



Week 45, 2017

Tea Market Report 6 - 10 November 2017

Following a lively opening in Mombasa, with teas gaining and good absorption, things softened, prices began to ease, and out-lots increased. In the end 21,740 packages remained unsold, the second highest figure on the year. Auction quantities continue to rise looking forward, with 162k around the corner. Rain continues to improve and so does the crop. The recent labour strike has been called off, and parties will meet in court for a resolution next week. September crop figure came in at an all-time record at 38.4 m.kg but overall to date, 2017 remains 17% behind last year's production volume. Malawi followed a similar trend to Kenya, teas sold at easier rates or did not sell at all; 40% of teas were left unsold. Rain is present in some locations, but the hot conditions remain as well. More rain is still anticipated, and crop intakes are beginning to show some signs of recovery.

In spite of a lower sale offering, the market in Colombo dropped rather unexpectedly. Most teas both Low and High Grown declined sharply. Prices remain above reasonable levels; Russia has reduced demand, while Iran, Iraq, Syria, Saudi, Germany generated fair demand. After weeks of heavy buying, Turkey slowed as well, and Libya additionally showed little interest. Heavy rain continues across the island, which has slowed production, but increased volumes are expected soon. The auction in Jakarta saw reduced demand yet again this week at steady to easier rates; 16% of the 11,220 packages remained unsold. Rains continue, and crop is picking up. Cold winds have arrived in Vietnam from China, bringing cold temperatures and increased rains. More plucking is still expected, as all teas continue to be swept up at dearer rates. In North India, fair demand was met at generally irregular to easier rates, except in Darjeeling which met good demand although buyers were less aggressive than previous weeks. In South India, the auctions showed a mixed turnout; good demand in Cochin at firm to dearer rates, fair demand in Coimbatore at steady rates, and good but selective demand in Coonoor at generally irregular to easier rates. India September crop reports are notably down, 45 m.kg from 2016, attributed to last year's bumper crop, and a loss in production during Puja holidays.

"Peace begins with a smile." – Mother Teresa

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
India	145.8	190.0	912.6	923.3
Kenya	38.4	37.0	303.6	346.7

Upcoming auction quantities (pkgs)

	Week 46	Week 47	Week 48
Mombasa	138,321	151,239	162,135
Blantyre	1,120	1,000	N/A
Colombo	5.72 m. kg	5.76 m. kg	N/A
Jakarta	11,360	N/A	N/A
Kolkata	190,918	194,137	188,804
Guwahati	190,044	188,638	193,760

KENYA

Auction – Fair general demand. BP1s best sold steady to 8cts easier, below best steady to 12cts easier, good mediums irregularly steady to easier, mediums irregularly firm, and plainer types sold firm to dearer. PF1s generally sold firm to 5cts dearer, except plainer types which sold irregularly firm. PDs sold steady to 8cts easier for best types and 10-15cts easier for below best, irregularly steady for good mediums, and 8cts and 5cts up for mediums and plainers, respectively. Dusts sold dearer at the top and easier at the bottom.

Demand – Strong activity from Egypt while Afghan was more active. More interest from Yemen and Bazaar but at lower levels. Maintained activity from Sudan and Somalia but Pakistan Packers, UK, Kazak and Iran were less active with Russia subdued.

Weather – East of Rift: increased rainfall, sunny days and cool nights; crop increasing. West of Rift: Kericho, more rainfall, moderate temperatures. Crop at stand still due strike. Increased rainfall in Sotik; crop improving.

MALAWI

Auction – Less demand for a small auction quantity. BP1s sold firm. PF1 Sc met good demand, at rates 10cts easier. PF1 Seedlings mostly taken out under bid. PDs were also taken out under bid, D1s met good demand, but eased up to 4cts, offgrade fannings slipped 6cts, and offgrade dust was not on offer.

Weather – Continued hot to very hot conditions during the day and warm to hot during the night. No follow up pre-season rains in Mulanje and Thyolo after the first rains, but other areas are receiving precipitation. Crop intakes are showing signs of recovery and should slowly start creeping up.



SRI LANKA

Auction – Less demand in Colombo. HG - All met easier rates. Western BOP firm to 10cts easier and BOPF firm for better sorts, and others 10-15cts easier. N. Eliya BOP/BOPF shed 30-40cts. Uva/Udapussellewa BOP sold 10cts easier and BOPF shed 10-20cts. LG – OP1 select best 20-25cts easier, best 10cts easier, below best and bottom firm. BOP1 select best firm, others 5-10cts easier. OP select best and best 15cts easier. OP/OPA below best firm, and bottom up 5-10cts. Pekoe 1 all around 10-15cts easier, except below best, 5cts easier. Pekoe all around 5-15cts easier. FBOP/FBOP1 all 5-10cts easier, except at the bottom, 15cts easier. FF1 all around 5cts easier. FF all firm. BOP/BOPF 5-10cts easier, firm at the bottom. Tippiess/Specials best firm, others 10cts dearer. Off grades – liquoring fannings, firm. LG fannings firm, except best, 20cts easier and below best 5cts easier. BP/BM 10-20cts easier, except lower BMs, firm. BOP1A all around down 10cts. Dust – secondaries and Low Grown up 10-15cts, High Grown down 10-15cts, except well-made types, firm.

Demand – Turkish slow, or out of market. Iraq and Saudi Arabia very active. Dubai improving demand. Less demand from Hong Kong, Japan, Unilever, North America, Russia, and Pakistan.

Weather – Western Region experienced rain while Nuwara Eliya Region had heavy rainfall. Uva/ Udapussellawa Region experienced bright mornings with evening showers. Low Grown, both Ruhuna and Sabaragamuwa reported bright mornings with rainy evenings.

INDONESIA

Auction – There was less demand for 11,220 packages with 16% remaining unsold. Orthodox and CTC were selling at steady to easier levels except for selected Java Orthodox BOPF, PF, and dusts and CTC BP1s, PDs, fannings, and main grade dust.

Weather – Java: daily rains throughout Java. Sumatra: partially bright with irregular showers.

BANGLADESH

Auction – Strong demand at dearer rates for the 46,492 packages on offer. Next sale has 43,206 packages on offer.

INDIA

Kolkata

Auction – CTC teas met fair demand. Quality Assam's sold firm, remaining sold irregularly easier. Orthodox teas met good demand. Tippiess sold irregular to easier, other whole leaf and larger broken leaf types remained steady, fannings sold firm to occasionally dearer. Dusts met good demand, selling irregular to firm, except liquoring Assams, easier.

Demand – HUL active, Tata selective, and Western India active on quality teas in the CTC market. Middle East active, CIS operating, and HUL selective in the orthodox market. HUL active in dusts, with Tata and Western India operating.

Guwahati

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

Demand – Western India operating, while Tata and HUL were very selective.

Siliguri

Auction – Good demand for all teas at steady levels.

Coonoor

Auction – Good but selective demand for CTC teas. All sorts irregular to 4-6cts easier, with few best and good liquoring teas dropping further. Well-made orthodox teas sold around last levels, occasionally dearer. Remainder was lower with quality. Good but selective demand for CTC dust. Best good liquoring sorts generally sold 6-8cts easier. Medium and plainer teas eased 4-6cts. Orthodox dusts were lower while the secondaries were at times substantially lower.

Coimbatore

Auction – Fair demand for CTC leaf and dust at steady rates.

Cochin

Auction – Good demand for orthodox teas. Select best Nilgiris sold around last and at times dearer. Medium whole leaf and primary broken firm to occasionally dearer, remainder 4-6cts easier. Good demand for CTC teas, all varieties firm to dearer, 4-6cts. Dust met fair demand. Irregular with better liquoring sorts selling 4-6cts dearer, others 3-5cts easier.

All price movements quoted in USD per kilo.

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