



Week 44, 2017

Tea Market Report 30 October – 3 November 2017

Good and improved general demand took place this week in the Mombasa auction. 143,755 packages were on offer down by 5,400 from the previous week, with a good majority of teas advancing. Plainer PD/D1s were a strong feature where some lots gained by 30cts. Rainfall continues to increase, and crop is improving. Market supply constraints related to the political environment and seasonal weather appear to have simmered down, but labour strikes, particularly in Kericho, are ongoing and heavily impacting production, where no plucking is active. Teas met very good demand this week in Malawi at irregular rates. Sale 46 drops to a skimpy 1,120 packages, but every coin has two sides, and the persistent hot weather has broken, rains have arrived, and with more rain hopefully around the corner the season will be back in action.

Mixed demand took place in Colombo for the 6.1 m. kg on offer, with Low Grown teas meeting good demand and High Grown tea meeting less demand. Low Grown teas generally met dearer rates. Russia was back in the market but mostly for BOP1 which seem to be in high demand, OP1s continued to advance as well, small pekoes maintained last levels, but OP/OPAs showed signs of losing value. Uncertainty was very much a feature of the auction. Heavy rains persist in Sri Lanka and crop volumes are yet to jump. The auction in Jakarta saw reduced demand again this week at steady to easier rates; 16% of teas remained unsold. Rains continue and although immediate auction quantities have yet to see a reaction, the volumes are expected to be on the increase. The season continues to dwindle down in Vietnam with only one plucking likely remaining in the north and two in the south. Producers are pushing farmers to continue as long as possible, as demand remains persistent and rates dearer. In North India, good demand was met at generally firm to irregularly easier rates. Temperatures are dropping like Vietnam. October crop outturn reports were satisfactory at ~9 m. kg, but the hopeful boost from September's losses were not seen. In South India, the auctions showed us a mixed trend, with Coonoor steady to easier, Coimbatore generally easier & Cochin trading firm to dearer.

"I've missed more than 9000 shots in my career. I've lost almost 300 games. 26 times, I've been trusted to take the game winning shot and missed. I've failed over and over and over again in my life. And that is why I succeed." – Michael Jordan

Crop figures (in m.kgs)

	Sept 17	Sept 16	Jan-Sept 17	Jan-Sept 16
Sri Lanka	25.5	20.0	232.6	219.0

	August 17	August 16	Jan-Aug 17	Jan-Aug 16
Malawi	1.50	1.78	34.5	32.6
Kenya	32.7	29.6	265.2	309.7
India	167.98	158.7	766.72	733.27

Upcoming auction quantities (pkgs)

	Week 45	Week 46	Week 47
Mombasa	149,780	138,321	151,239
Blantyre	2,200	1,120	N/A
Colombo	5.71 m. kg	5.72 m. kg	N/A
Jakarta	11,300	N/A	N/A
Kolkata	190,700	190,918	194,137
Guwahati	183,318	190,044	188,638

KENYA

Auction – Good general demand. BP1s generally eased, down 8-10cts, except good mediums and plainer which sold irregularly steady, and select below best types which sold firm to dearer. PF1s sold firm to dearer, up 5-8cts depending on type, while plainer types sold irregularly firm. PDs shed 8cts for below best, gained 10-20cts for mediums, sold irregularly firm for good mediums, and gained 10cts for plainer types. Dusts sold easy at the top, and shed 10-20cts at the bottom.

Demand – Improved demand from Pakistan packers, the UK, Iran, Kazakh and Yemen whilst activity from Sudan, Egypt, the Bazaar and Russia was more or less maintained. Afghanistan was less active. Somalia maintained interest at the lower end of the market.

Weather – East of Rift – Reduced rainfall in most areas. Regions near Nairobi reported 'just a trace' of rain. Temperatures are warming up. Crop has picked up in areas near Mt Kenya but are still slow in areas close to Nairobi. West of Rift – Rains increased, day temperatures are warmer, and crop continues to improve gradually.



MALAWI

Auction – Very good demand at irregular rates. BP1s sold steady, PF1 Sc sold nominally firm, PF1 Seedlings irregular, PDs were taken out under bid, D1s eased up to 3cts, offgrade fannings gained 3-9cts, and offgrade dust sold firm.

Weather – Anticipated pre-season rains arrived over the weekend in full force. With further rains in November, crop intake is expected to fully resume. Meanwhile crop intakes remain low.

SRI LANKA

Auction – Split demand, with less demand for High Grown and good demand for Low Grown. HG- Western BOP sold firm to 10cts dearer and BOPF firm for better sorts, and others 10-15cts easier. N. Eliya BOP/BOPF gained 30-40cts. Uva/Udapussellewa BOP sold firm and BOPF shed 20cts. LG – OP1 select best up 10cts, best up 5cts, below best firm, and bottom up 10cts. BOP1 select best firm, best up 5cts, below best up 5-10cts, and bottom firm. OP/OPA select best down 15cts, best down 10cts, below best and bottom firm, except OPA bottom, up 5-10cts. Pekoe 1 select best firm, best down 5cts, below best and bottom down 5-10cts. Pekoe all around 10cts easier, except best and below best, firm. FBOP/FBOP1 best firm, others 10cts easier. FF1, FF, BOP/BOPF, and Tippiess/Specials all around firm except FF and BOP/BOPF bottom, 10cts easier. Off grades – liquoring fannings, 20-30cts dearer. LG fannings, firm, except best, firm to 10cts easier. BP/BM 10-30cts easier, except lower BMs, firm. BOP1A select best down 10cts, best firm, below best down 5cts, and bottom up 5cts. Dust – secondaries and Low Grown up 10-15cts, High Grown down 10-15cts.

Demand – Turkish bazar slowing, but Beta remains strong. Iraq and Libya very active. Saudi Arabia and Dubai improving demand. Less demand from Hong Kong, Japan, Unilever, North America, and Pakistan.

Weather – Western Region experienced bright mornings with torrential evening showers. Heavy rains in Nuwara Eliya/Udapussellewa and Uva. Sabaragamuwa reported isolated showers whereas Ruhuna reported rain.

INDONESIA

Auction – There was less demand for 12,400 packages with 16% remaining unsold. Prices for Java orthodox were slightly dearer while CTC was steady to easier. Sumatra Orthodox continued steady to easier with many teas withdrawn.

Weather – Java: cloudy with isolated thunderstorms and heavy showers during the afternoon and night. Sumatra: partly bright with irregular showers.

BANGLADESH

Auction – Strong demand at fully firm to dearer rates for the 47,145 packages on offer, dusts sold dearer. Next sale has 46,517 packages on offer.

INDIA

Kolkata

Auction – CTC teas met good demand. Quality Assam's sold firm, remaining sold irregularly easier. Orthodox teas met good demand. Main grade whole leaf tended easier, secondary whole leaf sold firm to dearer. Remainder sold steady to irregularly easier. Dust met strong demand with best Assams selling firm, and others selling barely steady.

Demand – Western India active on liquoring teas, exporters operating on larger broken, and major blenders active in the CTC market. Middle East and CIS active and HUL selective in the orthodox market. HUL and Tata active on dust, with Western India operating on liquoring dusts.

Guwahati

Auction – Good demand in the CTC market. Most teas sold steady to firm, lower quality teas tended irregularly lower.

Demand – Tata, HUL, and Western India all operating, Western India most active on liquoring types.

Siliguri

Auction – No report.

Coonoor

Auction – Good, selective demand for CTC teas/ Best and good liquoring types sold irregular to easier with quality. Mediums shed 4-6cts, and plainer types irregularly steady. Orthodox teas sold dearer, while lower quality types eased. CTC dust gained with quality and remainder shed 4-6cts. Orthodox dust sold firm to dearer.

Coimbatore

Auction – Fair demand for CTC leaf and dust at easier rates; down 2-4cts.

Cochin

Auction – Orthodox teas met good demand. Select best Nilgiris irregularly easier, mediums sold firm to occasionally dearer. CTC teas met good demand, firm to dearer. CTC dust eased up to 10cts for best types, mediums steady to dearer, and plainer types firm to dearer.

All price movements quoted in USD per kilo.

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