



Week 41, 2017

## Tea Market Report 9 - 13 October 2017

Mombasa had a decreased 129,890 packages on offer from the 132k packages the previous week. Sales were a mixed bag, in that some types gained while others lost value. Overall, the gains exceeded the losses, leaving the market looking strong. Absorption rate was improved with reduced out-lots. Raila Odinga, the opposition leader in the Kenya Presidential Election, has withdrawn himself from the election. How the election will unfold is quite uncertain. Despite reduced rainfall across Kenya in the last week, crop continues to increase East of the Rift. A very good and lively affair took place in the Malawi auction this week, where 100% of the teas in the room sold. Auction quantities continue to increase next week, but will slightly reduce the following week. Current weather conditions are harsh, with intensive heat and wind. As a result, rain fed tea bushes are taking a toll under these conditions and crop intakes are ebbing; irrigated fields continue with increased volume.

Firm to dearer conditions defined the market in Colombo. Weather conditions are very wet and gloomy, which is impacting the crop, week 43 closed 0.3 m.kg below the expected level. Improved demand was widely shown, only Hong Kong and Pakistan have been priced out of the current market conditions. The weather will continue to play a big role in the current market developments. The market in Jakarta met fair demand, with no significant movements. Auction quantities continue with a declining trend amidst drier conditions. The Bali International Tea Convention will take place in Jakarta next week, where the President of Indonesia will attend. Sri Lanka is not the only region with wet conditions, heavy precipitation in Vietnam has been extreme enough to cause the temporary closure of some factories. Two more plucking periods are still planned in the approximately six weeks remaining of the season. Prices have a clear dearer trend. Markets in North India met good demand, with rates generally firm to steady. South India markets additionally met good demand at irregularly rates. Darjeeling production has resumed, with a wee bit of tea making its way to market. Up to 250 tons are expected to reach the market following Diwali and prior to the season end.

*"People who work together will win, whether it be against complex football defenses, or the problems of modern society."*  
- Vince Lombardi

### 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	24.7	23.3	207.0	199.0
India	167.98	158.7	766.72	733.27

### Upcoming auction quantities (pkgs)

	Week 42	Week 43	Week 44
Mombasa	137,560	147,380	143,755
Blantyre	3,140	2,900	N/A
Colombo	6.33 m.kg	6.06 m.kg	N/A
Jakarta	10,660	11,380	N/A
Kolkata	183,005	198,127	N/A
Guwahati	205,655	182,442	N/A

### KENYA

**Auction** – Fair general demand, with prices overall up, but mixed. BP1s traded firm to dearer, with best and good mediums trading irregularly firm to dearer. PF1s shed up to 20cts, except medium and plainer types which sold firm to dearer. PDs sold firm to dearer up to 8cts for best types, 5-12cts for below best, 2cts for medium, and 5cts for plainer types, good mediums remained firm. Dusts generally sold firm to dearer, up to 5cts for below best and 8cts for plainer types; good mediums irregularly steady.

**Demand** – There was dominant activity from Pakistan packers while Yemen was strong, and Egypt and Sudan more active. Activity from UK, Somalia, Russia and Kazak was maintained but Afghanistan, Pakistan Bazaar and Iran were less active.

**Weather** – East of Rift experienced reduced rainfall, with sunny days and cool nights; crop increasing. West of the Rift – Maintained rainfall and low temperatures in Kericho; crop maintained. Reduced rainfall in Sotik; crop maintained.

### MALAWI

**Auction** – Strong demand at dearer rates. BP1s sold firm, PF1 Sc up 4-7cts, PF1 Seedling firm to 5cts dearer, and PFs sold dearer. PDs gained 2cts, main grade dusts 11cts, and offgrade fannings up 4cts. Offgrade dusts sold firm.

**Weather** – Continued sunny, hazy, hot and windy weather conditions persist. Dust devils have been lashing through the countryside during the day, with some reports of isolated thunder storms. No precipitation reported in tea districts, but some parts of Lilongwe have received heavy rains as of Thursday.



## **SRI LANKA**

**Auction** – Good demand in Colombo with many teas selling firm or gaining. A majority of HG teas gained 10-25cts, except N. Eliya BOP; which sold firm. LG – OP1s gained 5-10cts at the top, remaining types sold firm. BOP1s shed 10cts at the top and bottom, remaining down 5cts. OP and OPAs gained 5-10cts at the top, best types sold firm, and remaining gained 5cts. Pekoe1s sold firm, except below best types which gained 5cts. Pekoes also remained firm, except select best and best types which shed 10cts. FBOP, FBOP1s, and FFs all shed 5-10cts. FF1s, BOP, and BOPFs, and Tippiies/Specials remained firm. Off grades – Liquoring fannings gained 20-30cts, except at the bottom; firm. LG fannings sold firm. BPs gained 20-30cts, while BMs shed 10cts except below best types which sold firm. BOP1A shed 5-10cts at the top, firm for best, up 25-30cts for below bests, and firm at the bottom. Dusts collectively shed 10-15cts, except better HG and secondaries which sold firm.

**Demand** – Turkey was very active; Unilever and Iran also showed strong demand. Syria, Iraq, Dubai, Japan and North America showed improved demand. Hong Kong and Pakistan out priced. Saudi Arabia showed very slow demand.

**Weather** – Western Region experienced rainy weather conditions, bright in Nuwara Eliya. Bright mornings with evening showers in Uva/Udapussellawa. Ruhuna reported gloomy weather conditions, while Sabaragamuwa reported rainy weather.

## **INDONESIA**

**Auction** – There was fair demand for an improved 13,500 packages with 11% remaining unsold. General price trend for Java Orthodox was irregular while Sumatra steady to easier with many withdrawn. Java CTC was steady to easier except for best West Java PF1/PD/D1.

**Weather** – Java: partly sunny conditions during morning hours, followed by cloudy conditions with some heavy rain in West/Central Java; East Java remained dry. Sumatra: partly bright and sunny conditions with irregular showers reported in North/Central/South Sumatra.

## **BANGLADESH**

**Auction** – Increased strong demand at firm to dearer rates. Local blenders took most teas, while loose leaf buyers supported. Next sale has 49,135 packages on offer.

## **INDIA**

### **Kolkata**

**Auction** – CTC teas met good demand. Teas at the top sold at irregular rates, others remained steady. Strong demand was present in the orthodox market. High quality OPs and BOPs sold irregular, others sold firm.

**Demand** – Demand for CTC teas was strongest from Tata and HUL, while Western India improved demand on liquoring types. Middle East and CIS buyers most active on orthodox teas.

### **Guwahati**

**Auction** – Good demand for CTC teas, all teas sold steady to firm. Dust met strong demand at generally steady rates, tending easier for medium and plainer types.

**Demand** – Tata, HUL, and Western India all active, with Western India focused on liquoring types. Blenders most active in the dust market, with Western India similarly active on liquoring types.

### **Siliguri**

**Auction** – Closing posted for sale 47 at 120,311 packages.

### **Coonoor**

**Auction** – CTC teas met good demand. Best and good liquoring teas sold irregular to easy following quality. Medium and plainer types up 4-6cts. Well-made orthodox teas gained, remained tended easier. CTC dust met good demand; better types sold irregular to easy, others up 4-6cts. Orthodox dusts met sold firm, while secondary dusts eased.

### **Coimbatore**

**Auction** – CTC teas met fair general demand, easing 4-6cts, including dusts.

### **Cochin**

**Auction** – Orthodox teas met good demand. Quality teas met firm rates, other irregularly 4-6cts easier. CTC teas met fair demand; better types sold irregular, remaining up 2-4cts. Dust sold at dearer rates, up 4-6cts.

*All price movements quoted in USD per kilo.*

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