News Highlights.

- Tea output in the Nilgiris, the largest tea growing district in South India, declined by 29.21 per cent in February compared during the same period previous year amid dry weather. Production of green leaf during the period declined to 0.82 million kg compared to 1.17 million kg in February 2016.

- After long dry spell in winter, widespread rainfall has brought delight to the tea planters in Sub Himalayan West Bengal including Darjeeling. Fresh rainfall during first flush of tea which comes in the market in March boosts quality and quantity. First flush of tea after three months long no plucking and bush maintenance period from December to February comes in March in high volume and highest quality. As it fetches higher price, it is considered important in the industry.

- According to the data released by the Tea Board Of India, Indian output of tea increased by 6% to 19 million kg in January 2017 compared to the same corresponding period previous year. Production increased amid increase in plucking in the eastern state of West Bengal. Production of tea increased by 91 per cent to 4.47 million kg in January compared to the same period previous year.

- In January 2017, Indian tea exports declined by 6.62 per cent to 19.02 million kg compared to same corresponding period previous year according to the data released by the Tea Board of India. In terms of value, exports declined by 4.14 per cent to Rs.370.86 crore in January compared to Rs. 386.89 crore during the correspondingsame period previous year.

- 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. Average price in 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.

- 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 toas per 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.

- There is shortage of black tea in the global market despite slight increase in production in India. According to the official data received from different countries, global black tea production till date this year has declined by 18.40 per cent to 85.55 mkg compared to the same period previous year. This is due to lower output in two major producing countries of Kenya and Sri Lanka. In Kenya, production declined by 17.32 mkg to reach 32.99 mkg and in Sri Lanka, production declined by 3.83 mkg to produce 21.25 mkg.

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: 11 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	136.82	719914.40	588799.50
CTC Leaf	100.38	60311.00	49349.00
Orthodox Dust	96.44	9889.00	9889.00
Orthodox Leaf	146.60	139696.00	110822.00

(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 some demand from the blenders and loose tea buyers. Prices are likely to witness easy tone in the coming days.

Coimbatore Tea Auction: Sale No: 11 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	117.22	164257.00	120448.00
CTC Leaf	104.07	85049.00	38978.00
Orthodox Dust	99.19	5911.00	5738.00
Orthodox Leaf	114.83	4655.00	4655.00

(Source: Paramount Marketing, Coimbatore)

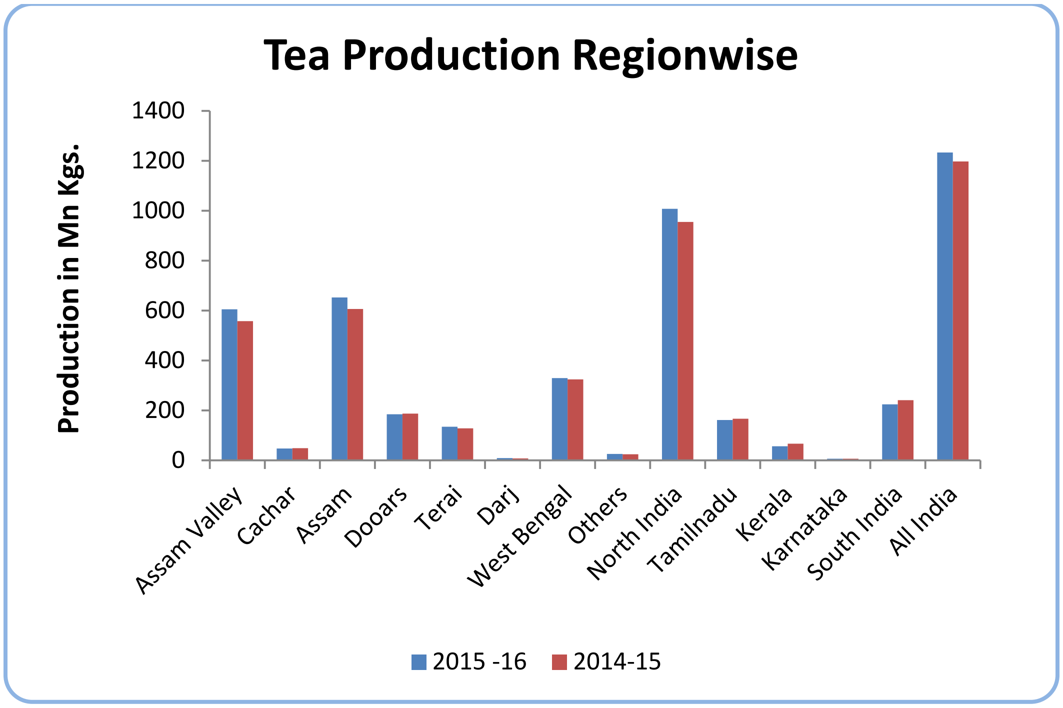
Prices witnessed easy tone during the week. Quantity offered on sale increased during the week compared to previous. There is not much demand in the market around current levels. Prices are likely to notice weak tone in the coming week.

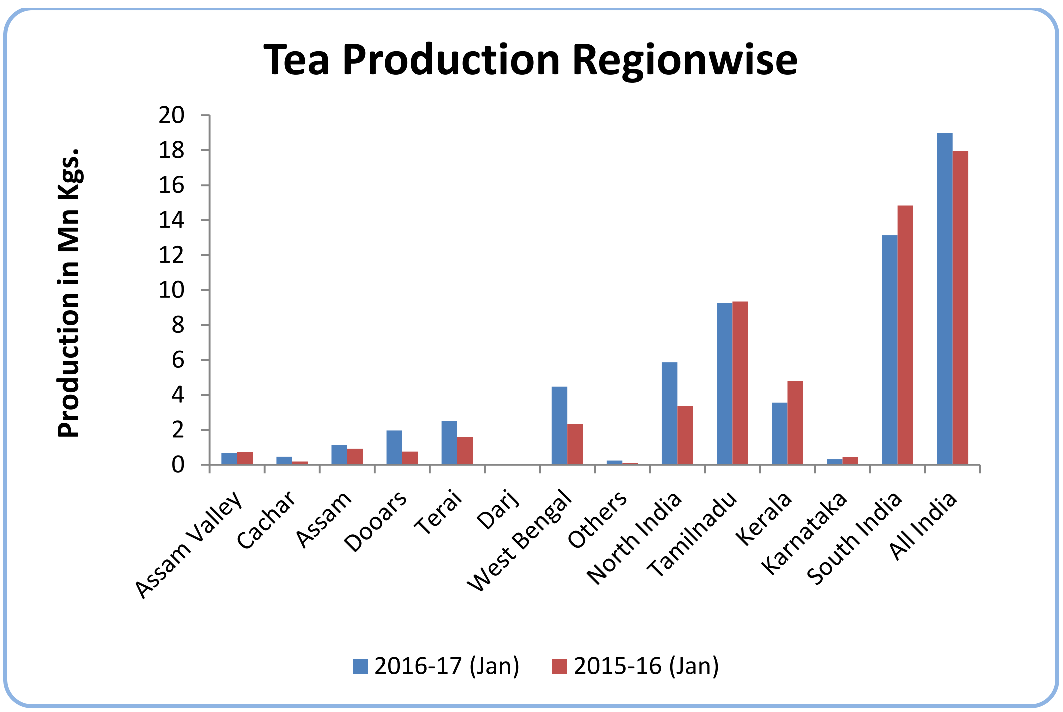
Coonoor Tea Auction: Sale No: 11 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	113.06	279691.00	222500.00
CTC Leaf	104.27	549726.00	467321.00
Orthodox Dust	115.79	32615.00	28472.00
Orthodox Leaf	132.98	50980.00	43298.40

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Buying interest was noticed from Kerala State Civil Supplies. Prices are likely to witness easy tone in the near –term.





(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 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 ofbecause of lower in production in Assam. In the current year, January 2017, production of tea in India increased by 6% to 19 million kg in comparison to the same corresponding period last year owing to good plucking in the eastern state of West Bengal.

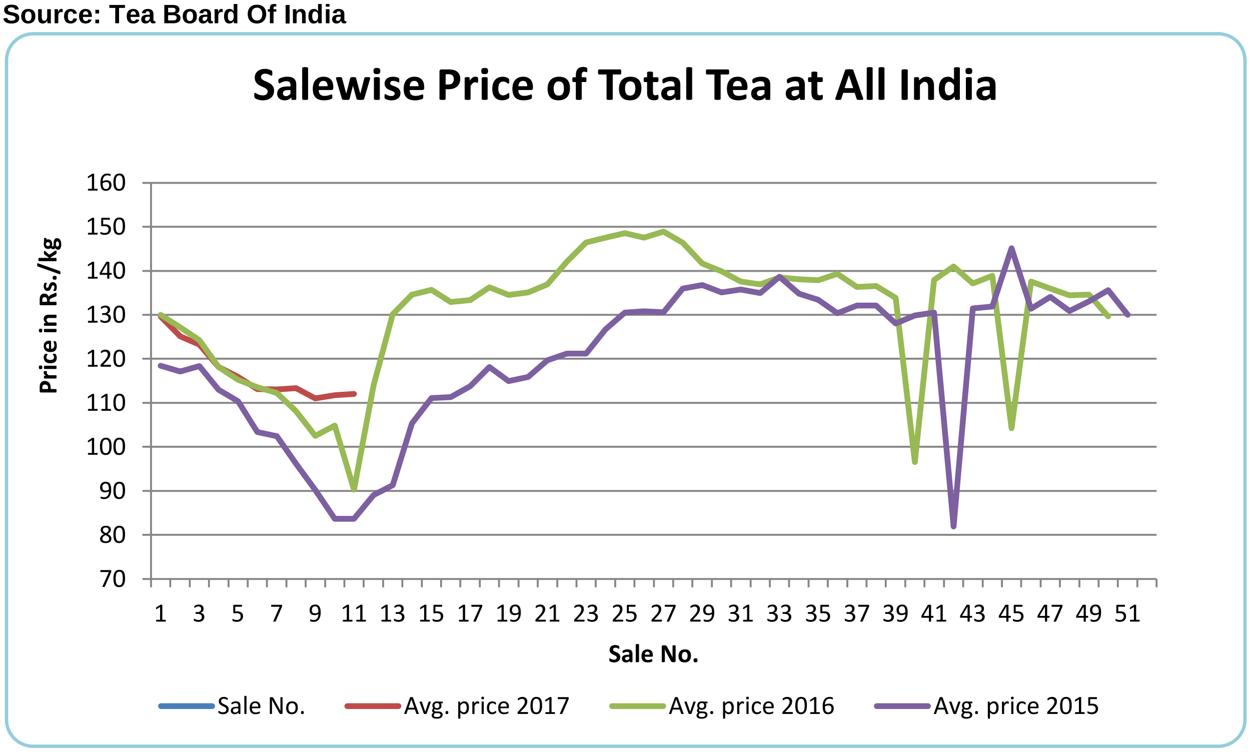
REGIONWISE QUARTERLY EXPORTS:

(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 for quality leaf in the domestic and export market.

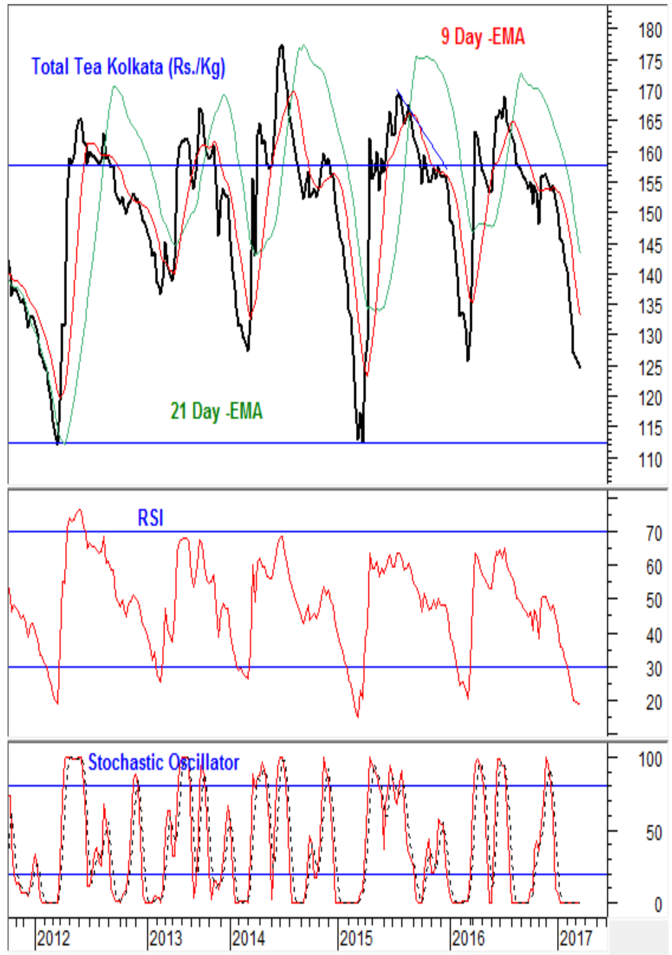
Weekly Average Prices at Indian Auction Centers for week ending 2017-03-18

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	106.99(111.62)	109.54(NS)	NS(NS)	NS(NS)	133.43(111.15)	107.45(91.66)	113.49(95.91)	94.04(80.96)
Total Tea	107.55(118.28)	109.65(NS)	NS(NS)	NS(NS)	134.81(113.13)	108.90(92.08)	113.53(95.91)	94.04(80.96)

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

Variety	North India	South India	All India
CTC All Dust	107.42 (111.62)	117.46 (98.51)	110.77 (101.92)
Total Tea	107.90 (118.28)	118.27 (99.85)	112.01 (104.82)

(Source: Tea Board)

Tea – Technical Outlook	Total Tea -Kolkata
Technical Commentary: Tea prices noticed weak tone during the week and are likely to move 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	107.55	150.00	180.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 12 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	650 - 760	680 - 720
Average Westerns	620 - 640	640 - 670
Plainer Westerns	580 - 610	580 - 630
Western Mediums	570 - 960	570 - 680
Uva Teas	570 - 780	530 - 670
Nuwara Eliya Teas	570 - 700	640 - 660
Udapussellawa Teas	580 - 620	590 - 680
CTC (BP1 and PF1)	450 - 630	500 - 740

In this week's auction, 5.34 million kgs of tea was offered for sale compared to 5.26 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 positive 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 firm 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 good demand from Russia, Syria, Turkey, Iran and Middle-Eastern markets.

.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	14		13		12	
Dates	$04^{th}/05^{th}$ April 2017		$28^{th}/29^{th}$ March2017		$21^{st}/22^{nd}$ March 2017	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	755	864,691 kg	873	891,937 kg	865	855,114 kg
Main Sale Total	8,935	4,675,069 kg	8,796	4,555,685 kg	8,696	4,489,933 kg
High & Medium	1,001	519,705 kg	954	479,010 kg	916	460,571 kg
Low Growns Leafy	3,117	1,409,294 kg	3,228	1,454,304 kg	3,137	1,319,750 kg
Tippy	1,878	1,061,629 kg	1,917	1,081,620 kg	1,949	1,108,029 kg
Premium/Flowery	406	75,868 kg	491	89,470 kg	438	81,334 kg
Off Grades	2,018	1,107,787 kg	1,743	996,050 kg	1,767	963,587 kg
Dust	515	500,786 kg	463	455,231 kg	489	476,662 kg
Grand Total	9,690	5,539,760 kg	9,669	5,447,622 kg	9,561	5,345,047 kg
Reprints	131	73,178 kg	113	70,905 kg	272	142,510 kg
Scheduled to Close (Ex)		16.03.17		09.03.17		02.03.17
Dates (Ms)		17.03.17		10.03.17		03.03.17

Scheduled Closing Dates

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

Ex Estate : 09.03.2017

Main Sale : 10.03.2017

Auction No. 14 : 04th/05th April 2017

Ex Estate : 16.03.2017

Main Sale : 17.03.2017

Auction No. 15 : 18th/19th April 2017

Ex Estate : 23.03.2017

Main Sale : 24.03.2017

Auction No. 16 : 25th/26th April 2017

Ex Estate : 30.03.2017

Main Sale : 31.03.2017

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 12

AUCTION AVERAGE PRICE

AUCTION	KENYA 2016	KENYA 2017	TOTAL 2016	TOTAL 2017
10	$ 2.37	$ 2.89	$ 2.27	$ 2.67
11	$ 2.33	$ 2.93	$ 2.23	$ 2.74
12	$ 2.26	$ 2.97	$ 2.17	$ 2.76

QUOTATIONS	BROKENS	FANNINGS
Best	425 - 575	551 - 635
Good	428 – 461	547 - 586
Good Medium	404 – 491	515 - 587
Medium	401 – 437	404 - 521
Lower Medium	262 – 389	254 - 401
Plain	251 – 383	209 - 343(SL RUPEES)

During the week good demand was noticed for 7,069,340 kilos of tea on offer. Brighter DUSTs were firm up to USC14 lower with mediums were USC2 to USC28 higher. Lower Mediums were firm to USC4 lower. Prices of Brighter BP1's were USC2 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 steady tone and PF's noticed firm 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 firm tone. There was good demand from Pakistan packers, Yemen, U.K., Russia, Bazaar, Iran and Middle –Eastern countries. There was some demand from Egyptian packers, Kazakhstan, other CIS nations and Afghanistan. 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: 46
(In Taka/kg)

QUOTATIONS	BROKENS		FANNINGS
Large/Bold	80-100	Best	NQTA
Medium	95-125	Good	140-160
Small	100-130	Medium	110-120
Plain	85-95	Plain	100-105

Tea prices at Bangladesh tea auction witnessed positive tone during the week amid good demand for quality leaf in the market. The average price of tea during this week's auction was around USD 1.60/kg. Around 702,367 kg of tea was offered for sale and nearly 2 percent remained unsold.

There was good demand from blenders and loose tea buyers. 10,831 and 1941 packages of CTC Leaf of New season noticed good demand. 2,527 and 128 packages of CTC Dust of New season noticed good demand. In CTC Dust, good liquoring varieties noticed firm tone and medium levels witnessed positive tone. Good liquoring Broken varieties noticed good demand 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	24-03-2017	17-03-2017
USD	65.38	65.46
Srilankan Rupee	0.4308	0.4297
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6354	0.6346
Bangladeshi Taka	0.8154	0.8164

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There is not much demand in the market around current levels. In North India, new crop arrival has started in small quantities. Buying interest from internal buyers lend some support to the market. In South India, there was some demand from the exporters for Orthodox Leaf variety. Prices are likely to notice range –bound to weak tone in the near –term.

In the global market, prices noticed mostly firm tone during the week. Quantity offered on sale increased during the week compared to previous week. In India, arrival of first flush of tea of the new season has started. Demand for good quality leaf lent support to the market. The future offering of tea is expected to increase at Sri Lankan tea auction in the coming week. Prices are likely to notice positive tone in the near –term.