



Week 5, 2018

Tea Market Report 29 January – 2 February 2018

In Mombasa there was less general demand for the reduced 162,534 packages on offer. Most teas eased while out-lots increased. The strengthening trend seen since sale 1 seemed difficult to sustain as levels indeed plateaued. Annual crop statistics were released, 439,857,740 kg were produced in Kenya last year. The figure is 33m.kgs lower than 2016 despite record cropping in the second half of the year, except for October. Pakistan continues to be the largest export destination for Kenya teas with an increase of 12% from 2016. Most other major export destinations including Egypt and the UK show negative growth. Meanwhile, hot and dry conditions persist. In Malawi an improved absorption rate at dearer rates except for dusts was observed. Crop intake continues to improve, but the recent dry weather streak has had a lasting impact on some crop production.

The market in Colombo took another leap upwards, as buyers continue their clear concentration on covering their weekly requirements. The high prices, strong demand and short supply is making it a “weekly battle”. High Grown gained all around, due to concerns of EU and Japanese MRL regulatory developments. The current cold and dry weather is not very conducive for crop. Crop intakes remains rather low. In Jakarta, demand decreased with 25% remaining unsold, as broker’s price limits remain too high for buyers. Crop is generally maintained as cloudy conditions with regular precipitation continuing. The markets in North India met fair general demand, seasonal decline resulting in browner, stalkier teas supported an easing market. In South India, markets met generally good demand, with many teas making small advances. Bright sun, and low crop volumes persist. In Vietnam, the weather dipped below 10°C, the tea bushes continue to sleep, and outstanding contracts are still being fulfilled.

“Only those who are asleep make no mistakes.” – Ingvar Kamprad

Crop figures (in m.kgs)

	Dec-17	Dec-16	Jan/Dec 17	Jan/Dec 16
Malawi	5.7	5.6	45.6	43.1
Kenya	47.5	45.1	439.9	473.0
Sri Lanka	23.5	27.18	307.1	292.6
India	70.0	64.0	1278.8	1267.4

Upcoming auction quantities (pkgs)

	Week 6	Week 7	Week 8
Mombasa	154,010	147,963	144,742
Blantyre	2,840	1,860	N/A
Colombo	6.40 m.kg	6.88 m.kg	N/A
Jakarta	16,000	N/A	N/A
Kolkata	95,935	69,238	N/A
Guwahati	N/A	43,298	N/A

KENYA

Auction – Less general demand. Best BP1 steady to easier with select lines dearer, below best steady to 8cts easier, good mediums firm to dearer, mediums steady to 5cts dearer, and plainer types steady to slightly easier. Best PF1 eased up to 7cts, below best steady to 4cts easier, good mediums eased up to 8cts, mediums firm to dearer, and plainer types steady to easier with improved lots dearer. Best PD sold steady to 5cts easier, below best up to 8cts easier, good mediums steady to 5cts easier, mediums 5cts easier with improved lots sharply dearer, and plainer types steady to easier. Best D1 sold steady, below best steady to slightly easier, good mediums irregularly firm, mediums up to 8cts easier, and plainer types up to 5cts easier.

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

Weather – East of Rift: hot and dry with scattered rains. Crop maintained in areas near Nairobi, reducing further north. West of Rift: Kericho – warm sunny conditions crop maintained, with some hail. Warm temperatures in Sotik, crop reducing.

MALAWI

Auction – Improved demand. No BP1 on offer. Better PF1sc firm to barely dearer, plainer types neglected. PF1 Seedling met very good demand, up to 5cts dearer. No PF on offer. Better PD met good demand but eased 2cts. Offgrade fannings up to 4cts dearer. Offgrade dust 6cts easier.

Weather – Partly cloudy, warm to hot during the day with some isolated/erratic rains across the country. While some areas have received useful amounts, it was paltry and dry in others. Crops in some parts have wilted beyond redemption. All the tea districts received precipitation as fall rains spread across the week. Crop intakes continue to improve.



SRI LANKA

Auction – Excellent demand. HG – Western BOP and BOPF gained 15-20cts. N. Eliya BOP/BOPF firm. Uva/Udapussellewa BOP 10cts dearer, BOPF 10-20cts dearer. LG – OP1 eased, select best 40-50cts. Best 30cts, below best 10-15cts, bottom firm. BOP1 eased, select best 30-40cts, best 10-15cts, below best 5cts, and bottom firm. OP select best eased 10cts, best and below best firm, bottom up 10-15cts. OPA select best firm, best up 10cts, below best firm to 5cts dearer, and bottom up 15cts. Pekoe 1 select best firm to 10cts dearer, best 10cts dearer, below best and bottom firm. Pekoe select best firm, best and below best 10cts easier, bottom firm to 10cts dearer. FBOP/FBOP1 best and below best firm, bottom up 5-10cts. FF1 best 5-10cts up, below best and bottom firm. FF, BOP/BOPF, and tippies/specials firm. Off grade – All off grades gained except bottom liquor fannings, 20cts easier, other liquoring fannings up 10-20cts. Low Grown fannings up 15-20cts, best BP/BM up 30-40cts, others up 15-20cts. BOP1A up 10cts. Dust – HG dust better sorts firm to 10cts easier, others firm to 10cts dearer. Secondaries and Low Grown dust traded firm to 10cts easier.

Demand – Excellent demand from Iraq. Turkey, Syria, Russia and Saudi Arabia, active but limited by market levels. Dubai, Japan and North America less demand and slow. Pakistan outpriced.

Weather – Western/ Nuwara Eliya/ Udapussellawa and Uva Regions experienced dry weather with cold nights whilst dry weather was reported in Low Grown.

INDONESIA

Auction – There was less demand for 16,040 packages with 25% remaining unsold especially for various West Java RA BOP/BOP/BT due to broker limits remaining too high. Java/Sumatra orthodox sold steady to firm except for select BOPF/PF which were firm to dearer. In the meantime, CTC sold at firm to dearer levels except for most fannings.

Weather – Java: cloudy with moderate/regular rain was reported in most planting districts. Cold and windy during the night with temperatures dropping in West region. Sumatra: regular showers were reported in West/North/South Sumatra.

BANGLADESH

Auction – Fair demand for the 45,286 CTC packages on offer, which met slightly easier rates. Dust met fair demand at easier rates. Next sale has 49,697 packages on offer.

INDIA

Kolkata

Auction – Fair demand in the CTC market, better types sold firm, others eased with some withdrawals in line with quality. Orthodox teas met good general demand, at irregular rates in line with quality. Stalky teas down 10cts, leafy teas up 3-5cts.

Demand – HUL and Tata were very selective for CTC teas, West India showed demand for higher quality. Middle East and CIS active on orthodox teas.

Guwahati

Auction – Less demand in the CTC market, teas sold easier with significant outlots. Fair demand for dusts, at easier rates in line with quality.

Demand – Tata showed no demand, while HUL and Western India had selective demand.

Siliguri

Auction – No report.

Coonoor

Auction – CTC tea met good demand, best and good liquoring types sold irregular to easier with quality, mediums steady to occasionally dearer, plainer teas easier with some withdrawals. Orthodox tea sold firm to dearer, broken steady, and less demand for fannings. CTC Dust met good demand, best and good liquoring teas steady to occasionally lower, mediums firm to dearer up to 4cts, plainer teas were irregular to easier. Orthodox dust primary BOPD's barely steady while the secondaries were steady to occasionally dearer.

Coimbatore

Auction – CTC and dust met good demand. Best liquoring varieties irregularly firm, mediums and plainer types fully firm to dearer. Select best liquoring dust sold fully firm to dearer, good mediums dearer, others 2-3cts dearer, plainer types 5cts up.

Cochin

Auction – Orthodox teas met good demand, select best Nilgiris whole leaf steady, remainder easier with a fair number of withdrawals. Medium whole leaf and smaller broken firm, others easier. CTC teas met good demand, liquoring broken firm, plainer types firm to dearer. Dusts met good demand, best easier in line with quality by 3-5cts. Select liquoring mediums firm to 5cts dearer, remainder irregular around last and easier. Plainer types 3-5cts easier.

All price movements quoted in USD per kilo.

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