News Highlights.

- According to the data available with the Tea Board Of India, tea prices at the auction centres of India increased by 7.92 per cent in the calendar year 2016 compared to 2015. Prices increased to Rs.134.34/kg in 2016 compared to Rs. 124.48 in 2015. In North India auction centers, prices increased by 2.99 per cent to an average price of Rs. 143.97 in 2016 compared to previous year. In South India auction centers, average price increased by 27.42 per cent to Rs.103.72/kg in 2016 amid lower production compared to 2015.

- The Tea Board Of India is planning an integrated tea park close to the Dhamra port in North Odisha. This site is proposed as an export –oriented unit, with facilities for warehousing, packaging, blending, testing and allied activities. Park is proposed as an export-oriented unit, with facilities for warehousing, packaging, blending, testing and allied activities. Proposed park is to be modelled on the DMCC Tea Centre at the Jebel Ali Free Zone, Dubai. Aim is to promote India as an investment destination and manufacturing hub for tea, attracting global brands to India and meeting their warehousing, blending, packaging and labelling requirements. Container services are expected to take off there in another six to 12 months. Container shipment from Dhamra would cut the transit time to Europe by almost 20 days.

- 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.

- 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 Kenya Tea Development Agency Holdings, tea earnings for the 2016 -17 financial year are likely to decline following lower output amid dry weather in the growing regions. High cost of production, fluctuating exchange rates and auction prices, declining individual holdings and high cost of credit continued to affect farmers, factory companies and KTDA negatively. Global tea prices are also relatively low compared to previous year. During the 2015/2016 financial year, farmers earned Ksh44.72 billion (Kenyan Shilling) in second payment, an average of Ksh36.26 per kilo of green leaf.

- Tea prices are holding firm and are likely to increase amid lower production in the global markets like India, Kenya and Sri Lanka. India is the leading producer of black tea in the world with 25% share of the total production. Production is expected to decline in the coming six months due to drought-like conditions in most of the tea producing regions. From November onwards, prices are declining in Kenya. According to a report by Sri Lankan government, tea output declined by 15.3% in January amid lack of favourable climate and poor application of fertilizers. Tea price in Kenya is above $2.50 per kg and in Sri Lanka prices are around $2.60-2.80 per kg. Higher prices in Kenya and Sri Lanka are likely to help Indian exporters.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 08 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	-	-	-
ORTHODOX	148.63	1,63,000	1,37,000
DARJEELING	-	-	-
DUST	-	-	-

(Source: Parcon)

Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Dust variety. Liquoring sorts and the Plainer variety noticed steady tone. Buying interest was noticed from blenders and Western India buyers. 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: 08 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	109.21	16,28,000	12,81,000
Dust	113.51	4,34,000	3,80,000

(Source: Associated Brokers)

Prices witnessed positive tone during the week. Quantity offered on sale declined during the week compared to previous week. There was not much demand from the exporters around current levels. Buying interest was noticed from blenders and internal buyers. Prices are likely to notice firm tone in the coming days.

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: 08 (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: 08 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	134.93	696610.30	608108.30
CTC Leaf	104.37	69259.00	53297.00
Orthodox Dust	97.62	10549.00	9090.00
Orthodox Leaf	140.73	140016.00	108329.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was demand from the blenders and loose tea buyers. Prices are likely to witness range –bound to easy tone in the coming days.

Coimbatore Tea Auction: Sale No: 08 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	117.18	178817.00	141133.00
CTC Leaf	106.78	89129.00	80345.00
Orthodox Dust	100.40	7768.00	6378.00
Orthodox Leaf	113.13	4400.00	3644.00

(Source: Paramount Marketing, Coimbatore)

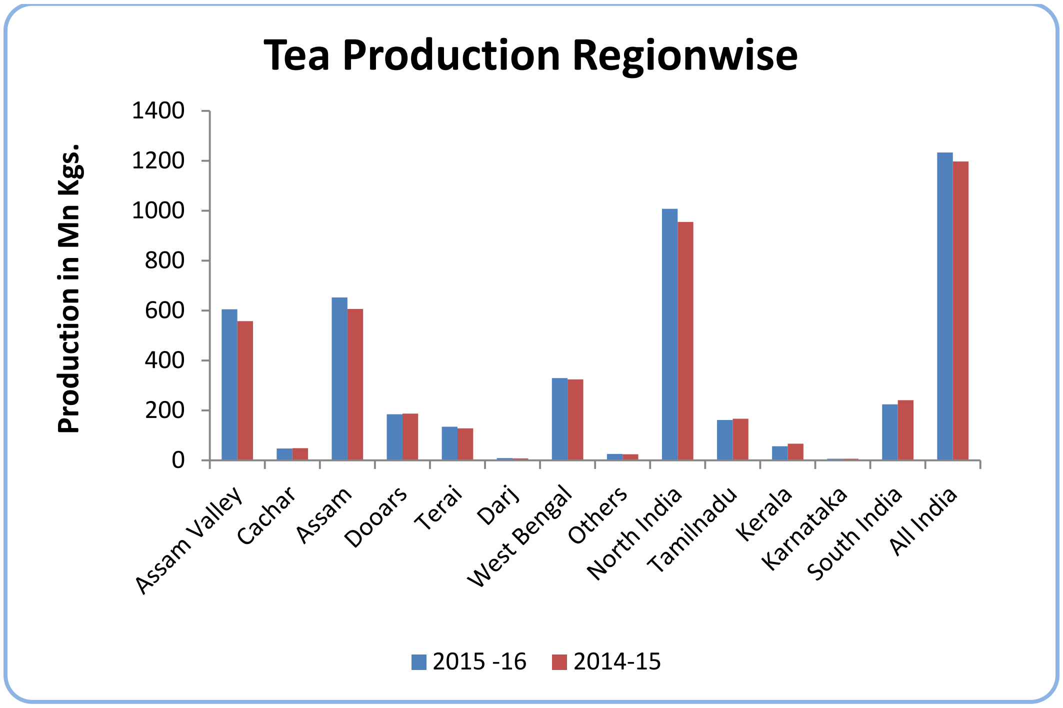
Prices noticed weak tone during the week except slight firmness noticed in CTC Leaf variety. Quantity offered on sale declined during the week compared to previous week. There was demand for Leaf variety from the exporters. Prices are likely to witness easy tone in the near –term.

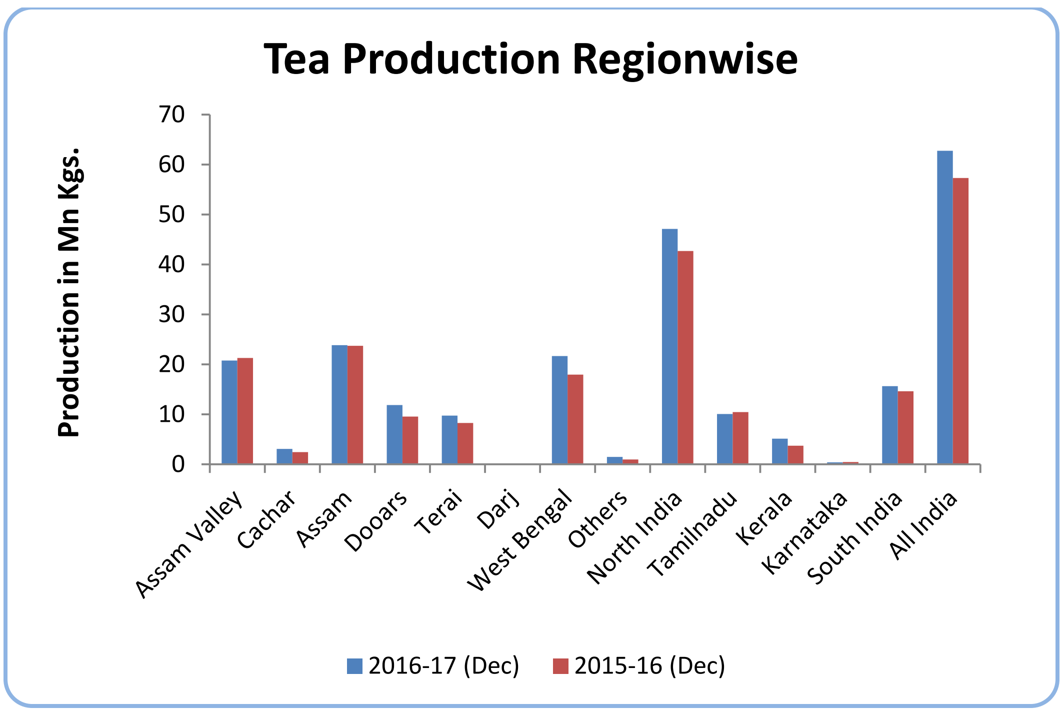
Coonoor Tea Auction: Sale No: 08 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	114.96	269397.00	242651.00
CTC Leaf	105.41	562820.00	543929.00
Orthodox Dust	117.65	29772.00	25297.00
Orthodox Leaf	128.06	46195.20	40634.00

(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 positive 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 December 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 December, production of tea in India increased by 9.51% to 127.10 million kg in comparison to the same corresponding period last year following owing to good plucking in the growing regions.

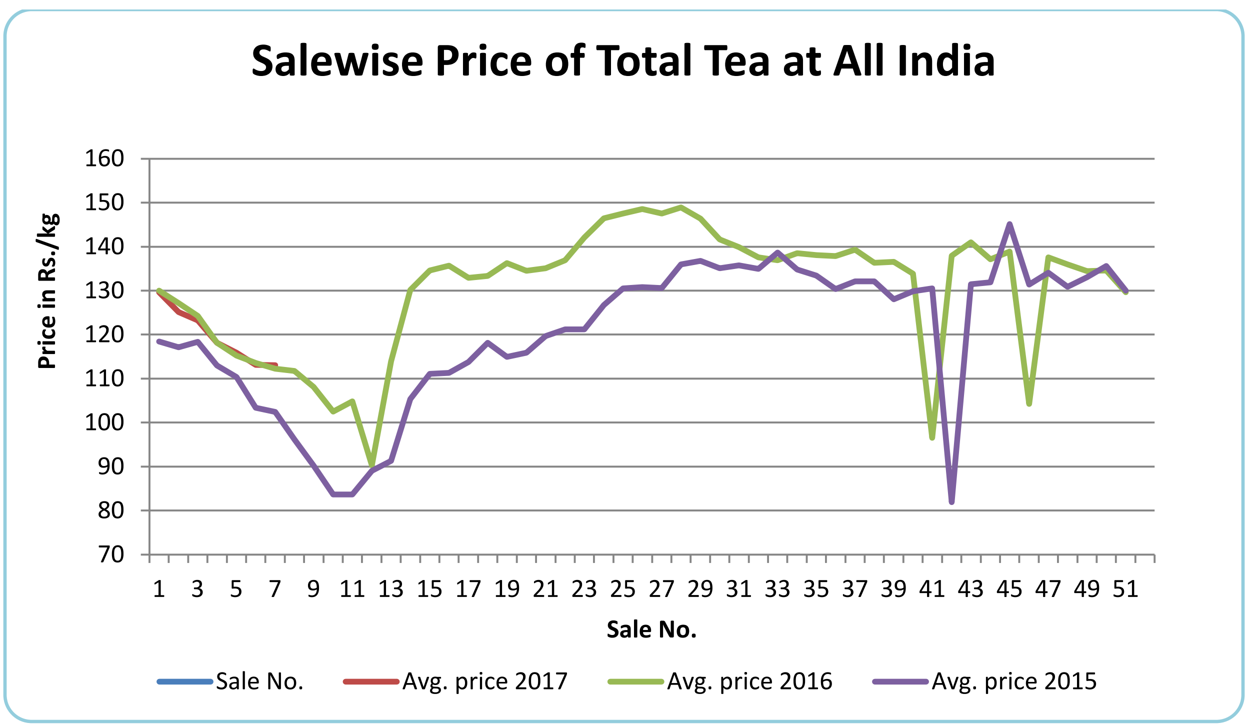
REGIONWISE QUARTERLY EXPORTS:

(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*	130.03	2955.00	227.26	86.76	1372.04	158.14	216.79	4327.04	199.60
2015	131.89	3039.14	230.43	96.77	1316.18	136.01	228.66	4355.32	190.47
Incr/decr in %	-1.41	-2.77	-1.38	-10.34	4.24	16.27	-5.19	-0.65	4.79
2016-17 (Apr-Dec)*	97.47	2273.40	233.24	63.94	1048.00	163.90	161.41	3321.40	205.77
2015-16 (Apr-Dec)	104.12	2469.83	237.21	73.42	1017.63	138.60	177.54	3487.46	196.43
Incr/decr in %	-6.39	-7.95	-1.67	-12.91	2.98	18.25	-9.09	-4.76	4.76

***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.

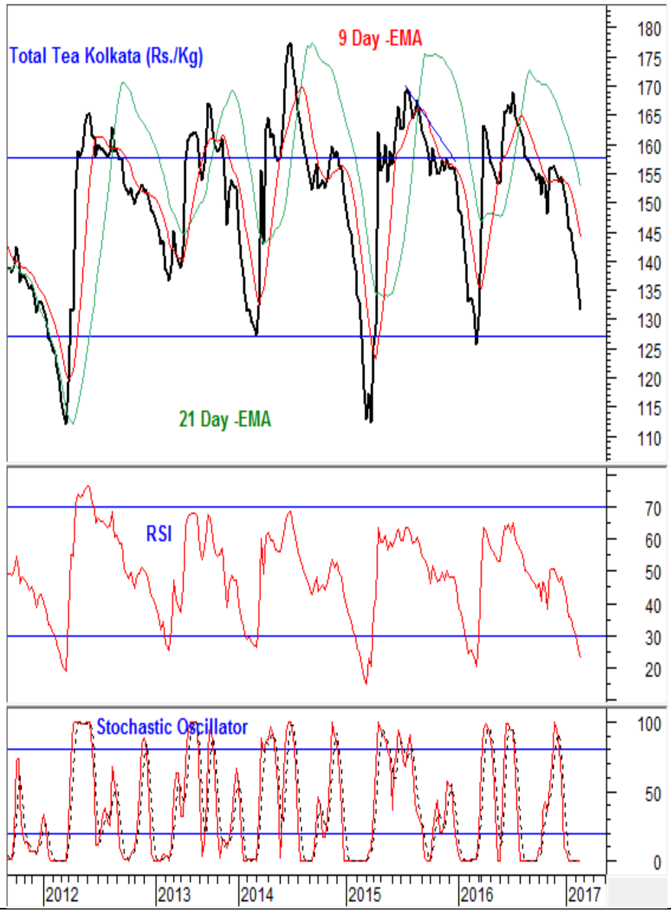
Weekly Average Prices at Indian Auction Centers for week ending 2017-02-18

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	116.79(119.41)	106.49(108.19)	106.19(104.43)	NS(NS)	133.16(120.07)	106.59(109.94)	112.55(105.22)	97.70(81.30)
Total Tea	120.49(119.41)	106.56(108.34)	106.19(104.43)	NS(NS)	134.48(121.16)	107.35(110.20)	112.65(105.01)	97.70(81.30)

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

Variety	North India	South India	All India
CTC All Dust	110.32 (111.90)	115.80 (110.31)	111.35 (111.26)
Total Tea	112.09 (111.95)	117.22 (111.51)	113.08 (111.76)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata
Technical Commentary: Tea prices witnessed easy tone during the week. Prices are likely to decline towards 100 levels in the coming days. MACD is declining in the negative territory supporting overall weak tone of the market in the medium –term. Stochastic oscillator is steady in the oversold region supporting some recovery in the near –term. ***The tea prices are likely to decline towards 90-100 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	100.00	80.00	120.49	150.00	180.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 08 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	700 - 1000	700 - 940
Average Westerns	620 - 690	650 - 690
Plainer Westerns	530 - 610	560 - 640
Western Mediums	560 - 760	550 - 660
Uva Teas	490 - 700	470 - 650
Nuwara Eliya Teas	460 - 840	530 - 590
Udapussellawa Teas	480 - 580	530 - 640
CTC (BP1 and PF1)	420 - 570	490 - 720

In this week's auction, 5.76 million kgs of tea was offered for sale compared to 5.89 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 witnessed easy tone. High Grown and Mid Grown CTC's witnessed positive tone and Low Grown CTC's noticed firm 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.	10		09		08	
Dates	07th/ 08th Mar. 2017		28th Feb./ 01st Mar. 2017		21st/22nd Feb 2017	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	678	677,508 kg	727	744,133 kg	828	860,942 kg
Main Sale Total	8,503	4,346,621 kg	7,940	4,011,409 kg	9,171	4,894,467 kg
High & Medium	792	386,667 kg	659	316,214 kg	797	394,786 kg
Low Growns Leafy	3,129	1,396,925 kg	3,112	1,388,681 kg	3,468	1,581,597 kg
Tippy	1,854	1,048,595 kg	1,823	997,958 kg	2,015	1,160,682 kg
Premium/Flowery	434	80,118 kg	467	79,892 kg	463	85,286 kg
Off Grades	1,792	977,628 kg	1,416	787,699 kg	1,793	1,031,076 kg
Dust	502	456,688 kg	463	440,965 kg	635	641,040 kg
Grand Total	9,181	5,024,129 kg	8,667	4,755,542 kg	9,999	5,755,409 kg
Reprints	287	172,019 kg	575	342,263 kg	591	366,032 kg
Scheduled to Close (Ex)		16.02.17		09.02.17		02.02.17
Dates (Ms)		17.02.17		09.02.17		03.02.17

Scheduled Closing Dates

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

Auction No. 12 : 21st/ 22nd March 2017

Ex Estate : 02.03.2017

Main Sale : 03.03.2017

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 08

AUCTION AVERAGE PRICE

AUCTION	KENYA 2016	KENYA 2017	TOTAL 2016	TOTAL 2017
06	$ 2.52	$ 3.08	$ 2.39	$ 2.86
07	$ 2.50	$ 3.16	$ 2.39	$ 2.95
08	$ 2.41	$ 3.00	$ 2.30	$ 2.81

QUOTATIONS	BROKENS	FANNINGS
Best	478 – 574	561 – 631
Good	469 – 526	553 – 594
Good Medium	464 – 508	523 – 598
Medium	464 – 490	431 – 493
Lower Medium	261 – 434	266 – 446
Plain	209 – 374	218 - 359 (SL RUPEES)

During the week good demand was noticed for 7,439,711 kilos of tea on offer. Brighter DUSTs were firm to USC18 lower with mediums were firm to USC17 lower. Lower Mediums were firm to USC4 lower. Prices of Brighter BP1's were firm to USC12 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 weak tone during the week. Other Fannings and BMF's noticed mixed tone. There was good demand from Pakistan packers, U.K., Kazakhstan and CIS countries. Somalia, Middle –East countries and Egyptian packers were 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: 42
(In Taka/kg)

QUOTATIONS	BROKENS		FANNINGS
Large/Bold	95-110	Best	205-215
Medium	110-130	Good	175-195
Small	120-135	Medium	120-140
Plain	80-90	Plain	80-90

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 2.10 million kg of tea was offered for sale and nearly 32.90 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	2016-2017*	2015-2016*	CUMULATIVE	2016-2017*	2015-2016*	CUMULATIVE + INC./-DEC.
Sri Lanka	January*	21.25*	25.08*	Up to January*	21.25	25.08	- 3.83
North India	December	47.10 (E)	42.69	Up to December	1026.94(E)	981.09	+ 45.85
South India	December	15.64 (E)	14.60	Up to December	212.21(E)	227.57	- 15.36
Kenya	December	45.10	46.38	Up to December	473.01	399.21	+ 73.8
Bangladesh	December	5.1	4.8	Up to December	82.7	66.5	+ 16.2
Malawi	November	0.7	0.7	Up to November	37.5	35.6	+ 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 3.83 million kgs. to 21.25 million kgs. up to January 2017 compared to same corresponding period in 2016. 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	24-02-2017	17-02-2017
USD	66.59	67.10
Srilankan Rupee	0.4387	0.4450
Indonesian Rupiah	0.0050	0.0050
Kenyan Shilling	0.6440	0.6482
Bangladeshi Taka	0.8361	0.8362

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone during the week. Quantity offered on sale declined during the week compared to previous week. In North India, new season crop arrivals are expected next month. There was demand for quality leaf in the market. In South India, demand was noticed from the loose tea buyers and packeteers. Prices are likely to notice range –bound to firm tone in the coming week.

In the global market, prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. Lower output of tea in Kenya is expected this season amid lack of rainfall in the growing regions. The future offering of tea is likely to decline at Sri Lankan tea auction in the coming week. Prices are likely to notice range –bound to weak tone in the near –term.