



Week 15, 2018

## Tea Market Report 9 - 13 April 2018

Kenya auction offering continues on the up and up. This week's 129,007 packages, up from 126,598, met a lively opening, more than anticipated. Prices initially jumped but stalled out and later eased. However, as the prices eased some lots remained unsold as sellers were not keen to accept. Outstanding cropping conditions continue, and auction quantities will increase by 25% over the course of the coming three weeks. In Malawi, sales in the auction picked up from the previous week, where most unsold teas were chalked up in the PF1sc category, overall demand was fair at irregular rates. Weather is mixed, with some isolated showers, but the driving force being particularly cold nights, is significantly impacting crop production, noted by a strong decline.

In Colombo, anticipation seemed to have built up as the auction will pause next week for the Sri Lankan New Year. The eager mood was unleashed at the beginning of the sale, but tapered off, leading way to a clear dip in demand and an easing trend. High riding pekoes, OP/OPA's, and OP1's all declined as the sale progressed, off grades also lost value. High Grown BOP/BOPF witnessed some resistance and were marginally dearer. In two weeks the auction resumes with increased quantity amidst continual improved production conditions. In Jakarta, fair demand took place for 11,540 packages, Java orthodox and CTC and North Sumatra orthodox sold in different directions following quality and quantity offered, while West Sumatra sold steady to easier except for BOP1/BOPF. Indonesia continues to observe drier weather patterns. In North India, the second sale of the new season took place, with teas still offered from the old season in addition to the new season. New well-made teas met good demand. Rains continue and crop is expected to make substantial gains. In Vietnam, Spring weather continues, and although Spring plucking has concluded in Low Grown regions, it continues in the High Grown areas. The main tea season is expected to begin at the end of April or early May.

*"Sometimes your joy is the source of your smile, but sometimes your smile can be the source of your joy."* – Thich Nhat Hanh

### 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 16	Week 17	Week 18
Mombasa	130,302	144,877	161,933
Blantyre	6,520	5,260	N/A
Colombo	No sale	6.44 m.kgs	4.67m.kgs
Jakarta	9,960	N/A	N/A
Kolkata	34,360	49,227	N/A
Guwahati	27,641	80,330	N/A

### KENYA

**Auction** – Fair general demand. Best BP1 firm to 8cts up, below best opened strong but softened later to close firm to 10cts dearer, good medium steady to 10cts easier with selected lines dearer, medium irregularly firm to dearer, plainer steady to 5cts easier. Best PF1 steady to 5cts easier, below best 5-8cts easier, good medium 3-10cts easier, medium irregularly steady, plainer firm to 5cts dearer. Best PD steady to 8cts easier with selected lines firm, below best 4-8cts easier, good medium steady to 8cts easier, medium firm to 5cts dearer, plainer firm to 7cts up. Best dust irregularly steady, below best steady to 5cts easier, good medium up to 10cts easier, medium firm to 5cts dearer, plainer firm to 8cts up.

**Demand** – Activity from Pakistan packers was maintained with increased demand from Egypt, Yemen and Kazak. Interest from Afghan and Bazar was maintained but there was less support from Sudan, Iran, Russia and UK. Somalia supported the plainer end of the market at easier rates.

**Weather** – East of Rift – Increased rainfall, good growing conditions, warmer weather, crop increasing. West of Rift – Kericho – More rains, sunny days and cold nights, some hail, increasing 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** – Fair to good demand. BP1 none of offer. PF1sc selective demand at last week's levels where sold. PF1 Seedling steady to 2cts easier where sold. PF one lot on offer taken out under bid. PD good demand, up to 2ctsc easier, poorest descriptions were neglected. Dust good demand 2-3cts dearer. Offgrade fannings good demand, fibrous descriptions gaining up to 7cts, while cleaner sorts were steady to 1ct easier. Offgrade dust 5cts dearer.

**Weather** - It was partly cloudy, warm to hot during the day, cool during the night and foggy during early morning hours with some isolated precipitation. Crop intakes have sharply declined due to low night temperatures.

## **SRI LANKA**

**Auction** – Less general demand. HG – Western BOP all round 20cts easier. Western BOPF select best firm, others 10cts lower. N.Eliya BOP better sorts 30-40cts dearer, others 20cts lower, BOPF all round 30cts easier. Uva/Udapussellewa BOP all round 10cts lower, BOPF better sorts 20cts easier, others firm to 10cts higher. LG - OP1 all easier, select best and best 10-15cts, below best and bottom 10cts. BOP1 select best 15-20cts lower, best up 5-10cts, below best firm, bottom 10cts easier. OP all easier, select best 10-15cts, best 10cts, below best and bottom 5cts. OPA all easier, select best 15-20cts, others 5-10cts. PEKOE 1 select best and best firm, below best 10cts lower, bottom 15cts easier. PEKOE select best 10cts lower, best firm, below best 10cts easier, bottom 10-15cts lower. FBOP/FBOP1 best 10cts easier, below best firm, bottom 5-10cts lower. FF1 best and below best 10-20cts lower, bottom 5-10cts easier. FF best 5-10cts lower, others firm. BOP/BOPF all round firm. Tippiies/specials best 10-20cts easier, below best and bottom 10cts lower. Off grades - liquoring fannings 10-15cts easier. Low Grown fannings 15cts lower. BP firm. BM 15cts easier. BOP1A select best firm, best steady to 5cts lower, below best 10cts easier, bottom 15-20cts lower. Dust - High Grown/liquoring primary better sorts firm to 20-30cts easier, others 10-20cts lower. Secondaries firm. Low Grown better sorts firm, others firm to 10cts lower.

**Demand** – Turkey slowing. Dubai, Syria and Russia active. Saudi Arabia and Libya active but declining. Iraq strong demand. Hong Kong less demand. North America slow. Pakistan out priced.

**Weather** – Western Region experienced bright mornings with evening showers. Nuwara Eliya Region bright weather with regular evening showers. Udapussellewa /Uva Regions bright mornings with heavy showers. Ruhuna and Sabaragamuwa experienced bright mornings with regular evening showers.

## **INDONESIA**

**Auction** - There was fair demand for 11,540 packages, 18% remained unsold, particularly most West Java Orthodox BOP1/BOP. Java Orthodox/CTC and North Sumatra Orthodox were selling in different directions following quality and quantity offered. West Sumatra steady to easier except for BOP1/BOPF.

**Weather** – Java: irregular weather was reported in most planting districts, bright and dry with irregular showers. Sumatra: mixed weather with less rain.

**BANGLADESH** – No auction.

## **INDIA**

**Kolkata** – CTC market offered a mix of old season and new season teas. Select best teas gained, old teas sold in line with quality. Internal and local buyers were the most active, major blenders not active. Orthodox market met good demand, new season teas sold steady to dearer, while old season teas sold in line with quality. Middle East markets were the most active while CIS and local buyers were more selective. Dust market met good demand

**Guwahati** – CTC market met good demand, best and good Assams on offer sold firm to dearer levels compared to last year. Lower quality met fair demand at similar levels to last year. Western India active, internal buyers were fairly active.

**Siliguri** – No report.

**Coonoor** – CTC met good demand, best liquoring teas barely steady to 5cts easier. Good and medium 2-3cts easier, plainer types 3-5cts easier. CTC dust met good demand, best liquoring teas and medium varieties firm to 2-3cts dearer sometimes more with quality. Plainer types steady, bolder grades up 2-3cts. Orthodox whole leaf grades up 5-8cts, remainder steady. Orthodox dust firm, secondaries easier.

## **Coimbatore**

**Auction** – CTC leaf and dust met with fair demand, steady. Orthodox leaf and dust met good demand, firm.

## **Cochin**

**Auction** – CTC met good demand, firm to dearer. Orthodox met fair demand, select best Nilgiri sold in line with quality at easier rates. Medium whole leaf and brokens followed a similar trend. Fannings firm. Dust met good demand. Popular marks and best category sold in line with quality 3-5cts easier, with withdrawals, select mediums firm, remainder lower. Plainer teas firm.

*All price movements quoted in USD per kilo.*

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