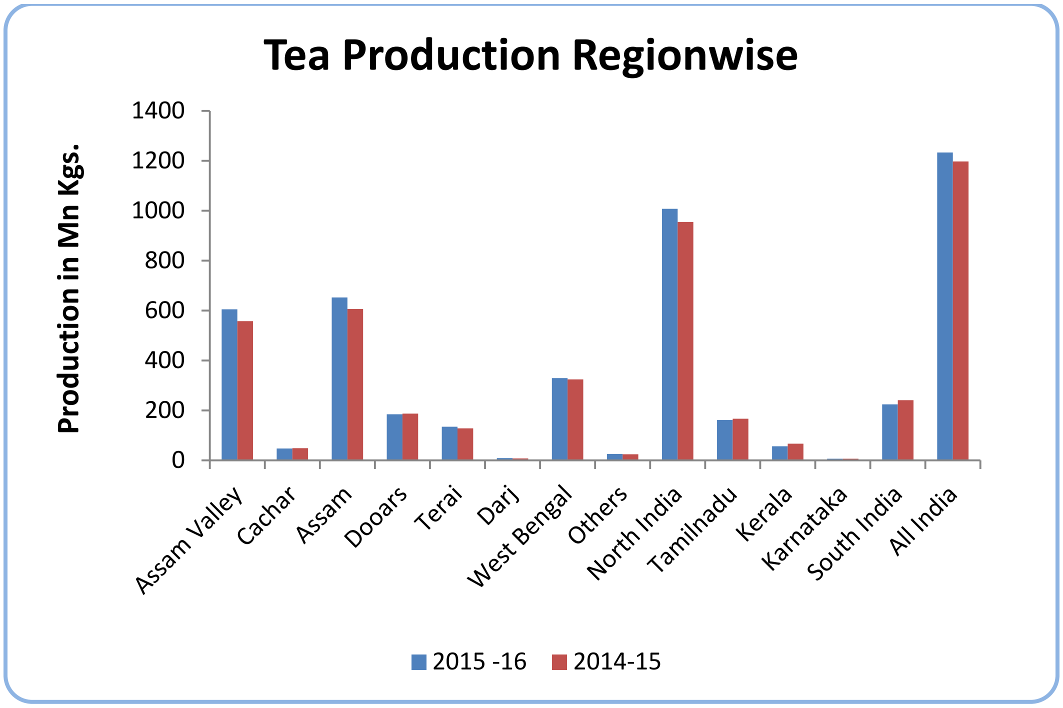
Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for quality leaf. Prices are likely to witness positive tone in the coming days.

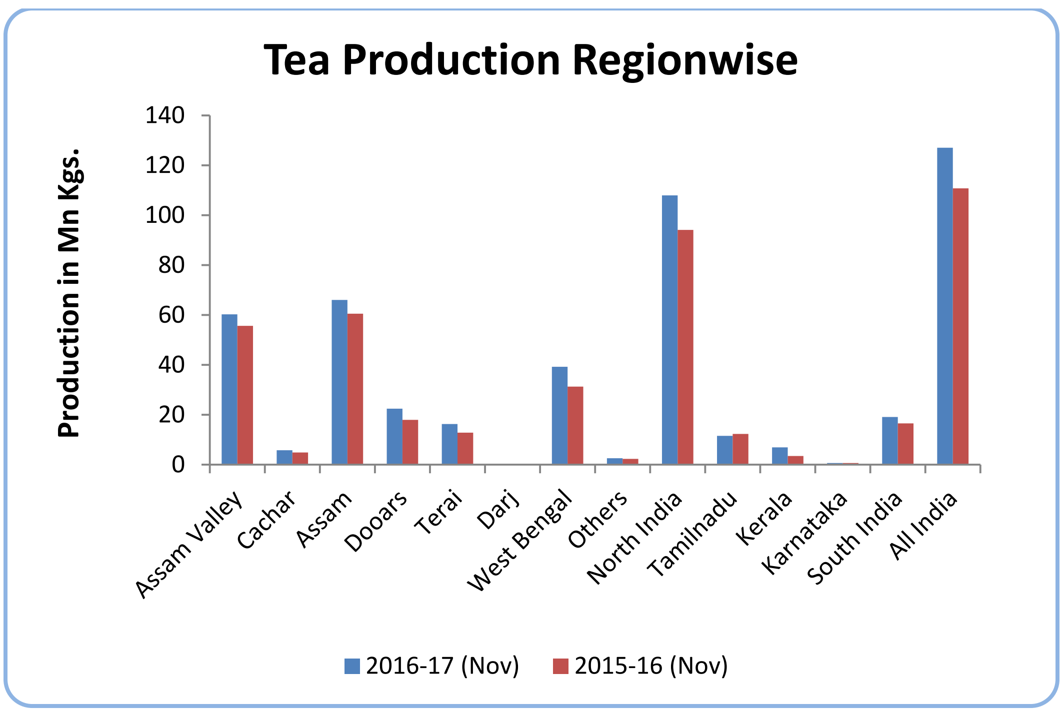
Coonoor Tea Auction: Sale No: 07 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	112.23	270603.00	250149.00
CTC Leaf	103.68	607796.00	568211.00
Orthodox Dust	117.65	33811.00	29732.00
Orthodox Leaf	125.70	45259.80	35138.80

(Source: Paramount Marketing, Coimbatore)

Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. There was some demand from the blenders and packeteers for Dust variety. Prices are likely to notice weak tone in the coming week.





(Source: Tea Board)

The above graph shows region wise production comparison, between 2016-17 and 2015-16 during the last two years and in the month of November 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 previous year in the month of November, production of tea in India increased by 14.73% to 127.10 million kg in comparison to the same corresponding period last year following owing to good plucking in the growing regions.

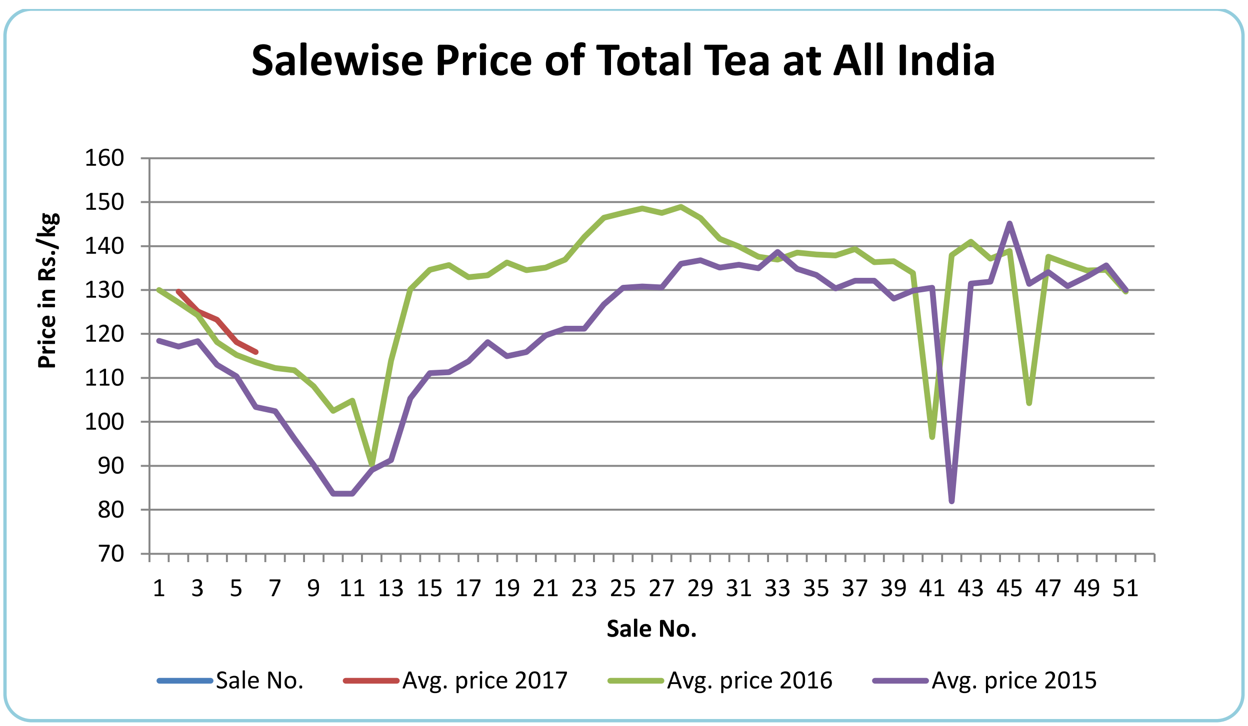
REGIONWISE QUARTERLY EXPORTS:

(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 Nov)*	116.97	2658.81	227.31	80.04	1258.16	157.19	197.01	3916.97	198.82
2015 (Jan to Nov)	114.14	2652.87	232.42	87.98	1189.83	135.24	202.12	3842.70	190.12
Incr/decr in %	2.48	0.22	-2.20	-9.02	5.74	16.23	-2.53	1.93	4.58
2016-17 (Apr-Nov)*	84.42	1977.20	234.21	57.21	934.10	163.28	141.63	2911.30	205.56
2015-16 (Apr-Nov)	86.37	2083.56	241.24	64.63	891.28	137.90	151.00	2974.84	197.01
Incr/decr in %	-2.26	-5.10	-2.91	-11.48	4.80	18.40	-6.21	-2.14	4.34

*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 2015, 2016 and 2017. Currently the average prices of all tea are higher compared to previous year amid lower 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 2017-02-04

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	129.21(117.94)	106.14(113 .04)	105.52(105.48)	NS(NS)	124.04(123.56)	105.11(10 4.49)	110.27(103.93)	98.56(83. 86)
Total Tea	136.06(123.33)	106.32(113 .10)	105.52(105.48)	NS(NS)	125.80(125.89)	106.31(10 4.68)	110.30(103.48)	98.56(83. 86)

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

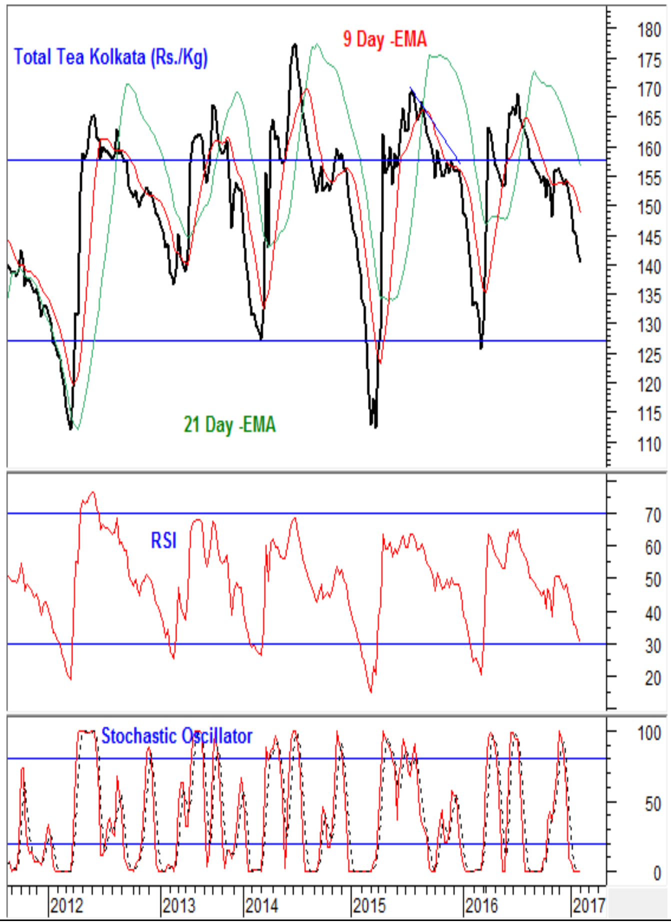
Variety	North India	South India	All India
CTC All Dust	112.87 (112.20)	112.38 (109.29)	112.79 (111.53)
Total Tea	116.26 (114.32)	113.88 (111.12)	115.87 (113.54)

(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 coming days.

The tea prices are likely to decline towards 130 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	120.00	105.00	136.06	180.00	200.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 07 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	700 - 1650	720 - 820
Average Westerns	630 - 690	660 - 700
Plainer Westerns	590 - 620	630 - 650
Western Mediums	570 - 760	570 - 700
Uva Teas	530 - 700	550 - 670
Nuwara Eliya Teas	480 - 740	520 - 600
Udapussellawa Teas	480 - 590	520 - 610
CTC (BP1 and PF1)	450 - 590	510 - 680

In this week's auction, 5.89 million kgs of tea was offered for sale compared to 5.72 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's and BOPF's noticed steady tone. High Grown and Mid Grown CTC's witnessed positive 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 weak tone. In the Tippy catalogues, better made FBOP and FF1's witnessed firm 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.	09		08		07	
Dates	28th Feb./ 01st Mar. 2017		21st/22nd Feb 2017		14th/15th Feb 2017	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	727	744,133 kg	828	860,942 kg	868	917,781 kg
Main Sale Total	7,940	4,011,409 kg	9,171	4,894,467 kg	9,387	4,968,368 kg
High & Medium	659	316,214 kg	797	394,786 kg	917	447,020 kg
Low Growns Leafy	3,112	1,388,681 kg	3,468	1,581,597 kg	3,397	1,567,329 kg
Tippy	1,823	997,958 kg	2,015	1,160,682 kg	1,998	1,148,357 kg
Premium/Flowery	467	79,892 kg	463	85,286 kg	498	94,344 kg
Off Grades	1,416	787,699 kg	1,793	1,031,076 kg	1,940	1,088,035 kg
Dust	463	440,965 kg	635	641,040 kg	637	623,283 kg
Grand Total	8,667	4,755,542 kg	9,999	5,755,409 kg	10,255	5,886,149 kg
Reprints	575	342,263 kg	591	366,032 kg	469	289,040 kg
Scheduled to Close (Ex)		09.02.17		02.02.17		26.01.17
Dates (Ms)		09.02.17		03.02.17		27.01.17

Scheduled Closing Dates

Auction No. 08 : 21st/22nd Feb 2017

Ex Estate : 02.02.2017

Main Sale : 03.02.2017

Auction No. 09 : 28th Feb/ 01st March 2017

Ex Estate : 09.02.2017

Main Sale : 09.02.2017

Auction No. 10 : 07th/08th March 2017

Ex Estate : 16.02.2017

Main Sale : 17.02.2017

Auction No. 11 : 14th/15th March 2017

Ex Estate : 23.02.2017

Main Sale : 24.02.2017

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 07

AUCTION AVERAGE PRICE

AUCTION	KENYA 2016	KENYA 2017	TOTAL 2016	TOTAL 2017
05	$ 2.55	$ 3.30	$ 2.42	$ 3.09
06	$ 2.52	$ 3.08	$ 2.39	$ 2.86
07	$ 2.50	$ 3.16	$ 2.39	$ 2.95

QUOTATIONS	BROKENS	FANNINGS
Best	472 – 562	582 – 663
Good	461 – 516	559 – 618
Good Medium	461 – 517	526 – 623
Medium	461 – 520	461 - 520
Lower Medium	255 – 401	297 - 428
Plain	227 – 362	221 - 312 (SL RUPEES)

During the week good demand was noticed for 7,520,000 kilos of tea on offer. Brighter DUSTs were firm to USC20 lower with mediums were firm to USC15 lower. Lower Mediums were USC4 to USC16 lower. Prices of Brighter BP1's were firm to USC10 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's noticed firm tone and PF's witnessed easy tone during the week. Well sorted clean coloury Fannings witnessed positive tone and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed steady tone. There was good demand from Pakistan packers, Middle-Eastern countries, U.K., Kazakhstan and Egyptian packers. There was some demand from Bazaar, Iran, Russia 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 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: 41

(In Taka/kg)

QUOTATIONS	BROKENS		FANNINGS
Large/Bold	100-110	Best	200-210
Medium	115-135	Good	170-190
Small	120-140	Medium	120-130
Plain	80-95	Plain	80-95

Tea prices at Bangladesh tea auction noticed firm tone amid higher quantity of poor quality tea on offer. The average price of tea during this week's auction was around USD 2.50/kg. Around 2.70 million kg of tea was offered for sale and nearly 34.40 percent remained unsold.

There was some demand from blenders and loose buyers. 42,275 packages of CTC Leaf noticed good demand. 6,865 packages of CTC Dust and 26 packages of old season noticed fair demand. In CTC Dust, good liquoring varieties noticed steady tone and medium levels witnessed easy tone. Good liquoring Broken varieties noticed withdrawals in the market. Good liquoring varieties in fannings noticed good demand during the week. Good liquoring Dusts noticed firm 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	December	27.08	23.61	Up to December	292.36	328.77	- 36.41
North India	December	* 47.10	42.69	Up to December	* 1026.94	981.09	+ 45.85
South India	December	* 15.64	14.60	Up to December	* 212.21	227.57	- 15.36
Kenya	November	39.90	40.38	Up to November	427.90	352.82	+ 75.08
Bangladesh	November	8.8	7.8	Up to November	77.6	61.7	+ 15.9
Malawi	October	1.4	1.0	Up to October	36.8	34.9	+ 1.9

* Estimated

(Source: John Keells Tea Brokers)

Global output of black tea increased to 1905.13 mkg in 2016 compared to 1853.52 mkg in 2015. Output increased following increase of 73.70 mkg in Kenya where production increased from 352.82 mkg to 426.12 mkg and Bangladesh recorded an increase of 15.01 mkg at 68.78 mkg. Indian production up to December 2016 increased by 2.51% to reach 1239.15 mkg. This helped in offsetting lower production in Sri Lanka, Uganda and Tanzania. In Sri Lanka, production of tea has declined by 36.41 million kgs. to 292.36 million kgs. till December 2016 compared to same corresponding period in 2015. In North India, production has increased by nearly 4.68% and in South India has declined by 6.75% in 2016 respectively. Lack of sufficient rainfall has affected production in South India.

Currency	17-02-2017	10-02-2017
USD	67.10	66.86
Srilankan Rupee	0.4450	0.4447
Indonesian Rupiah	0.0050	0.0050
Kenyan Shilling	0.6482	0.6457
Bangladeshi Taka	0.8362	0.8442

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. Demand for quality leaf lent support to the market. Arrivals are lower in North India following off-season. Buying interest was noticed from loose tea buyers and blenders. In South India, export enquiry was noticed for Orthodox Leaf variety. Prices are likely to notice firm tone in the coming days.

In the global market, prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Likely drought in Kenya is likely to affect the crop in 2017. In Bangladesh, there was not much demand for poor quality tea on offer. The future offering of tea is likely to increase at Sri Lankan tea auction in the coming week. Prices are likely to witness easy tone in the coming week.