



Week 19, 2017

Tea market report 8-12 May 2017

A firm to dearer market in this week's auction in Kenya. Mombasa closed higher due to various reasons. A lower closing for sale 21, pre Ramadan stocking and attractive levels of last week caught the attention of several buyers. Especially KTDA WoR BP1s traded up, sometimes up to 30cts. Export figures of March have been published, showing us a 30% increase of Pakistan imports. On the other hand Egypt and the UK were down with respectively 30 and 42 percent. The year to date export of the entire Kenyan market have dropped with 7%, which could not be a surprise given the lower auction quantities compared to last year. Crop continues to increase due to favorable weather conditions, only some EoR areas are still not receiving the rains they hoped for. Also in Malawi the auction quantities are well below last year, but here the reason we have heard is too much rain. Last week there was less rain reported and temperatures decreasing too. Factories will close soon for their annual maintenance now a lot of the pruning has been done, where it helps that the Kwacha stabilized.

A two-tier market in Colombo. The High Grown took a nose dive, which is mainly caused by the decline in quality. The Low Grown showed another increase, compared to last week. Excellent demand was reported for most of the grades. The coming auctions are above 8.3 million kilograms, which will create renewed interest of buyers who have not been able to afford current price levels. The auction in Jakarta met less interest and 8% was left unsold. There was increased demand for selected grades and gardens, but very irregular. Good crop and weather conditions remain for the time being. Bright, warm and sunny mornings were reported at Java with heavy rains in the afternoon, where Sumatra experienced moderate rains. In Vietnam the temperature has increased and the main season has properly started, keeping the factories increasingly busy. Prices for fresh leaf have gone up compared to last year with approximately 15-20%, creating a firm to dearer market for the quantities on offer. From both North and South India reports about good cropping conditions have been received, which is very welcome after the March figures were released. These figures showing us lower quantities, especially in the Assam region. The Argentinean season has ended, overall crop will be slightly below last year. The cooler April month, combined with heavy rainfall, hindered the harvesting in the last production month.

"The way I see it, if you want the rainbow, you gotta put up with the rain." – Dolly Parton

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
India	56.1	70.7	88.6	105.8
Kenya	34.5	45.3	90.1	139.6

Forthcoming auction quantities (pkgs)

	Week 20	Week 21	Week 22
Mombasa	134,729	131,634	131,700
Blantyre	5,560	5,540	N/A
Colombo	8.35 m. kg	8.48 m. kg	N/A
Jakarta	13,880	N/A	N/A
Kolkata	89,570	110,661	N/A
Guwahati	108,430	N/A	N/A

KENYA

Auction – Good general demand for the 133k packages on offer with only 11% taken out. BP1s trading firm to 5-28cts dearer. PF1s traded firm to 5-12cts dearer. PDs trading firm to 10cts dearer with good medium types steady to 1-2cts easier. D1s trading firm to 8cts dearer.

Demand – Yemen and Egypt showed strong activity while Afghanistan, Kazak, Sudan, Russia and Iran were more active. Pakistan Packers, Bazaar and Somalia showed maintained interest but UK was slower

Weather EoR– Daily heavy rains have been reported, day temperatures have slightly gone down. WoR – Generally cloudy weather with very wet afternoons. Crop intake remains high. Uganda – wet and warm weather prevailed, plucking in full swing. Rwanda/Burundi – some showers, crop maintained.

MALAWI

Auction – The 5680 packages on offer met less demand with initially 66% taken out. BP1s traded sideways. PF1sc neglected, PF1 seedling traded steady to slightly dearer. PF1s trading firm to 3cts dearer. PDs eased up to 6cts. D1s eased up to 5cts. Offgrade fngs traded sideways while offgrade dust firmed up to 13cts.

Weather – Partly cloudy with less rain showers recorded, cold at night, foggy in the mornings with patches of sunshine during the day. Crop intakes continued declining with more factories closing for annual maintenance.



SRI LANKA

Auction – Fair demand for the 4.9 m.kgs on offer. HG – All HG teas traded 10-30cts easier. LG – All LG teas traded firm to 5-20cts dearer. Off Grades – All round steady to 30cts easier with Liq Fgs easing 50-80cts and BOP1A bottom trading firm. Dust – HG /Liq primary trading 15-20cts easier others trading firm.

Demand – Syria, Turkey & Iraq were active while Dubai & Iran traders were showing improved demand. Libya continued its dominance and Turkey was active. Less demand was coming from Hong Kong & North America.

Weather – Bright and dry weather conditions in most part of the western regions and scattered evening showers. N. Eliya region had bright and warm mornings with moderate evening showers. Uda/Uva experienced dry weather conditions, with few estates in the Badulla and Madulsima regions 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 less demand for 14,020 packages with 11% remain unsold. Generally Orthodox and CTC were selling at steady to easier levels except for selected Java Orthodox PF/Dust/D2 and CTC PF1/D1.

Weather – Java: Bright, warm and sunny during morning hours then cloudy with thunderstorm and strong wind in the late afternoon/night followed by heavy showers was report in Jakarta and Bandung city. Central/East part reported partly bright sunny in the morning with occasional rain during the weekend. Sumatra: cloudy with moderate rain during the weekday was report in North/Central/South.

BANGLADESH

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

INDIA

Kolkata

Auction – CTC – fair demand, especially for better Assams. Good/medium teas trading steady. Orthodox – Experienced excellent demand with large leaf teas trading firm to dearer. While larger broken teas traded sideways and smaller broken teas trading firm. Darjeeling met good demand, well-made teas traded firm to dearer while medium types traded up to 20cts easier.

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

Weather – Favourable weather conditions for a second flush prevail with less rain and warm & sunny days.

Guwahati

Auction – CTC market met good demand. Most teas trading steady to easier.

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

Siliguri

Auction – Market met good demand with most teas trading irregular tending easier. Better teas and mediums trading sideways with less liquoring teas trading easier.

Coonoor

Auction – CTC leaf : Good demand. The best, good liquoring and cleaner medium varieties sold around their last sold levels and were occasionally dearer with quality. The remainder was tending lower by usc 6-usc8. Orthodox leaf: Good demand. Well made teas sold well while the remainder was lower with quality. CTC dust: Good demand. The best and good liquoring varieties were generally easier by usc8-usc 10. A few blacker dusts sold around their last sold levels. The plainer teas were generally lower by usc4-usc 6. Orthodox dust: Primary BOPD's were lower while the secondaries were irregular around last with a few easing in value.

Coimbatore

Auction – Orthodox leaf - Limited quantity on offer, and was steady. CTC leaf - Fair demand. Market was easier by 4 to 8c. A similar trend was followed by CTC dust.

Cochin

Auction – Orthodox leaf - Fair demand. Select best Nilgiris sold in line with quality at lower levels. Mediums followed a similar trend. CTC leaf - fair demand. All varieties traded irregular and lower by usc2-usc4. Dust - Good demand. Best category and popular marks sold at firm to dearer rates by upto usc10 with progress of sale. Medium and plainers irregularly lower with browner sorts being neglected.

All price movements quoted in US\$ per kilo.