



Week 46, 2017

Tea Market Report 13 - 17 November 2017

A reduced amount of 138k packages was on offer in this week's Mombasa auction. Despite the healthy auction quantities ahead, most teas were readily absorbed and 10% came out. The auction opened soft, but demand improved towards the close. The weather conditions are favourable with improving growing conditions in all tea growing areas, resulting in decent auction quantities. We can consider the 167k packages on offer in week 49 again as a record. Tea pluckers in the Kericho area started working again after a 3 week-strike.

The availability of tea in Malawi is still very limited. The small amount on offer met improved demand at slightly easier rates, at the end of the day only 3.6% remained unsold. The first moisture coming from the sky in the previous weeks, is currently resulting in a slight improved green leaf intake. The start of the season is nearing, and the availability of tea will improve in the coming 6-8 weeks.

A generally firm to dearer auction took place Colombo. After last week's drop, the market corrected this week, but the small leaf Low Grown teas traded steady to easier. Russian and Libyan demand is virtually absent and expected to improve in the coming weeks. On the supply side, the weather conditions are improving. Most tea growing areas experienced rainy weather at the beginning of the week followed by some bright days. There was less demand in Jakarta and the absorption rate decreased with 26% out-lots, mainly consisting of PTPN8 teas. Daily rains are reported from Java as well as Sumatra. Sumatra is experiencing some partly bright days as well, but Java is experiencing a lack of sunshine. North India received some unusual rains this week, despite the decent quantities offered in the auctions, the end of the season is not far away.

In Vietnam the weather is cooling down which has its effects on the quality and quantity of the green leaf available. Chinese traders are trying to get their hands on every bag of green tea available. Strong demand and limited availability of tea is causing a strong market. With the end of the season nearing, this isn't expected to change soon.

"Change Before You Have To." – Jack Welch

Crop figures (in m.kgs)

	Sept 17	Sept 16	Jan-Sept 17	Jan-Sept 16
Sri Lanka	25.5	20.0	232.6	219.0
India	145.8	190.0	912.6	923.3
Kenya	38.4	37.0	303.6	346.7
	Sept 17	Sept 16	Jan-Sept 17	Jan-Sept 16
Malawi	1.8	2.8	37.8	36.8

Upcoming auction quantities (pkgs)

	Week 47	Week 48	Week 49
Mombasa	151,239	162,135	167,935
Blantyre	1,000	1,220	N/A
Colombo	5.76 m. kg	6.50 m. kg	N/A
Jakarta	12,760	N/A	N/A
Kolkata	194,137	188,804	N/A
Guwahati	188,638	193,760	N/A

KENYA

Auction – Good general demand. BP1s best and below best sold steady to 5cts and 8cts easier, respectively. Good medium, medium, and plainer BP1s sold firm to dearer, up to and above 25cts for good mediums. PF1s sold firm to dearer, except best and below best which sold steady to 10cts easier. PDs sold firm to dearer, up to 10cts, except medium and plainer types which sold steady to easier. Best D1s sold irregularly firm, below best and good mediums sold firm to dearer, and mediums and plainer types sold steady to 7cts easier.

Demand – Pakistan packers were strong and dominant while Sudan and Yemen were more active. Activity from Egypt, Kazak, Somalia and Bazar was maintained but Afghan, UK, Russia and Iran were slower.

Weather – East of Rift: increased rainfall. Crop on the increase although some areas reduced due cold weather. West of Rift: Kericho, more rainfall, moderate temperatures; crop unchanged due strike. Increased rainfall in Sotik; crop maintained.

MALAWI

Auction – Improved demand at easier rates. PF1 Sc sold easier, down 3-5cts. PF1 Seedling, 3cts easier. Single lots of PD and D1 shed 6cts and 12cts, respectively. Offgrade fannings eased 3cts. No PFs or offgrade dust on offer.

Weather – Further precipitation was reported last week Thursday and Sunday. Things are looking very good now as crop in takes are slowly improving and more factories are reopening. Power availability is becoming a bigger challenge.



SRI LANKA

Auction – Good demand in Colombo. HG –Western BOP 10cts dearer and BOPF firm to 10cts dearer, excepts plains, 10 easier. N. Eliya BOP sold firm and BOPF eased 30cts. Uva/Udapussellewa BOP/BOPF eased, 10 and 20cts respectively. LG – OP1 select best 15-20cts easier, best firm, below best up 10-15cts, and bottom firm. BOP1 select best eased 20cts, best firm, and below best/bottom up 10-15cts. OP all around dearer 5-20cts, gains increased with quality. OPA sold firm for best and below best, and 5-10cts easier for others. Pekoe 1 sold firm for select best and 5-10cts easier for others. Pekoe select best eased 15cts, best and bottom sold firm, below best sold steady to 5cts easier. FBOP/FBOP1 all around 5-10cts easier. FF1 and FF sold firm at the top and eased 5-10cts for others. BOP/BOPF all around 5-10cts easier. Tippiies/Specials all around firm. Off grades – liquoring fannings, 15-20cts dearer. LG fannings 10cts dearer. BP eased 10cts and BMs gained 10cts. BOP1A firm, except select best 10cts easier. Dust – High Grown well-made types 10-20cts dearer and others down 10cts. Secondaries all around firm. Low grown better sorts gained 10cts others eased 10cts.

Demand – Turkey and Dubai improved demand. Saudi Arabia, Iraq, and Unilever very active. Iran, Libya, North America, and Hong Kong slow. Pakistan out priced.

Weather – Weather seems to be improving. Most planting regions experienced rainy weather in the beginning of the week and bright weather with occasional showers towards the latter part of the week. Last week's crop intake increases 0.8 m. kg over the previous week.

INDONESIA

Auction – There was less demand for 11,320 packages with 25% remaining unsold due to broker's prices being too high for the demand. Orthodox and CTC were selling at steady to easier levels except for selected Java Orthodox Dust/BT/PF2 and CTC PF1/D1.

Weather – Java: daily rains and mostly cloudy across Java, no sunshine in planting districts. Sumatra: partly bright with irregular showers.

BANGLADESH

Auction – Strong demand with prices following quality for the 43,192 packages on offer. Next sale has 49,468 packages on offer.

INDIA

Kolkata

Auction – CTC teas met fair demand. Well-made Assam ctc trading steady, others trading easier following quality. Orthodox teas traded sideways while Darjeeling teas met strong demand and remained firm.

Demand – HUL selective, TGBL focusing on medium types, Western India looking for liquoring teas, exporters looking for brokens & fannings.

Guwahati

Auction – Fair demand in the CTC market. Most better teas traded sideways, others eased.

Demand – Western India operating, while Tata and HUL were very selective.

Siliguri

Auction – Strong demand at firm to dearer levels.

Coonoor

Auction – CTC leaf: Fair but selective demand. All sorts were generally lower by 4-8c, particularly the best and good liquoring varieties. Plainer teas eased to a lesser extent. Orthodox leaf: Primary whole leaf and brokens generally dearer. Secondaries lower with quality and witnessed fair withdrawals. CTC dust: Reduced demand. All sorts were generally lower 4 – 6c with a few easing even further. Orthodox dust: Primary BOPD's were irregular around last while the secondaries were lower.

Coimbatore

Auction – Ctc leaf: Fair demand. Barely steady. Ctc dust: Similar trend.

Cochin

Auction – Orthodox leaf: Fair demand. High Grown were irregular with quality teas being steady, others lower 3-6c at times more. Mediums followed a similar trend with inferior teas selling lower. Ctc leaf: Fair demand. Lower 2-4c. Dust: Good demand. Best category and popular teas sold in line with quality at firm to dearer levels and improved with the progress of sale. Select good mediums firm, remainder sold around last. Plainers around last and at times dearer.

All price movements quoted in USD per kilo.

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