



Week 42, 2017

Tea Market Report 16 - 20 October 2017

The general rule that large auctions attract more demand didn't apply this week. With an improved 138k packages on offer the percentage of out lots increased to 13%. Some buyers slowed in the knowledge that they would not be able to ship all teas out prior to the election next Thursday. The situation around the election is insecure and tense. There remains a possibility that the electoral committee will postpone the elections by up to 90 days, with widespread implications. In the meantime growing conditions are favourable in the tea growing areas. Auction quantities are increasing as a result, normal for the time of the year but not normally as high as they are at present. In Malawi the availability of tea is still limited, resulting in producers fetching good prices for their dry season teas. The weather conditions are normal for the time of the year, dry and sunny conditions during the day with Mulanje receiving occasional showers.

In Colombo the market stepped back down this week from the gains of the previous weeks. Russians were absent but there is potential that they will return for some unfulfilled winter buying soon. Growing conditions are favourable and normal for the time of the year.

The Jakarta auction was held during the World Plantation Conference & Exhibition with many guests around. This is normally a reason for the market to show its strength. However several buyers were absent and many teas traded easier or were taken out and the amount of outlots increased. It seems the end of the dry season is near, all tea growing areas received regular rains last week.

Vietnam suffered under another storm this week. The high water levels in the north are worrying. Now the end of the tea plucking season is nearing, factories are trying to speed up production and are buying green leaf where it is still available. In Argentina, the growing season started with good cropping conditions. But this early start of the season is still vulnerable for frost during the night and possible outbreaks of the red spider.

"The moment you doubt whether you can fly, you cease for ever to be able to do it." – Peter Pan

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 43	Week 44	Week 45
Mombasa	147,380	143,755	149,780
Blantyre	2,900	2,640	N/A
Colombo	6.06 m.kg	6.12 m. kg	N/A
Jakarta	11,380	12,440	N/A
Kolkata	201,329	198,127	190,700
Guwahati	205,655	182,442	183,318

KENYA

Auction – Less general demand, with. BP1s traded steady to 15cts easier except Rwanda & Burundi BP1s trading firm to 10cts dearer. PF1s trading firm to 10cts dearer following quality except medium & below best types trading steady to 8cts easier. PDs trading steady to 15cts easier with only the best types trading dearer. D1s trading steady up to 12cts easier.

Demand – There was more support from Yemen, Egypt, Afghanistan, Bazaar and Russia while activity from Pakistan packers and Sudan was about maintained. Kazak and Iran were slower with Somalia active at the bottom end

Weather – East of the Rift experienced increased rainfall. Sunny days and cool nights. Crop increasing. West of the Rift – Kericho – Increased rainfall, moderate temperatures. Crop increasing. Increased rainfall in Sotik. Crop maintained. Uganda – Good rains and warmer temperatures. Crop maintained. Rwanda/Burundi – Improved growing conditions. Crop increasing.

MALAWI

Auction – Strong demand at dearer rates. BP1s neglected. PF1sc trading steady to 2cts easier. PF1 seedling trading firm to 3 cts dearer. PDs traded fully firm to 2 cts dearer. D1s eased up to 6cts. Offgrade fngs traded stronger at 10cts dearer.

Weather – Hot to very hot during the day. Some areas in Mulanje received some very light showers.



SRI LANKA

Auction – Moderate demand. HG – Western BOP traded firm to 10cts easier. Western BOPF trading 10-15cts easier. N. Eliya BOP& BOPF 20cts dearer. Uva/Udapussellewa BOP up to 20cts easier & BOPF trading firm to 10cts easier. LG – Most LG teas traded steady to 5-25cts easier with only OP bottom, OPA below best, PEKOE bottom, FBOP best, FF1, FF best, BOP/BOPF best & tippies trading firm. Off grades – mostly trading steady to 10-30cts easier except Liq fgs bottom, LG fgs bottom, BP below best & bottom, BM bottom, BOP1A bottom trading firm to 10cts dearer. Dusts collectively shed 10-20cts, except better HG and secondaries which sold firm.

Demand – Turkey & Syria were active; Unilever showed strong demand. Iraq, Dubai, Japan and North America showed improved demand. Hong Kong and Pakistan out priced.

Weather – Western/ Udaupussellawa/ Low Grown & Nuwara Eliya experienced rainy weather conditions. Uva Region had bright mornings with evening showers.

INDONESIA

Auction – There was less demand for 10,660 packages with 29% remained unsold. Java Orthodox and CTC were selling at irregular levels. Meanwhile, Sumatra Orthodox was steady to easier with many withdrawn.

Weather – Java: Cloudy conditions and daily rains are reported in West Java. Central and East Java also received some rains this week. Sumatra: Partly bright and sunny with irregular showers were reported in North/Central/South Sumatra.

BANGLADESH

Auction – fair demand caused most teas trading at generally easier rates with well-made teas trading firm. Next sale has 50,011 packages on offer.

INDIA

Kolkata

Auction – CTC teas met strong demand. Quality assams were trading sideways while the remainder traded easier. The limited amount of Dooars traded firm. Orthodox teas traded firm to dearer with brokens trading steady tending easier.

Demand – Strong demand for CTC & Orthodox teas. TGBL operating while HUL was less active.

Guwahati

Auction – Good demand for CTC teas, well-made teas traded sideways while the remainder traded irregularly easier.

Demand – Tata & HUL, operating. Other supportive.

Siliguri

Auction – The market met good demand. Well-made teas traded fully firm to dearer while medium and plainer teas traded firm.

Coonoor

Auction – CTC leaf: Good demand. Best and good liquoring teas were fully firm to dearer. Blacker medium and plainer teas were also dearer by usc 4-6. Orthodox leaf: Well-made teas generally dearer while the remainder was lower with quality. CTC Dust: Strong demand. Best and good liquoring teas were irregular and occasionally lower with quality. Medium and plainer sorts were generally dearer usc4-6, particularly the blacker sorts. Orthodox dust: Primary BOPD's lower with quality. Cleaner secondaries firm while the powdery and fibrous sorts tended lower.

Coimbatore

Auction – No sale at Coimbatore due to festival holiday.

Cochin

Auction – Orthodox leaf: Good demand. Select best Nilgiris sold at firm to dearer rates. Similar trend noticed on medium whole leaf and clean well-made primary brokens. Cleaner secondaries around last, poorer sorts neglected. CTC leaf: Good demand. Liquoring brokens around last tending lower. Plainers firm. Dust: Popular marks and best category teas sold in line with quality at firm to dearer rates. Select good mediums with clean leaf sold around last, remainder tending lower. Plainers firm to dearer particularly the bolder sorts.

All price movements quoted in USD per kilo.

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