



Week 14, 2018

## Tea Market Report 2 - 6 April 2018

Global trade has its focus on the skies in Africa where rains continue, and crop is on the rise. This week's 126k packages on offer in Mombasa met fair demand and was resulting in a 2-tier market. The bottom traded strong while the higher priced teas were discounted. This week's published crop figure is an improvement of 5mln kg compared to last year's but much lower than the record February 2016 crop. The current weather conditions are favorable in all tea growing areas and factories are running in full swing. This should result in increasing auction offerings in the coming weeks. In Malawi the small quantity on offer met selective demand with only 45% being sold in the room at irregular rates. The weather conditions are still favorable with hot & sunny days interrupted by rains. Crop intake is high and some of the smaller tea estates are tempted to postpone pruning.

In Colombo the market was up again, especially the OP/OPA's and the PEKOE's continued their upward trend. But some other grades showed the first signs of cracking. Again Turkey & Iraq were the driving force of the market. The weather conditions are still favorable with bright days interspersed by isolated showers. In Jakarta there was again fair demand for the 10k packages on offer, 15% came out which is a lower number than the previous weeks. Slowly we're heading towards the dry season, the amount of rainfall is declining. Which is favorable for the quality of tea produced. In North India the first sale of the new season took place in Kolkata, most teas traded at similar levels as last year's. This week's published crop figure is marginally lower than last year's. But with the current favorable growing conditions, April's crop should be able to close the gap with last year. In Vietnam the spring season has ended, and the tea fields are turning green again. The first plucking cycle of the season will start in the coming weeks. In Argentina cropping conditions have been very favorable in the previous months but slowly we're heading towards the off season.

*"I don't dream at night, I dream all day; I dream for a living."* – Steven Spielberg

### 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
India	13.2	13.6	30.4	32.8
Kenya	27.9	22.6	68.8	55.6
	Jan-18	Jan-17		
Sri Lanka	24.3	21.7		
Malawi	6.3	5.2		

### Upcoming auction quantities (pkgs)

	Week 15	Week 16	Week 17
Mombasa	129,007	130,302	144,877
Blantyre	5,020	6,520	N/A
Colombo	6.71 m.kg	6.44 m. kg	N/A
Jakarta	11,580	N/A	N/A
Kolkata	24,928	34,360	N/A
Guwahati	12,351	27,641	N/A

### KENYA

**Auction** – Fair general demand. Best BP1 steady to 8cts easier, below best up to 10cts easier with select lines firm, good medium irregularly steady, plainer types firm to 7cts dearer. Best PF1 up to 7cts easier with selected lines firm, below best steady to 5cts easier, good medium steady to 5-8 cts easier, medium firm to dearer, plainer firm to 8cts dearer. Best PD up to 10cts easier, below best 5-12cts easier, good medium firm up to 2cts dearer, medium firm to 10cts dearer, plainer types up to 20cts dearer. Best dust up to 2cts easier, below best irregularly firm, good medium up to 8cts easier, medium 12cts dearer and more, and plainer types up to 10-25cts dearer.

**Demand** There was increased activity from Egypt while Pakistan packers, Yemen, Sudan and UK showed maintained activity. Afghan and Bazar were more active while interest from Russia was maintained. Kazak and Iran were less active.

**Weather** – East of Rift – Medium to good rains, good growing conditions. Cold nights. Crop increasing. WoR – Kericho – More rains. Sunny days and cold nights. Some hail. Maintained crop. Sotik. Maintained rains and improved growing conditions. Uganda – Increased rains. Warmer temperatures. Crop improving. Rwanda/Burundi – Medium to heavy rainfall. Moderate temperatures. Crop improving.



## **MALAWI**

**Auction** – Selective demand. BP1 few lots taken out under bid. PF1sc trading 6cts easier where sold. PF1 Seedling 1-5cts easier where sold. PF traded firm to 6cts dearer. PD traded firm. Dust less well-made types trading steady, cleaner descriptions gained 4cts. Offgrade fannings poorer types sold full firm, cleaner types gained up to 7cts. Offgrade dust 5cts easier.

**Weather** - Partly cloudy and hot weather conditions during the week but overcast and rainy over the weekend in most parts of the country. Crop intakes remains high.

## **SRI LANKA**

**Auction** – Good demand for Low Growns, less demand for High Growns. HG – Western BOP 10-15cts lower, BOPF better types 20-30cts easier, others firm. N.Eliya BOP/BOPF all round 30-40cts easier. Uva/Udapussellewa BOP 10-15cts easier, BOPF firm to 10cts easier. LG - OP1 all-round steady to 10-15 cts easier except below best & bottom trading firm to 15cts dearer. BOP1 all round 5-15cts easier with the bottom trading firm. OP firm to 5-15cts dearer. OPA trading 5-15cts dearer. Pekoe1 trading firm to 5-10cts dearer. Pekoe gaining up to 10cts with the bottom firm. FBOP/FBOP1 best firm others 10cs easier. FF1 5-10cts easier, FF all round firm. Best BOP up 5-10cts, others firm. BOPF all round firm. Tippiess/specials best & below best 10cts easier, bottom firm. Off grades - Liquoring fannings best & below best 20cts easier, bottom 10cts dearer. Low Grown fannings gained 10-20cts. BP all around 15cts dearer. BM all 10-20cts dearer. BOPIA select best up 5cts, best and below best firm to 10-20cts dearer. Dust - High Growns/liquoring 10-20cts easier. Secondaries all around 10cts easier. Low Grown better sorts 10-15cts easier, others firm to 10cts easier.

**Demand** – Turkish beta and bazaar very active. Saudi Arabia, Dubai and Russia all active. Iraq and Libya extremely strong demand. Hong Kong less demand. North America slow. Pakistan and Syria out priced.

**Weather** – Western Region experienced bright weather with scattered showers reported towards the latter part. Nuwara Eliya Region had bright weather with isolated showers. Udapussellawa Region too had bright weather. Uva Region experienced bright mornings with isolated showers. Low Growns - Both Ruhuna and Sabaragamuwa experienced bright weather with regular evening showers.

## **INDONESIA**

**Auction** - There was fair demand for 9,980 packages with 15% remaining unsold especially for West Java Orthodox BOP1/BOP and West Sumatra Orthodox various grades. Java Orthodox/CTC and North Sumatra Orthodox were selling at different direction following quality and quantity offered. Central Sumatra continued steady to easier with many withdrawn.

**Weather** – Java: Bright and dry with very short rains reported in most planting districts. Seems the dry season will start soon and improved quality will follow. Sumatra: Mix weather with less rain was reported in West/North/South Sumatra.

**BANGLADESH** – No auction.

## **INDIA**

**Kolkata** – CTC – good demand well-made fresh Doors trading steady with selected invoices tending dearer. Old season teas following quality. Orthodox – new season teas trading at firm to dearer levels. Old season teas trading firm to dearer.

**Guwahati** – CTC – new season teas met fair demand better Assams trading dearer while medium types met less demand and facing withdrawals. Dust – new season best teas met good demand and trading firm to dearer. Old season teas met fair demand.

**Siliguri** – No report.

**Coonoor** – CTC met fair demand. Best and good liquoring teas steady to lower by 2-3c. Medium types followed a similar trend with the bolder grades seeing fair withdrawals. Plainer teas irregular and lower 2-4c. Orthodox Whole leaf grades sold well and at times dearer on quality. Remainder steady to occasionally dearer. CTC dust good demand. Best and good liquoring teas were lower 2-4c with some withdrawals. Mediums barely steady while the blacker plainer teas were dearer upto 4c. Orthodox dust Primary BOPD's barely steady to lower. Secondaries steady to dearer.

## **Coimbatore**

**Auction** – LEAF: CTC's met with selective demand. High prices teas easier by up to 3c with some withdrawals. Mediums irregularly lower. Plainers barely steady especially the blacker varieties. Orthodox leaf met with good demand at around last levels. DUST: CTC's met with fair demand. Select better liquoring varieties around last. Remainder irregularly lower with quality and facing withdrawals. Medium sorts easier by 2-3c. Plainers firm. Orthodox met with good demand at easier levels.

## **Cochin**

**Auction** – LEAF Orthodox: Good demand. Select Nilgiri whole leaf broken sold around last and at times firm in line with quality. Medium whole leaf and primary broken irregular around last. Fannings firm. Leaf CTC: Good demand. All varieties around last. DUST: Good demand. Popular marks and best category teas sold around last and at times dearer. Good liquoring mediums and mediums irregularly lower. Plainers firm.

*All price movements quoted in USD per kilo.*

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