



Week 6, 2018

## Tea Market Report 5 – 9 February 2018

In Mombasa there was fair demand for the 154,010 packages on offer, down from 162,534. Some buyers showed improved demand while others were slower. Overall absorption improved and outlots were reduced. Auction offerings continue to seasonally dwindle although they still remain ahead of last year. With hot and dry conditions persistent, production continues to reduce, some production areas are plucking for just four days per week. Sale offerings increased this week in Malawi to 2,840 packages, which were easily absorbed amongst good demand. Not only were more teas brought to auction, but the quality improved in parallel. Partly cloudy, hot to very hot conditions persist, with increasing rainfall across the country. La Nina conditions indicate that the southern and central region could receive normal to above normal rains until the end of the season while some of the central and northern regions might receive less rainfall.

Sri Lanka experienced unexpected rainfall this week resulting from a minor low depression in the Bay of Bengal which seemed to cool the market down in Colombo. Fair demand was observed with many teas selling firm to easier. The sudden and surprising drop in Low Grown demand, particularly for better teas, was due to the absence of Iran and Turkey. In Jakarta, a similar outcome to the previous week took place, with decreased demand and 25% remaining unsold. PTPN8, a leading producer, has continued to increase their fixed price limit, particularly for best and medium gardens. As a result, buyers could not meet limits and many teas were not sold during the auction. Regular and heavy precipitation is supporting increased crop volumes. Teas in North India met fair general demand, with some improvement for orthodox teas in Kolkata. Kolkata auction quantities remain in the 60-70k range, but Guwahati drops off severely in the coming weeks from 43k to 17k packages. In South India, markets continued to meet generally good demand, with many teas continuing to make small advances. Clouds and some precipitations have increased their presence. In Vietnam, tea production remains asleep, while preparations for the TET holiday are in full effect.

*"A black cat crossing your path signifies that the animal is going somewhere."* – Groucho Marx

### 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 7	Week 8	Week 9
Mombasa	147,963	144,742	139,959
Blantyre	1,860	5,340	N/A
Colombo	6.88 m.kg	6.30 m.kg	N/A
Jakarta	17,700	N/A	N/A
Kolkata	69,238	78,964	N/A
Guwahati	43,298	16,077	N/A

### KENYA

**Auction** – Fair general demand. Best BP1 irregularly steady to easier with select lines dearer, below best 5-11cts easier, good mediums irregularly steady, mediums firm to dearer, and plainer types steady. Best PF1 eased up to 8cts, below best up to 7cts easier, good mediums eased 2-5cts, mediums firm to dearer, and plainer types firm to 5cts dearer. Best PD sold steady to 4cts dearer, below best firm to 5cts dearer, good mediums irregularly steady, mediums firm to 8cts dearer, and plainer types firm to 10cts dearer. Best D1 sold irregularly steady, below best firm to dearer, good medium steady to 5cts easier, mediums up 8cts and more, and plainer types up to 10cts dearer.

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

**Weather** – East of Rift: hot and dry without rains, and cold nights. Crop reducing with decreased plucking days. Zoning to be introduced soon. West of Rift – Kericho, warm sunny conditions with reducing crop. Warm temperatures in Sotik, crop reducing.

### MALAWI

**Auction** – Good demand. Well-made BP1 sold notably dearer, poorer types neglected. Better PF1sc 5cts dearer, plainer types neglected. PF1 Seedling firm to 5cts dearer. No PF on offer. Better PD up to 5cts dearer. Offgrade fannings firm to 3cts dearer. Offgrade dust 5cts dearer.

**Weather** – Partly cloudy, hot to very hot during the day with increasing rainfall coverage across the country. Mulanje and Thyolo registered isolated rains during the week. Crop intakes continue to improve.



## **SRI LANKA**

**Auction** – Fair demand. HG – Better Western BOP/BOPF firm to 10cts dearer, others firm to 10cts easier. N. Eliya BOP/BOPF 10-20cts easier. Uva/Udapussellewa BOP/BOPF 10cts easier. LG – OP1 select best firm, best 20cts easier, below best and bottom firm. BOP1 select best and best 15-20cts easier, below best and bottom firm. OP best eased 20cts, below best and bottom firm. OPA best 20cts easier, below best 10cts easier, and bottom firm. Pekoe 1 firm. Pekoe best 30cts easier, below best firm, bottom 20cts dearer. FBOP/FBOP1 best and below best firm, bottom up 5cts. FF1 best 5-10cts easier, others firm. FF best and below best firm, bottom 10cts easier. BOP/BOPF firm. Tippiess/specials, best 10cts easier, below best and bottom firm. Offgrade – best liquor fannings 10cts dearer, below best and bottom firm. Best Low Grown fannings 10cts easier, below best and bottom firm. BP 10-20cts easier. Best BM firm, below best and bottom 10cts easier. Dust – better HG dust firm, others firm to 10cts easier. Better secondaries 10cts dearer, others 10cts easier. Better Low Grown dust firm to 10cts dearer, others 10cts easier.

**Demand** – Syria, Saudi Arabia, Dubai, Hong Kong, and Unilever all active. Iraq, Iran, and Libya less demand. North America slow. Pakistan outpriced. Turkey betas very active, bazaar slower. Russia, mixed with some very strong demand.

**Weather** – Western Region / Uva Region experienced bright weather throughout the week with isolated evening showers. Nuwara Eliya Region had bright weather during the day with cold evenings. Udaupussellawa Region experienced bright weather. Low Grown experienced bright weather with scattered showers.

## **INDONESIA**

**Auction** – There was less demand for 15,900 packages with 25% remaining unsold especially for various West Java/West Sumatra RA (BOP/BOP/BT) due to broker's limit remaining too high. Java/Sumatra Orthodox sold steady to firm while CTC sold at irregular levels.

**Weather** – Java: cloudy with heavy showers was reported in most planting districts. Sumatra: regular showers were report in West/North/South Sumatra. Crop increasing.

## **BANGLADESH**

**Auction** – Less demand for the 40,782 CTC packages 10 orthodox packages, and 140 green tea packages on offer. Prices eased sharply with increased outlots. Dust met fair demand at easier rates. Next sale has 41,441 packages on offer.

## **INDIA**

### **Kolkata**

**Auction** – Fair demand in the CTC market, better types met good demand, others eased with some withdrawals in line with quality. Orthodox teas met good general demand, whole leaf and broken sold irregularly steady, secondaries sold 10cts dearer. Leafy fannings met good demand. Improved demand in the dust market, select best PD and dust 10-15cts dearer, others steady.

### **Guwahati**

**Auction** – Fair demand in the CTC market, teas met irregular rates.

### **Siliguri**

**Auction** – No report.

### **Coonoor**

**Auction** – CTC teas met good demand. Best liquoring varieties eased with quality, good and medium types steady to occasionally dearer, plainer types up-to 4cts dearer or more. Well-made orthodox sold dearer, remainder firm with some withdrawals on the stalkier varieties. CTC dust met good demand, best and medium liquoring types sold irregular and occasionally lower. Good types steady to dearer, plainer sorts dearer, especially blacker leaf. Orthodox dust, primary BOPD's sold steady to occasionally dearer on quality. Secondaries were irregular and generally lower with the fibrous sorts witnessing some withdrawals.

### **Coimbatore**

**Auction** – CTC and dust met good demand. All types firm to occasionally dearer.

### **Cochin**

**Auction** – CTC met fair demand, all grades around last, occasionally dearer. Orthodox met good demand, Nilgiri whole leaf firm to dearer, mediums firm to dearer, remainder tending lower with some withdrawals. Dust met good demand, generally 2-3cts dearer.

*All price movements quoted in USD per kilo.*

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