



Week 12, 2018

Tea Market Report 19 - 23 March 2018

In Mombasa, the smallest auction of the past 30 sales took place this week, down from 126,273 packages to 122,280. The opening was very slow showing meagre demand, but things improved to some extent as the auction went on, some teas gained although a good majority eased. The absorption rate was reduced and less teas found an immediate home. Precipitation continues to develop in Kenya, and with some sun in the mix, the crop output is making clear gains. In Malawi, most teas sold steady to easier this week except for some selected special cultivars. Some producers continue to maintain high prices levels, owing to quality which the market is not in agreement with. Crop intake is excelling, with precipitation and hot conditions providing good support.

In Colombo, Low Grown teas took a strong upward stride; small pekoes already selling at extremely high levels moved up a further 20cts, OP1 up a staggering 20-40cts all around, BOP1 gained up to 25cts and OP/OPA 20cts. On the other hand, High Grown showed a clear devaluation with N.Eliya BOPF being the only exception. The January crop figure at 21.06 m.kg is ahead of 2016 by 13%, and with a crop intake on upward trend crop levels are expected to remain healthy. In Jakarta, demand remained low. Although Sumatran teas generally eased, some Javan's gained, particularly orthodox BOPF, PF, and dust. Overall crop is declining, but some reports indicate improved production conditions. In North India, the last clearance sale of old season teas took place in Kolkata, with general clear declines for these poorer teas. Precipitation and new crop are both beginning to take presence, with The Dooars showing solid outturn, Assam and Darjeeling are just starting to pick up. In the South of India, sunny conditions have returned, and crop continues to decline. Cochin, Coonoor and Coimbatore markets showed good demand. In Vietnam, the spring season has arrived, and plucking is taking place in several places, but unfortunately leaf quality is down, and the duration of the spring season continues to show a year on year decline in duration.

"Age is something that doesn't matter, unless you are a cheese." – Luis Bunuel

Crop figures (in m.kgs)

	Feb-18	Feb-17	Jan-Feb 18	Jan-Feb 17
Sri Lanka	21.1	18.6	45.6	40.3
	Jan-18	Jan-17		
Sri Lanka	24.3	21.7		
Kenya	40.8	33.0		
Malawi	6.3	5.2		

Upcoming auction quantities (pkgs)

	Week 13	Week 14	Week 15
Mombasa	133,419	126,598	129,007
Blantyre	7,020	6,340	N/A
Colombo	6.09 m.kg	6.43 m.kg	N/A
Jakarta	8,420	N/A	N/A
Kolkata	Cancelled	20,464	N/A
Guwahati	6,521	5,916	N/A

KENYA

Auction – Less general demand. Best BP1 steady to 8cts easier, below best 3-5cts easier with select lines firm to dearer, good medium irregularly steady to easier, medium firm to 10cts dearer, plainer types irregularly firm. Best PF1 up to 7cts easier, below best irregularly steady, good medium irregularly firm to dearer, medium firm to dearer with improved lines dearer, plainer types steady to easier. Best PD up to 8cts easier, below best steady to 5cts easier, good medium 8-12cts easier, medium irregularly steady, plainer types steady to 5cts easier. Best dust up to 8cts easier, below best up to 10cts easier, good medium up to 12cts easier, medium irregularly steady, and plainer types steady to 4cts easier.

Demand – There was strong and dominant activity from Pakistan packers. Afghan was less active with Bazaar subdued. Sudan, Yemen and Somalia were more active while interest from Egypt, Kazak and UK was maintained. Russia and Iran were less active.

Weather – East of Rift – increased precipitation, some heavy with cold nights; crop increasing. West of Rift – Kericho – more rains, sunny days and cold nights; crop increasing. Sotik – maintained rains and improved growing conditions.



MALAWI

Auction – Good demand at irregular rates. No BP1 offer. PF1 Sc selective demand, firm to slightly dearer. PF1 Seedling met good demand but slightly easier or taken out under bid. No PF on offer. PD 3cts easier. Better dust eased 3-6cts, others taken out under bid. Offgrade fannings 8-10cts easier. Offgrade dust 4cts easier.

Weather – Partly cloudy and hot during the week with some isolated thunderstorms.

SRI LANKA

Auction – Excellent demand for Low Growns, less demand for High Growns. HG - Western BOP all round firm to 15cts easier. Western BOPF all easier, select best and best 30-40cts, others 30cts. N.Eliya BOP all round 30-40cts easier, BOPF up 30cts. Uva/Udapussellewa BOP all round 10cts easier. BOPF all around 20-30cts easier. LG - OP1 select best up 40-50cts, best up 20cts, below best firm, bottom up 5-10cts. BOP1 select best and best 20-25cts higher, below best firm to 5cts up, bottom firm. OP all round up 20cts. OPA select best firm, best up 15-20cts, below best up 15cts, bottom up 25-30cts. Pekoe 1 select best firm, best 10-15cts dearer, below best and bottom up 20-25cts. Pekoe select best firm, best up 10cts, below best 5cts dearer, bottom firm. FBOP/FBOP1 and FF1 all around firm. FF best and below best firm, bottom 5-10cts dearer. BOP/BOPF all round firm. Tippiess/specials best firm, below best and bottom up 10cts. Off grades - Best liquoring fannings 25cts easier, below best firm, bottom 20cts dearer, Low Grown fanning best and below best 10cts dearer, bottom up 20cts. BP best and below best 15cts easier, bottom 20cts easier. BM best and below best up 10cts, bottom up 20cts. BOP1A select best and best firm, below best up 10-15cts, bottom 20cts dearer. Dust - High Grown/liquoring primary better sorts firm to 15cts easier, others 20-30cts lower. Secondaries cleaner sorts firm to 10cts dearer, others firm. Low Grown better sorts firm, others 10cts lower.

Demand – Turkish beta and bazaar extremely active. Saudi Arabia, Dubai and Russia all active. Iraq excellent demand. Libya increased demand. Hong Kong fair demand. Japan selective demand. North America slow. Pakistan and Syria out priced.

Weather – Western Region experienced bright mornings with evening showers. Uva/Udapussellewa experienced bright weather with isolated showers. Rainfall was received in N. Eliya during the beginning of the week, with dry and bright weather later in the week. Low Growns, both Ruhuna and Sabaragamuwa, had bright mornings with evening showers.

INDONESIA

Auction - There was less demand for the 11,200 packages on offer with 18% remaining unsold. Prices for Java orthodox/CTC were slightly dearer especially for orthodox primary grades BOPF/PF/Dust. Meanwhile North Sumatra orthodox was steady to easier except for BOP/BOPF/PF. West Sumatra steady to easier with many withdrawals.

Weather – Java - mixed weather was reported in West Java region, bright in the morning hours then cloudy with heavy showers in the late afternoon. Central/East Java continued with clouds and regular showers in most planting districts. Sumatra - regular showers were reported.

BANGLADESH

Auction – No report.

INDIA

Kolkata – A final sale of previous season teas met fair demand at easier rates. Brown and fibrous teas not withdrawn sold at sharply easier levels.

Guwahati – Primarily end of previous season teas on offer, which met fair demand at irregularly rates in line with quality.

Siliguri - No report.

Coonoor

Auction – CTC met improved demand. Best and good liquoring varieties sold steady to 1-3cts easier, mediums steady to 2-3cts dearer, plainer types 2cts dearer. Orthodox met good demand for whole leaf at dearer levels, remainder steady to easier. CTC dust met good demand, at irregular rates.

Coimbatore

Auction – CTC's met strong demand, better liquoring types and mediums 2-3cts dearer, plainer types firm. Orthodox met good demand for the limited quantity on offer at fully firm levels. CTC dust met strong demand at steady to irregular rates. Orthodox dust met good demand, firm.

Cochin

Auction – CTC met good demand, at steady rates. Orthodox met good demand, select best Nilgiri whole leaf firm to dearer, broken steady, medium whole leaf and primary broken dearer. Similar trend for secondaries and fannings. Dust met strong demand, firm to dearer.

All price movements quoted in USD per kilo.

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