



Week 49, 2017

## Tea Market Report 4 – 8 December 2017

The Mombasa market continued with fair general demand this week. There were 167,935 packages on offer up from the 162,000 that we saw last week. Most teas sold at easing rates with some heavily discounted. The closing for week 51's auction at 178,260 is the 2<sup>nd</sup> largest offering in the books, still a stroke short of the 189,000 observed in sale 4 of 2016. Time still remains in the peak production season to set a new record. Weather continues to be warm and sunny, while precipitation has reduced compared to previous weeks; production East of the Rift is increasing while West of the Rift is being maintained. No auction took place this week in Malawi due to minimal offerings, the following two auctions will wrap up 2017 sales. Crop intakes continue to pick up, with factories expecting to be in full swing by the second half of December.

Teas in Colombo moved in various directions this week. High grown teas continued to decline, low grown teas met unanimously increased demand, and the standout movement came from off grade fannings which gained 50cts on average; large buyers were in hot pursuit. Heavy rains have continued consistently as the large weather depression has had a direct impact on Sri Lanka over the past week. Sunny conditions are expected in wake of the storm, along with improved crop intake into the new year. There was fair demand in Jakarta for the 13,140 packages with 19% remaining unsold. North Sumatran and West Javan CTCs gained while Java Orthodox and others met steady to easier rates. Rain, sun, and crop volumes continue to develop. North Indian markets met good demand, with teas selling at rates very much in line with quality, but few significant gains took place. Cold weather continues, some factories are beginning to close, and pruning and maintenance work are underway. In South India, fair demand was observed in Cochin and Coimbatore, meeting generally firm to easier rates. Better demand was observed in Coonoor, albeit selective, with many teas easing. Mixed cloudy and sunny conditions were observed in the South, and crop volumes are declining. Like North India, cold weather has arrived in Vietnam, and pruning has begun while the last leaves for production are being plucked.

*"People rarely succeed unless they have fun in what they are doing."* – Dale Carnegie

### Crop figures (in m.kgs)

	Oct 17	Oct 16	Jan-Oct 17	Jan-Oct 16
Malawi	1.8	2.8	37.8	36.8
Sri Lanka	25.5	18.7	258.4	237.7
Kenya	43.4	41.3	347.0	388.0
India	177.3	151.1	1089.8	1074.4

### Upcoming auction quantities (pkgs)

	Week 50	Week 51	Week 52
Mombasa	172,500	178,260	170,046
Blantyre	1,560	1,000	N/A
Colombo	6.41 m.kg	6.17 m.kg	N/A
Jakarta	13,300	N/A	N/A
Kolkata	189,099	174,785	N/A
Guwahati	188,005	191,403	N/A

### KENYA

**Auction** – Fair general demand. BP1s sold steady to easy, best shed up to 8cts, below best sold 15cts easier, good mediums 14cts down, mediums steady to easier and plainer types steady, only top quality BP1s and select mediums sold firm to dearer. PF1s sold easier, shedding around 10cts for best, below best, and good mediums; mediums eased 5cts while plainer types sold steady to easier. PDs sold irregularly steady to easier at the top, steady to 8cts easier for below best and plainer types, firm to dearer for good mediums, and firm to 5cts dearer for mediums. Best D1s sold steady to easier, below best steady to 10cts easier, good mediums and plainer types up to 8cts easier and firm to dearer for mediums.

**Demand** – There was dominant activity from Egypt while Pakistan packers were more active. Yemen and Bazaar were more active but at lower levels while activity from Afghan, UK, Russia and Sudan was maintained with Iran operating.

**Weather** – East of Rift: reduced rainfall with warmer weather, crop recovered and increasing in most areas. West of Rift: Reduced rainfall and sunny in Kericho, crop maintained with signs of reduction. Less rainfall in Sotik, crop maintained.

### MALAWI

**Auction** – No auction.

**Weather** – Good rains were received on Monday to Wednesday last week, with further rains received in the middle of this week. Rainfall received this year in November is less than last year, however October rainfall received this year is more than compared to last year.



## **SRI LANKA**

**Auction** – Less general demand took place in Colombo. HG – Western BOP better sorts sold 10cts easier, other types gained 10cts. Western BOPF sold firm at the top, others sold firm to 10cts easier. N. Eliya BOP sold firm, while BOPF sold firm to 20cts easier. Uva/Udapussellewa BOP gained 10cts, BOPF sold firm to 10cts easier. LG – OP1s gained 10 cts for select best and below best, best types gained 15-20cts, and sold firm at the bottom. BOP1 select best gained 25-30cts, best and below best sold firm, bottom types shed 5cts. OPs gained 10cts all around, while bottom types gained 5cts. OPAs sold firm for better types, up 10cts for lower types. Pekoe1 select best gained 20-25cts, best up 10cts, below best up 5cts, bottom sold firm. Pekoes eased 15cts, except for bottom types which remained firm. FBOP/FBOP1 sold firm at the top, others sold 5-10cts up. FF1 and FF all gained 5cts, except at the bottom which sold firm. BOP/BOPF sold firm all around, tippies/specials gained 10-20cts. Off grades – liquoring fannings sold 20cts dearer for best times, others gained 50cts. LG fannings eased 10-15cts. BPs gained 10cts for better types and eased 10-20cts for lower types. BMs eased 10-20cts in line with quality. BOP1A sold firm at the top, below best eased 5cts, and the bottom gained 5cts. Dusts – high grown better sorts sold firm to 10cts lower, others firm to 15cts dearer. Secondaries sold firm to 10-15cts dearer. LGs sold firm at the top, others 10cts easier.

**Demand** – Turkish market was quieter. Very good demand from Syria. Iran, Dubai, Libya, and Unilever increased demand. Saudi Arabia, Russia and North America slow. Good demand from Japan, and Pakistan is still out priced.

**Weather** – Western Region experienced heavy rain while N. Eliya and Udapussellawa Region saw wet weather conditions. Uva Region experienced wet weather with heavy gusts. Low Grown had scattered showers in the beginning of the week followed by heavy rain later in the week.

## **INDONESIA**

**Auction** – Java Orthodox was selling at steady to easier levels except for selected PF/PF2/BT. North Sumatra was selling at firm to dearer levels while West Sumatra steady with many withdrawn. CTC sold at firm to dearer levels except for selected low grown West Java PF1/PD.

**Weather** – Java: partly cloudy with isolated thunderstorms and moderate rains during the afternoon/night. Rainfall increased in the Central/East parts. Sumatra: Heavy showers were report in West/Central Sumatra. North/South reported bright and sunny during morning hours with very humid conditions during the day, then partly cloudy in the afternoon/night with irregular rainfall.

## **BANGLADESH**

**Auction** – Strong demand for the 47,318 packages of CTC teas, rates were in line with quality, and 23% remained unsold. Next sale will have 50,334 packages on offer.

## **INDIA**

### **Kolkata**

**Auction** – CTC teas met strong demand. Best quality teas sold firm, others sold irregularly easy. Orthodox teas met good demand. Teas generally sold steady to firm, lower quality teas sold slightly easier. Darjeeling teas met fully firm rates for the very small offering.

**Demand** – Tata showed demand for medium quality teas, HUL was active and Western India showed demand for liquoring teas. Middle Eastern buyers, CIS, and HUL all active, HUL showed selective interest on whole leaf teas.

### **Guwahati**

**Auction** – Good demand in the CTC market. Most teas sold firm with some select liquoring teas gaining and some low quality browner types easing.

**Demand** – In the CTC market major blenders showed demand for plainer sorts, Western India was active on liquoring types, exporters showed minimal demand.

### **Siliguri**

**Auction** – Teas met good demand at irregularly to easier rates in line with quality.

### **Coonoor**

**Auction** – CTC teas met good but selective demand, generally 4-8cts easier, blacker mediums sold firm. Orthodox leaf sold easier, with secondaries meeting heavy withdrawals. CTC dust met good but selective demand, generally selling irregularly with blacker types selling firm to dearer. Orthodox dust sold firm to dearer, secondaries sold easier in line with quality.

### **Coimbatore**

**Auction** – CTC and dust met fair demand, firm to 2-4cts easier.

### **Cochin**

**Auction** – Orthodox leaf met fair demand, teas generally eased in line with quality, medium whole leaf sold firm. CTC teas met good demand selling firm to steady. Dusts met fair demand, firm to irregularly lower for best types, others generally firm.

*All price movements quoted in USD per kilo.*

To read previous issues, please see our website: [www.vanrees.com](http://www.vanrees.com)