



Week 24, 2017

Tea market report 12 – 16 June 2017

The Mombasa auction experienced a correction this week, with reduced activity and most teas easing except BP1s. The correction comes after the previous auction experienced notable gains and resulted in the third largest quantity of out-lots on the year. EoR BP1s again were an outlier amongst the general Mombasa market trends, this week they gain, while the other grades eased, driven by reduced buying activities across the board, notably from Egypt and UK. Light but continued rainfall supports the crop whilst we almost enter into typical dry months. In Malawi, good demand was shown across all grades except for BP1s. Auction quantities will drop in the coming weeks, notably in sale 26. Some producers have removed auction quantities from the auction, hence the large drop in auction figures in Blantyre.

In Colombo, the market has continued to gain across most grades, except for off grades and BOP1s. The recent floods and excessive rains are expected to result in a short-term supply decrease, but current favorable conditions indicate healthy crop supply in the medium term. Also, demand is there. The stabilized Lira helps the Turkish buying power and other typical Ceylon buyers are more and more active as well. The Indonesian market saw reduced demand this week on 16,820 packages, of which 17% remained unsold, a typical trend seen leading up to Eid Fitr. Orthodox teas met easier rates while CTCs sold at irregular rates. Weather conditions are supporting maintained healthy crop quality. In the North of India teas are being affected by severe precipitation resulting in erratic quality, as well as labor strikes, demand is good and rates are generally dearer, up to 40cts for dusts in the Kolkata market. South Indian markets met fair demand in general, at firm to dearer rates. In Vietnam, tropical summer weather with increased rains has finally been present this week and will support an improved second plucking. Green leaf intake remains below capacity, and with a very active market only limited quantities are available on hand. Yet, we remain hopeful as

"When one door is closed, don't you know, another is open." – Bob Marley

Crop figures (in m.kgs)

	Apr 17	Apr 16	Jan-Apr 17	Jan-Apr 16
Malawi	5.7	5.9	25.1	25.0
Kenya	31.5	37.9	121.6	177.5
India	89.9	68.6	178.9	174.4

Upcoming auction quantities (pkgs)

	Week 25	Week 26	Week 27
Mombasa	130,856	134,420	137,592
Blantyre	3,980	1,820	N/A
Colombo	6.54 m.kg	5.94 m.kg	N/A
Jakarta	15,840	no auction	17,800
Kolkata	107,125	126,232	137,495
Guwahati	103,724	114,140	N/A

KENYA

Auction – Reduced demand for the 132,000 packages on offer, with most markets slower at easier rates. Unsold teas increased to 18,957 packages, the third largest out-lot figure of 2017. BP1s generally traded firm to dearer, up to 5cts. PF1s, PDs, and D1s, all generally traded easier, 8-15cts lower, except for plainer BP1s, best and good medium PDs, and best, below best, and plainer D1s which all traded steady to firm.

Demand – Demand was most persistent from Yemen, Sudan, UK, Egypt, Somalia, Russia, and Kazak, but at lower levels. Pakistan packers, Afghanistan, Bazaar, and Iran were slower.

Weather EoR– reduced rainfall with occasional showers, despite reduced temperatures, crop maintained in areas near Mt Kenya, but reducing in lower altitude areas. WoR: reduced rainfall, warm daytime temperatures, crop continues to improve.

MALAWI

Auction – The market met good demand with ever so slightly dearer rates for all teas except BP1s.

Weather – Weather was warm with some cloud cover during the day, and cold at night. Crop intake is continuing to seasonally decline.



SRI LANKA

Auction – Fair demand for the 7.75 m.kgs on offer. HG – Western BOP & BOPF and Uva/Uda BOP & BOPF all-round 10-20cts dearer. N. Eliya BOP & BOPF traded 10cts easier. LG – OP1, BOP1 best and below best, OP, OPA best, PEKOE1, PEKOE bellow best and bottom, and FF1 bottom all traded firm. BOP1 bottom and OPA below best, FF1 best and below best, FF, and BOP/BOPF all traded 5-15cts dearer, while PEKOE best traded 15 easier. Off Grades – liq. Fngs, below best Low Grown fngs, BP and BOP1A all traded 10-20cts up, up to 30cts for BOP1A bottom. Low Grown fngs best and BM low quality traded 10cts easier. Dusts traded 10-20cts dearer, except poorer Low Grown, which remained firm.

Demand – Turkey and Saudi Arabia very active. Iran, Dubai, and Unilever showed improved demand. Libya, Hong Kong, Japan, North America, and Pakistan overall less active.

Weather – Most regions experienced moderate showers at the beginning of the week followed by bright weather conditions later in the week. Some regions such as Uda-Pussellawa, Uva, and Haputale remained dry, while Hewahetta and Uva experienced heavy winds.

INDONESIA

Auction – There was less demand for 16,820 packages, with an increased 17% remaining unsold. Orthodox teas sold at steady to easier levels with many of the primary grades withdrawn. CTCs sold at irregular levels.

Weather – Java: bright and sunny during morning hours, then cloudy with heavy rainfall during the night. Sumatra: bright and sunny with moderate rain.

BANGLADESH

Auction – Strong demand for the 33,207 packages on offer at dearer rates.

INDIA

Kolkata

Auction – CTC market witnessed fair demand, Assams and good Dooars traded firm to dearer and high quality Dooars firm, remaining lower types traded easier. The orthodox market met good demand, with high quality teas tending dearer, leafy teas traded steady and fannings traded firm to dearer. Darjeelings met good demand at firm rates, except for brokens and fannings which traded notably easier. Strong demand in the dust market, with notably dearer rates for higher quality dusts, up 20-40cts.

Demand – HUL, Western India, and Tata all active, with Western Indian focused on better qualities teas, and Tata focused on lower and medium qualities. Middle East traders were the most active in the orthodox market, followed by CIS traders. Darjeeling market saw most demand from German market.

Weather – Heavy persistent rains continue; resulting in variable and inconsistent quality.

Guwahati

Auction – CTC teas met strong demand, higher quality teas sold at dearer rates, lower quality teas sold at irregular to easier rates. The dust market met good demand, teas achieved rates according to quality, dearer rates for higher quality and irregular for the remaining qualities.

Demand – Western India traders were the most active in the CTC market, with HUL and Tata most active in the dust market.

Siliguri

Auction – No report.

Coonoor

Auction – CTC teas met fair demand, best qualities were steady to occasionally dearer by 2-3cts, plainer sorts were easier by 2-4cts with some withdrawals. Orthodox teas met fair demand at lower levels, and CTC dust met limited demand. High quality CTC dust teas were firm; other dusts were easier by 4-6cts with a fair amount of withdrawals. Orthodox dusts were firm to occasionally dearer.

Coimbatore

Auction – Again, a limited quantity of orthodox on offer met good demand. CTCs met fair demand and CTC dust were steady to easier by 2-4cts.

Cochin

Auction – Orthodox leaf met good demand, with best quality High Grown, mediums, and plainer types meeting firm to dearer rates. CTC teas met fair demand, irregular to easier. Dust met fair demand, trading firm in line with quality.

All price movements quoted in USD per kilo.