



Week 16, 2017

Tea market report 17-21 April 2017

With another 130k the auction figure in Kenya is more stagnating than expected. Six weeks ago, rains have already been reported, except for some EoR parts. Question is if the rains have compensated enough for the long draught to give us quantities as experienced last year? At the moment, the rains are still improving and crop intake is doing accordingly, only some selected EoR areas are still struggling. The auction of last week has generally been a firm to dearer one and a lower percentage of tea remained unsold. Most large Kenyan tea buyers were active, only Kazak and Egyptian buyers were quieter. In the auction room in Blantyre there was no activity due to Easter, resulting in a higher auction figure next week. The pruning has continued and the season will come to an end anytime soon, especially the nights are starting to get cold.

In general, the market in Colombo has been firm to dearer for another week, only BOP1s and bolder Pekoes have traded easier. Healthy demand after a week without an auction, with most of the traditional buyers active. The rains have seized again for most the planting districts, as per the forecast of the metrological department. However, given the good rains of the last week there are larger auction quantities ahead in Colombo. Jakarta experienced a lively auto too, with rates going both ways. For orthodox the trend was caused by quality and RA status. For CTC the trend was easier, but some HG PF1s were well absorbed. In North India the first sale with new season tea met excellent demand, mainly Doars were on offer. Also, the few Assams on offer met good demand. Light showers have been reported over the planting districts, but. In South India there has been a slight increase in crop, due to some welcome yet scattered showers. This can be seen in the general steady to easier trend, especially for the CTCs on offer in the auction rooms. In Vietnam, all the factories are ready for the start of the season, but the weather is not very cooperative. Cold nights and humid days cause the leaf not to grow very quickly and the start of the season is expected to be early May.

In Misiones, there will probably be one more round of plucking before winter arrives. The season started with a 50% deficit, but due to favorable growing conditions most of the producers are expected to end up just below last year's figures.

"You can cut all the flowers, but you cannot keep spring from coming." – Pablo Neruda

Crop figures (in m.kgs)

	Mar 17	Mar 16	Jan-Mar 17	Jan-Mar 16
Malawi	7.1	7.7	19.4	19.1

	Feb 17	Feb 16	Jan-Feb 17	Jan-Feb 16
India	13.5	17.1	32.5	35
Kenya	22.6	44	55.6	94.3
Sri Lanka	18.5	23	40	48.2

Forthcoming auction quantities (pkgs)

	Week 17	Week 18	Week 19
Mombasa	133,590	132,188	131,831
Blantyre	7,100	6,160	N/A
Colombo	6.2 m. kg	6.49 m. kg	N/A
Jakarta	10,600	N/A	N/A
Kolkata	49,567	68,335	N/A
Guwahati	55,833	78,583	N/A

KENYA

Auction – Improved general demand with 11% remaining unsold. BP1 generally trading firm to dearer, better types trading 6-18cts dearer. PF1s all-round firm to up to 22cts dearer, only medium types eased. PDs generally trading 5-22cts dearer, except for medium and plainer types trading steady to 5-8cts easier. D1s generally firm to up to 8cts dearer. Only plainer types eased.

Demand – Sudan, Afghanistan, Yemen and Pakistan Bazaar active. Iran and Pakistan supportive. Kazakhstan quieter, Egypt slow.

Weather EoR – Improved rains though select areas are still struggling, warmer temperatures, overall crop is improving.

WoR – Good and consistent rain particularly in recent days, day temperatures warmer, crop continues to improve but at a slower rate. Uganda received a small improvement in rains and the crop is increasing. Rwanda & Burundi received some showers with maintaining crop.



MALAWI

Auction – No auction.

Weather – Cold weather in Malawi, with drizzles in the planting districts. Most of the rain is currently falling in Tanzania.

SRI LANKA

Auction – Less general demand for the 6.0 m.kgs on offer, leaving 3.3% unsold. HG – Western BOP all-round firm. BOPF trading 10cts up. N. Eliya BOP & BOPF trading 10-15cts easier. Uva/Uda BOP trading firm. BOPF eased 5-10cts. LG – OP below best, OPA best and below best trading 10cts dearer. BOP1 select best and best, OPA bottom, PEKOE1 select best, PEKOE select best & best, FBOP/FBOP1 best & bottom, FF bottom trading 5-25cts easier. All other trading firm. Tippiess/Specials best and bottom firm, others eased 10-15cts. Off Grades – All-round trading 10-20cts easier, except for Liq. Fngs below best and LG best trading firm. Dust – All-round 10-20cts dearer.

Demand – Turkey very active after a week without an auction, Syria active as well. Iran was on the buying seat and also Dubai improved demand. Libya more slow and so was Pakistan. Russia active and so was North America.

Weather – Western Region had a bright week with dry weather, some sub districts received moderate rainfall. The same applied for the Low Grown areas. N. Eliya and dry weather conditions and cold nights. Uda/Uva region was dry this week as well.

INDONESIA

Auction – There was a good demand for 11,740 packages with 3% remained unsold. Prices of Java/Sumatra Orthodox moved in different directions depending on the quality and RA status. CTC was steady to easier except for High Grown PF1 which was absorbed at firm to dearer levels.

Weather – Java: Bright and sunny mornings with afternoon thunderstorms and occasional showers in most of the planting districts. Sumatra: Cloudy and moderate rains all over Sumatra, weather is very humid.

BANGLADESH

Auction – No auction this week.

INDIA

Kolkata

Auction – CTC – Market opened to good demand with Doaars appreciating further. Orthodox market met strong demand. Better whole leaf grades sold well against firm rates, bolder leaves have been trading much higher.

Demand – HUL selective, TBGL operating together with Western India. CIS was very active, some activity from Russia.

Guwahati

Auction – Fair demand with the few best sorts being traded at last levels. In general levels are higher compared to last season.

Demand – Internal active, HUL selective, TBGL quiet.

Siliguri

Auction – No report received.

Coonoor

Auction – CTC Leaf met fair demand at 2-4cts easier rates. Dust following

Coimbatore

Auction – Orthodox leaf trading at firm rates, occasionally steady. CTC Leaf met fair demand at barely steady levels, CTC Dust following.

Cochin

Auction – Orthodox leaf met fair demand. Especially well made HG teas traded irregular, others eased 6-8cts. Mediums eased 6-8cts and fannings trading firm. CTC Leaf met fair demand at 2-4cts easier rates, CTC Dust met fair demand at 6-10cts easier rates.

All price movements quoted in US\$ per kilo.