

News Highlights.

- A volume of 9.80 lakh kg will be offered for Sale No: 9 at Conoor Tea Auction. Of this 6.58 lakh kg belongs to leaf grades and 3.22 lakh kg to dust grades. Around 8.94 lakh kg belongs to the CTC variety and around 86,000 kg to the orthodox variety. The proportion of orthodox teas continues to be low in both leaf and dust grades.
- 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.
- In 2016, total production of tea in Japan increased to 80,200 tonnes compared to 79,500 tonnes produced in 2015 according to official sources. Around 5% of the total tea production is being exported, which is gradually increasing during the recent times. The amount of area used for tea farming has declined in 2016 from 44,000 hectares in 2015 to 43,100 hectares in 2016.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 09 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	-	-	-
ORTHODOX	169.70	1,56,000	1,48,000
DARJEELING	-	-	-
DUST	-	-	-

(Source: Parcon)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand in the market for Orthodox variety. Prices increased in line with quality. Buying interest was noticed from Middle –East and CIS countries. Prices are likely to witness positive tone in the near –term.

Guwahati Tea Auction: Sale No: 09 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	105.88	9,96,000	7,63,000
Dust	107.32	4,38,000	3,73,000

(Source: Associated Brokers)

Prices witnessed easy tone during the week. Quantity offered on sale declined during the week compared to previous week. Good demand was noticed in the market around current levels. Buying interest was noticed from Hindustan Unilever Limited and Tata Global. Prices are likely to notice weak tone in the coming week.

Siliguri Tea Auction: Sale No: 09 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Leaf	101.56	15,12,000	12,59,000
CTC Dust	105.22	1,15,000	1,10,000

(Source: Associated Brokers)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Leaf variety tea. Buying interest was noticed from blenders and internal buyers. Prices are likely to notice range –bound to weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 09 (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: 09 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	137.38	750640.20	659675.20
CTC Leaf	106.27	61848.00	49101.00
Orthodox Dust	103.82	5309.00	4773.00
Orthodox Leaf	147.10	149684.00	109491.00

(Source: Paramount Marketing, Coimbatore)

Prices witnessed positive tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand for quality leaf lent support to the market. Prices are likely to notice firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 09 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	117.97	200171.00	165730.00
CTC Leaf	108.31	98183.00	79205.00
Orthodox Dust	101.70	8906.00	7862.00
Orthodox Leaf	115.61	5960.00	4906.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Buying interest was noticed from loose tea buyers and blenders. Prices are likely to witness positive tone in the coming days.

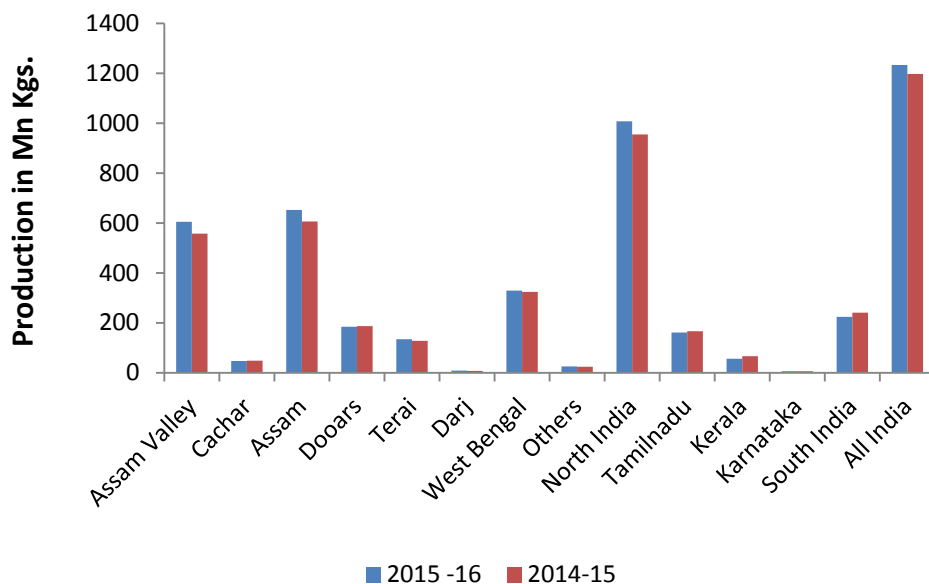
Coonoor Tea Auction: Sale No: 09 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	117.22	281723.00	258129.00
CTC Leaf	105.71	597067.00	502937.00
Orthodox Dust	110.78	33482.00	25210.00
Orthodox Leaf	128.87	51399.00	33611.20

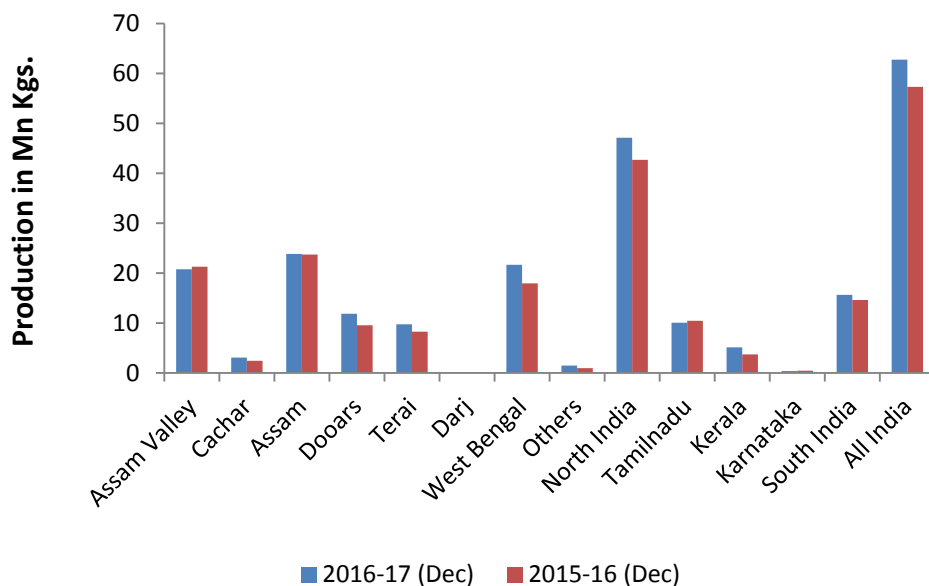
(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand from the exporters for Orthodox Leaf variety lent support to the market. Prices are likely to notice positive tone in the coming week.

Tea Production Regionwise



Tea Production Regionwise



(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.

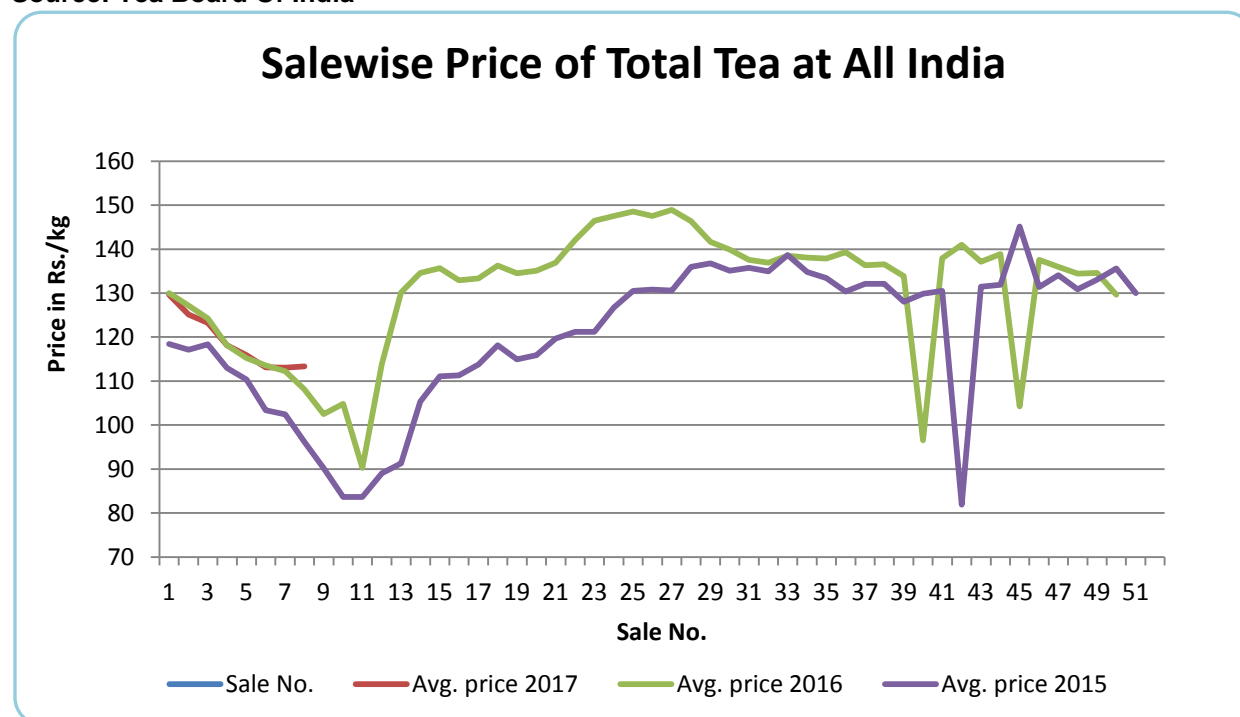
REGIONWISE QUARTERLY EXPORTS:

(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 increased during the week compared to previous week amid good demand in the domestic and export market.

Weekly Average Prices at Indian Auction Centers for week ending 2017-02-25

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	110.41(109.77)	110.20(108.52)	NS(NS)	NS(NS)	132.00(114.44)	108.60(106.62)	113.04(103.37)	97.89(82.49)
Total Tea	112.03(109.77)	110.53(108.51)	NS(NS)	NS(NS)	133.21(116.29)	109.52(106.78)	113.05(103.11)	97.89(82.49)

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

Variety	North India	South India	All India
CTC All Dust	110.35 (109.09)	116.54 (106.22)	111.95 (107.49)
Total Tea	111.58 (109.09)	118.05 (107.41)	113.31 (108.13)

(Source: Tea Board)

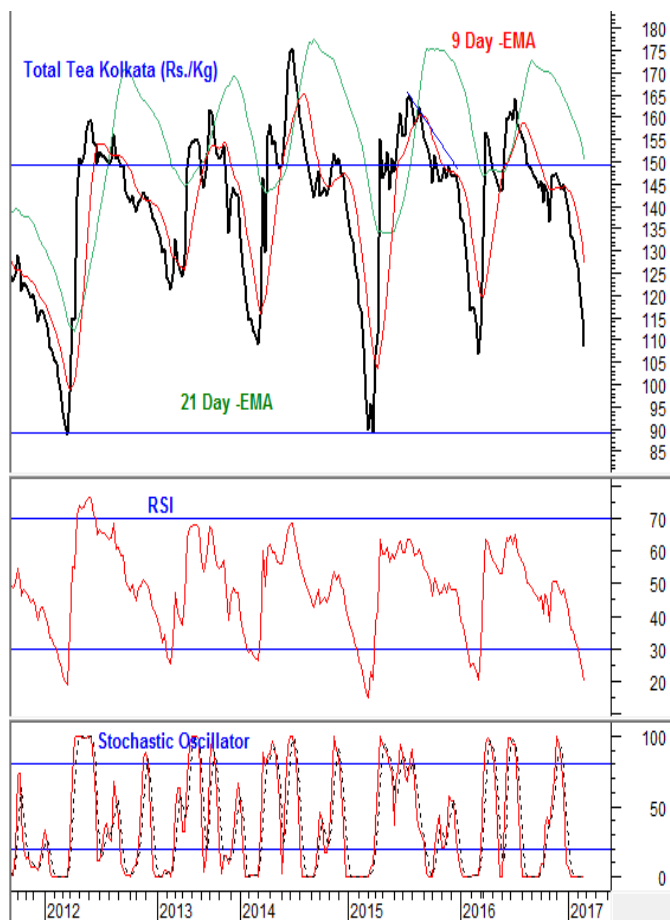
Tea – Technical Outlook

Technical Commentary:

Tea prices noticed weak tone during the week. Prices are likely to decline towards 100 levels in the coming days. 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 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.

Total Tea -Kolkata



Strategy: Buy On Near –Term Weakness

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	100.00	80.00	112.03	150.00	180.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 09 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	680 - 1350	700 - 820
Average Westerns	640 - 670	640 - 690
Plainer Westerns	540 - 630	550 - 630
Western Mediums	590 - 840	540 - 670
Uva Teas	460 - 680	510 - 640
Nuwara Eliya Teas	480 - 600	550 - 650
Udapussellawa Teas	450 - 570	550 - 630
CTC (BP1 and PF1)	410 - 610	500 - 710

In this week's auction, 4.76 million kgs of tea was offered for sale compared to 5.76 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, Iran and Middle –East countries.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	11		10		09	
Dates	14 th /15 th Mar. 2017		07 th / 08 th Mar. 2017		28 th Feb./ 01 st Mar. 2017	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	859	836,240 kg	678	677,508 kg	727	744,133 kg
Main Sale Total	8,563	4,424,471 kg	8,503	4,346,621 kg	7,940	4,011,409 kg
High & Medium	848	427,663 kg	792	386,667 kg	659	316,214 kg
Low Grown Leafy	3,176	1,396,509 kg	3,129	1,396,925 kg	3,112	1,388,681 kg
	1,847	1,050,014 kg	1,854	1,048,595 kg	1,823	997,958 kg
Tippy						
Premium/Flowery	444	83,783 kg	434	80,118 kg	467	79,892 kg
Off Grades	1,698	948,730 kg	1,792	977,628 kg	1,416	787,699 kg
Dust	550	517,772 kg	502	456,688 kg	463	440,965 kg
Grand Total	9,422	5,260,711 kg	9,181	5,024,129 kg	8,667	4,755,542 kg
Reprints	329	183,144 kg	287	172,019 kg	575	342,263 kg
Scheduled to Close (Ex)		23.02.17		16.02.17		09.02.17
Dates (Ms)		24.02.17		17.02.17		09.02.17



Scheduled Closing Dates

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

Auction No. 13 : 28th/29th March 2017

Ex Estate : 09.03.2017

Main Sale : 10.03.2017

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 09
AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2016	2017	2016	2017
07	\$ 2.50	\$ 3.16	\$ 2.39	\$ 2.95
08	\$ 2.41	\$ 3.00	\$ 2.30	\$ 2.81
09	\$ 2.42	\$ 2.98	\$ 2.33	\$ 2.81

QUOTATIONS	BROKENS	FANNINGS
Best	456 – 583	550 - 613
Good	451 – 493	538 - 574
Good Medium	456 – 505	508 - 571
Medium	445 – 492	396 - 475
Lower Medium	255 – 415	276 - 388
Plain	240 – 371	207 - 356 (SL RUPEES)

During the week good demand was noticed for 7,597,207 kilos of tea on offer. Brighter DUSTs were USC7 to USC24 lower with mediums were firm to USC30 lower. Lower Mediums were firm to USC2 lower. Prices of Brighter BP1's were USC12 to USC22 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 easy tone and Dusts noticed weak tone during the week. Other Fannings and BMF's noticed weak tone. There was good demand from Pakistan packers, U.K. and Middle –East countries. Buying interest was noticed from Egyptian Packers, Kazakhstan, CIS countries, Russia and Sudan. 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: 43

(In Taka/kg)

QUOTATIONS	BROKENS		FANNINGS
Large/Bold	80-90	Best	205-220
Medium	90-120	Good	180-200
Small	100-125	Medium	110-120
Plain	70-85	Plain	75-90

Tea prices at Bangladesh tea auction noticed weak tone amid poor quality tea on offer. The average price of tea during this week's auction was around USD 1.60/kg. Around 1.90 million kg of tea was offered for sale and nearly 30.70 percent remained unsold.

There was good demand from blenders and loose buyers. 30,648 packages of CTC Leaf noticed good demand. 5,402 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 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)

<u>Country</u>	<u>MONTH</u>	<u>2016- 2017*</u>	<u>2015- 2016*</u>	<u>CUMULATIVE</u>	<u>2016- 2017*</u>	<u>2015- 2016*</u>	<u>CUMULATIVE + INC./-DEC.</u>
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	03-03-2017	24-02-2017
USD	66.70	66.59
Srilankan Rupee	0.4410	0.4387
Indonesian Rupiah	0.0050	0.0050
Kenyan Shilling	0.6504	0.6440
Bangladeshi Taka	0.8333	0.8361

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Prices increased amid good demand for quality leaf. In North India, new crop arrival is expected in the coming weeks. Buying interest from loose tea buyers and blenders lend some support to the market. In South India, good demand was noticed for Orthodox Leaf variety from exporters. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices notice range –bound to weak tone during the week. Quantity offered on sale declined during the week compared to previous week. In Bangladesh, there was not much demand for poor quality tea on offer. The future offering of tea is likely to decline at Sri Lankan tea auction in the coming week. Prices are likely to notice weak tone in the coming days.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>
© 2015 Indian Agribusiness Systems Pvt Ltd.