



Week 21, 2017

Tea market report 22-26 May 2017

A short report this week, due to public holidays in the Western world. The Mombasa auction trading easier after the convention was over and the release of the new figure was closer to the 140k packages. Only the best types were able to maintain their prices, with the BP1s trading up to 10cts dearer. The export figures for March were published, but no real surprises came up. Pakistan was the largest buyer, followed by Egypt and the UK. The total percentage exported to the top 10 buyers was 87%. A lively auction in Malawi, where only the BP1s were neglected. The prices were comparable to last week's, with especially the better D1s trading firm to dearer. The season is almost over and the sweaters are worn again during the nights.

The market in Colombo is still going on at the moment of writing. The general trend for the smaller leaf tea is they are trading around last week's levels. The leafy types is a more mixed affair. The general trend is firm, with some select best trading up to 30cts easier. The lower Pekoes are trading up. In Assam the conditions for the second flush are excellent. May started slow, but is picking up. This is also the case for the quality. A new GST (Goods and Services Tax) will be implemented in India from July 1st onwards, renewing the system that was in place since the 1990s. The new plan makes trade much easier within the different states, as the tax ensures free movement of goods across the country. HSBC has estimated the tax could add a 0.8 percent points to the economic output, according to the Financial Times. The auction in Jakarta met less demand, resulting in 8% outlots. Both Java and Sumatra orthodox tea traded steady to easier, where CTC in general traded up. Only BP1 and D1 types eased.

"You can either grow old gracefully or begrudgingly. I chose both." – Roger Moore

Crop figures (in m.kgs)

	Apr 17	Apr 16	Jan-Apr 17	Jan-Apr 16
Malawi	5.7	5.9	25.1	25.0

	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 22	Week 23	Week 24
Mombasa	131,700	137,700	N/A
Blantyre	4,880	N/A	N/A
Colombo	7.50 m. kg	N/A	N/A
Jakarta	14,880	N/A	N/A
Kolkata	111,467	81,576	N/A
Guwahati	72,426	71,410	N/A

KENYA

Auction – Market met good demand. Good medium to best type BP1s and PF1s were firm to 12cts up, while medium and plainer types were firm. PDs and D1s met varied prices depending on quality, dearer up to 8cts for below best D1s, and up to 8cts easier for below best PDs.

Demand – NA

Weather – NA

MALAWI

Auction – The market met good demand at firm to dearer rates. PF1s, PFs, D1s, and offgrade fannings met good demand with dearer rates. PDs, and offgrade dust remained firm, and BP1s were neglected.

SRI LANKA

Auction – No report received.

INDONESIA

Auction – Generally less demand this week in the market other than Java CTC, which met good demand, 8% remaining unsold in total. Orthodox met steady to easier levels, whereas CTC sold firm to dearer, except for BP1s and D1s.

Weather – Java: bright and sunny during morning hours and very humid during the day (94%) in West Java, with partly cloudy and dry conditions in the afternoon/night. Central/East Java reported partly bright and sunny in the morning with occasional rain. Sumatra: partly cloudy with moderate rain.



BANGLADESH

Auction – Market met strong demand with dearer rates, up from previous week across all grades. Demand increasing with quality.

INDIA

Kolkata

Auction – CTC market met fair demand at irregular to steady prices. Orthodox teas met strong demand, with all types selling at irregular prices. Darjeeling teas met good demand, with flavouring types selling at \$10-18, and broken and fanning grades selling between \$6-8.

Demand – CTC teas saw the most interest from HUL, Western Indian and Tata, whose demand for mediums increased. Orthodox teas taken out primarily by Middle East and CIS, and Darjeeling by German and Bazaar buyers.

Weather – Exceptional weather conditions continue, crop outturn and quality improving with the second flush progressing.

Guwahati

Auction – General fair demand, market prices followed quality, with high quality selling best.

Demand – Strongest demand from Western India buyers and HUL, with less demand from Tata and other internal packers.

Siliguri

Auction – No report received.

Coonoor

Auction – No report received.

Coimbatore

Auction – No report received.

Cochin

Auction – No report received.

All price movements quoted in USD per kilo.