



Week 18, 2017

Tea market report 1-5 May 2017

Mombasa market opened with less activity, but later saw increased movement in this week's auction. Trading generally took place at steady to easier rates but some lines firmed towards the close. Increased rains across Kenya are materializing, with crop intake predicted to continue rising. Kenya crop figures are in for March, and at 34.5 m.kgs, are down 10.8 m.kgs from 2016. Annual crop to date is down 49.5 m.kgs from 2016. Although crop levels are down relative to 2016, a bumper year, the crop levels for March are well aligned with 2014 (33.3 m.kgs), a well performing crop intake year. Drought conditions have had a clear impact on January and February 2017 crop intake. Ugandan crop levels continue to increase with a reduction of wet weather and generally cooler temperatures. Malawi auction offerings are stable, although pruning is continuing. The crop intake is on its seasonal decline, though the weather is still favorable for growing tea. Also for growers of other crops these rains have been welcome, after last year's draught.

Colombo met a firm to dearer market for most teas, with the exception of best and below best High Grown. Despite the continual rise in prices, particularly for the Low Grown, demand remains, despite some cracks in previous weeks. A major increase in crop has yet to be realized, in order to catch up with the shortage from the last months. The Jakarta auction saw a substantial increase of the teas on offer. Quality continues to improve primarily for Javas. This week's auction was generally steady to easier. Healthy crop outturns are being maintained in North India, with the market meeting fair to good demand, at generally easier rates. Improved quality pre-second flush teas will begin to be manufactured next week. South India is experiencing great growing conditions, with useful rains, warm days and cool nights. Markets met fair to good demand, at mostly easier prices. Warmer weather is arriving in Vietnam with increased sunshine, indicating that the main season is nearing, in the meanwhile prices remain high.

As many celebrated the fruits of "Labor" this week Mr. Lennon shares his thoughts:

"Life is what happens to you while you're busy making other plans." John Lennon

Crop figures (in m.kgs)

	Mar 17	Mar 16	Jan-Mar 17	Jan-Mar 16
Malawi	7.1	7.7	19.4	19.1
Colombo	26.4	22.21	66.56	70.42
Kenya	34.5	45.3	90.1	139.6

Forthcoming auction quantities (pkgs)

	Week 19	Week 20	Week 21
Mombasa	131,831	134,729	131,634
Blantyre	5,520	5,560	N/A
Colombo	4.85 m. kg	8.35 m. kg	N/A
Jakarta	14,700	13,880	N/A
Kolkata	94,376	89,570	N/A
Guwahati	95,146	108,430	N/A

KENYA

Auction – Good general demand, initially 13,240 packages were taken out in the main grades. BP1 best trading firm to dearer and below best up to 5cts easier with selected lines firm. Medium trading irregularly firm and, with plainer types remaining unchanged. PF1 best types traded irregularly steady, while below best, and mediums traded steady to 8-12cts easier. PD best and below best traded firm to 5-10cts dearer and medium PD traded steady to 8cts easier. D1 traded irregularly steady to easier, up to 8cts for medium types.

Demand – Strong activity from Yemen with Afghanistan, Iran and UK more active. Interest from Russia and Bazaar was maintained but Sudan and Kazak were slower.

Weather EoR– most areas report increased rains with cold temperatures especially at night. Crop has picked in areas near Mt. Kenya but are still low in areas close to Nairobi, but expected to increase soon. Meteorologists warn of suppressed rainfall. WoR – rains increased, day temperatures warmer, crop continues to improve but at a slower rate. Uganda – small improvement in rains, crop increasing. Rwanda/Burundi – some showers, crop maintained.



MALAWI

Auction – Despite a large buyer not being active improved demand at steady to dearer rates except some seedling PF1s descriptions and offgrade dusts that tended easier. BP1s had a selective demand at steady rates. PF1 Sc met good demand at reasonable levels. PF1 Seedling, good demand at 3usc where sold, unsold teas were taken out under bid. PFs taken out under bid. PDs, very small selection on offer traded at 5usc dearer. D1s met strong demand at 3-14cts dearer. Offgrade fngs, good demand at last week's levels and offgrade dust nominally 5cts easier.

Weather – It is cold during the night and early morning with fog in some areas but warming up during the day. Some intermittent light rainfall. Crop intakes seasonally declining.

SRI LANKA

Auction – Fair demand for the 6.5 m.kgs on offer. HG - Western BOP all round traded 10-15cts easier. Western BOPF better types, others, N.Eliya BOP, Uva/Udapussellewa BOP/BOPF all traded 10-15cts lower. BOPF traded firm. LG – BOP1, OP, PEKOE, FBOP/FBOP1, FF1, FF and BOP/BOPF all trading firm to up to 10cts dearer. OP1 bottom, OPA and PEKOE select best, best and below best all trading firm to 15-20cts dearer. OP1 select best and best, and PEKOE1 trading 25-50cts dearer. Tippiess – Firm to up to 15cts dearer. Off Grades – all round steady to up to 30cts easier, except for best LG and BM best trading 10cts up. All BOP1A trading firm to 5-15cts dearer. Dust – all round steady to 5-15cts easier.

Demand – Fair demand, significantly concentrated for LG teas. Turkey, Syria, Saudi Arabia, Iraq, and North America being the most active players.

Weather – Bright and dry weather conditions in most part of the western regions and scattered evening showers. N. Eliya region had bright and humid mornings with cold nights. Uda/Uva experienced dry weather conditions, with few estates in the Haputhale district experiencing scattered evening showers. LG reported bright weather during beginning of the week with showers during the latter part of the week, while Sabaragamuwa has experienced bright weather conditions.

INDONESIA

Auction – There was fair demand for 14,020 packages, 11% remained unsold. Generally Orthodox and CTC were selling at steady to easier levels except for selected Java Orthodox BOPF/PF/Dust/D2 and CTC PF1/D1.

Weather – Java: bright, warm and sunny during morning hours, then cloudy, thunderstorms, strong wind and heavy showers later was reported in Jakarta and Bandung city. Central eastern regions reported partly bright sunny in the morning with occasional rain during the weekend. Sumatra: partly cloudy with moderate rain during the weekday.

BANGLADESH

Auction – Less demand at easier rates. Blenders and local tea traders were selectively active.

INDIA

Kolkata

Auction – CTC – fair demand. Good and medium Assams as well as Dooars selling at easier rates. Plainer sorts steady with a few lines maintaining last levels. Orthodox – good demand. Whole lead irregularly easier except GFBOP and FOP which are selling at dearer levels. Improved demand for larger brokens which were up to 10cts dearer. Smaller brokens steady and secondary's selling well at last levels.

Demand – CTC - Western India, selective, HUL lending some support. Internals, active particularly on non-Assam's. Exporters, inquiry on bolder brokens. Orthodox – Middle East active, CIS operating, and internal selective.

Weather – Sporadic showers continue over the north eastern planting district and crop outturn was maintained.

Guwahati

Auction – CTC market met fair demand. Better mediums and medium Assams selling at irregular levels around last. Next sale has 26,151 packages on offer.

Demand – Internal sections operating, HUL active, Tata and Exporters quiet.

Siliguri

Auction – No report received.

Coonoor

Auction – CTC leaf: good but selective demand this week. The best and good liquoring variety of tea were irregular and generally lower by 4-6cts and at times eased further. Medium and plainer teas followed a similar trend. CTC dust: demand was selective, the best liquoring varieties were firm to dearer following quality. Remainder were easier 4-6cts and at times eased further. The plainer teas saw fair withdrawals.

Coimbatore

Auction – Orthodox leaf trading steady. CTC leaf met fair demand, with market easing up to 8cts. A similar trend was followed by CTC dust.

Cochin

Auction – Orthodox leaf met good demand. Select best Nilgiris sold easier, in line with quality. Mediums followed a similar trend, secondaries were neglected. CTC leaf met fair demand and varieties eased. Dust met good demand.