



Week 17, 2017

## Tea market report 24-28 April 2017

Most markets were less active in this week's auction in Mombasa. Auction figures have remained decent in lower cropping months and news of increasing rainfall was reported. This caused a generally easier trend in the market, mainly for the middle segment as the top segment managed to hold. It seems the rains WoR are materializing, auction quantities in week 19 will be 20% higher than week 17. Tea offered from Uganda is showing a large increase. Rains are improving, but below normal levels for this time of the year. Malawi is getting colder, although the rains prevail. Last weekend good rains were reported again, after a sunny week. Crop intake is on its seasonal decline, with continuing pruning. In addition, some factories are closing for their annual maintenance. On the other hand, the auction met easier rates and 32 percent of the teas remained unsold. The average auction price after this week shed by almost 10cts.

Colombo met a fully firm market for Low Grown tea this week with a few bigger buyers stepping out. High Grown on the other hand have been trading easier, maybe even a 'start of a gradual decline'. The crop figure of March was promising for larger auction quantities. A relative large increase versus last year, but due to the slow start of this year we are still behind 2016. The drought seems to be over and there have been good rains over the last weeks. This week has been dry, but crop is still going in the right direction. A good crop is also reported in Jakarta, with ongoing favorable weather to grow tea. Quality improving for certain gardens that receive more attention. The auction of this week was generally easier, although demand was healthy. Only the High Grown West Java PF1/PD and D1 did not trade easier. In the northern part of India there have been reports of a very healthy crop over the first half of April. In this week's auction the percentage of Assam teas went up, albeit at easier levels. The second flush is expected mid-May, due to the ongoing favorable growing conditions. Also in South India the weather has been conducive. Rains have been reported in a week that was mostly sunny and the crop is looking healthy. This was seen in the auction, where the prices generally went south. The spring in Vietnam is still around the corner, delaying the first plucking activities. The factories are ready for production, but the green leaf is not. This has driven up the prices of the available quantities.

Meanwhile as we celebrated the Dutch king's 50<sup>th</sup> birthday yesterday we like to remember the following wise words:

*"Youth is not a time of life, it is a state of mind". S.Ullman*

### Crop figures (in m.kgs)

	Mar 17	Mar 16	Jan-Mar 17	Jan-Mar 16
Malawi	7.1	7.7	19.4	19.1
Colombo	26.4	22.21	66.56	70.42

	Feb 17	Feb 16	Jan-Feb 17	Jan-Feb 16
India	13.5	17.1	32.5	35
Kenya	22.6	44	55.6	94.3
Sri Lanka	18.5	23	40	48.2

### Forthcoming auction quantities (pkgs)

	Week 18	Week 19	Week 20
Mombasa	132,188	131,831	134,729
Blantyre	6,160	5,520	N/A
Colombo	6.49 m. kg	4.85 m. kg	N/A
Jakarta	14,020	14,700	N/A
Kolkata	68,335	94,376	N/A
Guwahati	78,583	995,146	N/A

### KENYA

**Auction** – Fair general demand. BP1 generally trading irregularly steady, better types trading firm to dearer. PF1s all-round steady, only medium types eased up to 8-12cts. PDs generally trading steady, except for below best trading to 10cts up and medium types trading steady to 10cts easier. D1s generally firm to steady. Only medium types eased to 10cts.

**Demand** – Strong demand from Yemen, Sudan and Russia. Iran more active. Afghanistan, UK and Somalia maintained, where Pakistan Bazaar, Egypt and Kazakhstan was slower.

**Weather** EoR: reports of improved rains. Some areas are still struggling, warmer temperatures, overall crop is improving. Rainfall significantly less than normal for time of year. WoR: rains increased, day temperatures warmer, crop continues to improve but at a slower rate. Uganda: small improvement in rains, crop increasing. Rwanda/Burundi: some showers, crop maintained.



## **MALAWI**

**Auction** – Less demand at easier rates were sold except for Offgrade fngs and D1. BP1s were taken out under bid. PF1sc taken out with very few registered bids. PF1 seedling trading 2-3cts easier. PFs trading steady to 5cts easier. PDs taken out under bid. D1s good demand at 5-16cts dearer with better quality Offgrade fngs up 2ct dearer. Offgrade dust trading 3cts easier.

**Weather** – Sunny intervals and cold weather episodes were experienced during the week with some patchy rain and drizzles in some areas. Night temperatures are dropping which is critical tea bush growth. Crop intakes are seasonally ebbing and pruning continues.

## **SRI LANKA**

**Auction** – Fair demand for the 6.0 m.kgs on offer. HG – Western BOP and BOPF better sorts firm and others 10cts easier. N. Eliya BOP & BOPF trading firm. Uva/Uda BOP and BOPF eased 10cts. LG – OP best and below best, BOP1 best OPA best trading 10cts dearer. BOP1 select best, OPAs, Ops, PEKOE1 select best, PEKOE select best & best, FBOP/FBOP1 best & bottom, FF bottom trading 15-30cts dearer. All other trading firm, except FBOP bottoms up 5cts and FF bottoms 5cts lower. Off Grades – All-round trading 10-30cts dearer. Fngs below best and LG best trading firm. Dust – All-round 10-20cts dearer.

**Demand** – Turkey very active, Iran picking up. Syria needs tea, but at lower levels. Libya active too, Russian packers show activity as well. Iraq is slowing down, where Hong Kong is improving. Pakistan less active.

**Weather** – The Western region experienced bright and dry weather conditions with warm nights. N. Eliya region had bright and warm mornings with cold nights. Uda/Uva regions experienced humid weather conditions. Low Grown districts have experienced dry and humid mornings with moderate winds.

## **INDONESIA**

**Auction** – There was a reduced demand for 10,200 packages with 3% remaining unsold. Prices of Java/Sumatra Orthodox moved in different directions depending on the quality and RA status. CTC was irregular to firm, with less demand.

**Weather** – Java: bright and sunny during the morning hours then cloudy and thunderstorms in the late afternoon/night followed by occasional showers reported in most planting districts. Sumatra: partly cloudy with moderate rain during the night and very humid in the morning and afternoon hours was reported in north, central, and south.

## **BANGLADESH**

**Auction** – First sale of the season started with fair demand at slightly easier rates. Local tea traders were active, blenders were selectively active.

## **INDIA**

### **Kolkata**

**Auction** – CTC – There was a larger weight of Assam CTC descriptions on offer this week, which witnessed fair demand at generally easier levels. Good Dooars are following a similar trend, while medium and plainer Dooars are irregular around last. Orthodox – good general demand. Smaller whole leaf grades were irregular, lower by 5 to 8 cents and witnessed some withdrawals. Bolder Whole leaf grades were firm to 10 cents dearer. Larger broken were 5 to 8 cents easier, whilst the smaller broken and fannings were firm.

**Demand** – CTC – HUL – Selective. Western India – Operating. Internals – Good support. Exporters – Selective enquiry on bolder broken. Orthodox – Iran, Gulf active. CIS selective.

**Weather** – Weather Conditions upcountry remain conducive for growth, first half of April, 2017 has seen excellent crop outturn due to a very heavy flush. The Indian Met. Department has forecast a normal monsoon this year.

### **Guwahati**

**Auction** – Market opened to good demand. Best category teas irregularly lower particularly fannings witnessing lesser demand. Good descriptions also easier.

**Demand** – Western India – less active. HUL – selective. TBGL – quiet. Other provided fair support. Exporters, quiet.

### **Siliguri**

**Auction** – No report received.

### **Coonoor**

**Auction** – CTC leaf fair general demand up to 4cts easier. Dust, barely steady.

### **Coimbatore**

**Auction** – Orthodox leaf trading steady to occasionally steady. CTC leaf met fair demand at barely steady levels, CTC Dust following.

### **Cochin**

**Auction** – Orthodox leaf met good demand. Select best Nilgiris sold in line with quality around last. Medium whole leaf firm to dearer, remainder irregularly lower. CTC leaf met fair demand. CTC Dust met fair demand at 12-14cts easier rates, with mediums following a similar trend, and plainers easing 5-10cts.