



Week 39, 2017

Tea market report 25 - 29 September 2017

This week several records were broken in Kenya. An all-time high record crop for the month of August was published, with 32.7m kgs we're still running 45m kgs behind last year's January - August crop. The reported exports for the month of August were down by 25%. Not an all-time record, but the average auction price of this week's auction hit a 7-month high. The market traded generally firm to dearer, most buyers were keen to secure stocks with the next round of elections around the corner. Weather conditions East of the rift are favourable with green leaf intake improving. Other areas show slightly less favourable cropping conditions but overall cropping is good.

Another auction with good demand took place in Malawi, with only 6.9% remaining unsold at the end of the auction. The weather conditions are still warm to hot and dry. Especially in Thyolo, tea bushes start to feel the dry conditions. In Colombo another trading session with excellent demand took place. All grades, with very few exceptions, traded firm to dearer. Demand is strong although not every buyer can afford the current price levels. Heavy showers blew warnings of drought away, but too much rain causing landslides are not helping either. In Jakarta, there was less demand for the 10k packages on offer. The dry weather conditions in the tea growing areas are still there but it seems the raining season is not far away with the first heavy rains being reported in the coastal areas. In Vietnam, weather conditions are favourable but also here it seems that weather patterns are changing. Demand is good for all teas, especially steamed green teas are currently a good appetite for Taiwanese traders.

India is celebrating holidays this week and beginning next week. With daily rains and warm temperatures, tea growing conditions are healthy in the North. A similar pattern is shown in the Nilgiris, daily thunderstorms are helping crop to improve.

"Two roads diverged in a wood ... I took the one less travelled by, and that has made all the difference." - Robert Frost

Crop figures (in m.kgs)

	August 17	August 16	Jan-Aug 17	Jan-Aug 16
Malawi	1.50	1.78	34.5	32.6
Kenya	32.7	29.6	265.2	309.7
Sri Lanka	24.68	23.26	206.97	199.02

Upcoming auction quantities (pkgs)

	Week 40	Week 41	Week 41
Mombasa	132,220	129,940	137,560
Blantyre	1,980	2,560	N/A
Colombo	5.9 mln.kg	6.3 mln.kg	N/A
Jakarta	10,060	13,660	N/A
Kolkata	No sale	202,789	N/A
Guwahati	No sale	179,176	N/A

KENYA

Auction - Strong general demand. BP1s trading firm up to 10cts dearer except plainer types trading steady to easier. PF1s trading firm to 15cts dearer with plainer types steady to easier. PDs trading all firm to 15cts dearer. D1s trading firm to 12cts dearer.

Demand - Most buyers were looking for increased quantity where Unilever, Pakistan packers, Yemen and Egypt were dominant. Afghanistan, Kazak, UK and Somalia were more active while Sudan and Iran showed maintained interest.

Weather - East of Rift: Maintained rainfall. Warmer temperatures. Crop increasing. West of Rift: Less rainfall, low temperatures, some hail reported. Crop reduced marginally. Reduced rainfall in Sotik. Crop reduced. Uganda: Good rains and warmer temperatures. Crop maintained. Rwanda/Burundi: Increased showers. Crop maintained.

MALAWI

Auction - Good general demand at dearer rates. BP1s taken out. PF1 Sc mostly taken out under bid as well. PF1 Seedling met good demand at 3-6usc dearer rates. PDs traded firm to dearer. D1s trading firm. Off grade fngs traded at firm rates.

Weather - Hazy, warm to hot circumstances during the day and at night temperatures are picking up. Thundery showers are expected over southern highlands. Crop intake in Mulanje better than Thyolo, but some rain would be very welcome.



SRI LANKA

Auction – Excellent demand at the Colombo auction. HG – All HG teas traded firm up to 30cts dearer. LG – All LG teas traded firm to 25cts dearer as well. Especially Pekoes were in high demand gaining 20-25cts. Offgrade teas generally gained 10-20cts, some types firm and BP bottom eased 10-20cts. Dust HG 15-20cts dearer, secondaries firm to 10cts dearer. LG better types firm, others eased 10-15cts.

Demand – Turkish bazar still very active, so were Iraq and Libya. Syria, Pakistan and Iran short, but outpriced. Improved demand from Dubai and Unilever stepped in too.

Weather – Western Region experienced rainy weather conditions. Nuwara Eliya Region had bright mornings with evening showers. Uva/ Udapussellawa Region experienced bright weather conditions. Low Grown - Sabaragamuwa showed gloomy weather whilst Ruhuna reported isolated showers.

INDONESIA

Auction – There was less demand for 10,960 packages with 22% remaining unsold. General price trend for Java Orthodox moved in a different direction following quality and quantity offer. Sumatra Orthodox steady to easier with many withdrawn. On the other hand, Java CTC was selling at firm to dearer levels except for secondary grades Fann/D2.

Weather – Java: Mostly dry in planting areas during the week in West Java. However, some heavy rains started on the coastal areas. Sumatra: some showers were reported in North/Central/South.

BANGLADESH

Auction – Strong demand at firm to dearer rates, especially for better teas. Blenders and local buyers active. Next sale has 50,848 packages on offer.

INDIA

Kolkata

Auction – Market met good demand. Selected tippy teas traded firm to dearer, while other good liquoring types traded firm. The lower end of the market traded irregular following quality. CTC market met good demand, especially for dust.

Demand – Major Blenders active, Western India supportive, so did exporters.

Guwahati

Auction – Fair demand for Guwahati's CTC market. All teas traded steady tending easier.

Demand – Western India and internal market operating. HUL selective.

Siliguri

Auction – Good demand for the teas on offer at sale 38. Well-made teas trading firm tending dearer while others traded irregularly easier.

Coonoor

Auction – CTC: strong demand, all-round irregular and dearer. Orthodox: Well-made broken and fannings dearer while the whole-leaf and stalkier kinds were irregular.

Coimbatore

Auction – CTC: Strong demand. Market was dearer by 4-8usc

Cochin

Auction – CTC: Fair demand. Better teas irregular, others dearer 4-6usc sometimes more on the plainer teas. Orthodox met good demand. Highgrown orthodox quality teas dearer. Others lower 4-8usc. Medium orthodox teas irregularly lower 4-8usc at times more

All price movements quoted in USD per kilo.

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