



Week 47, 2017

Tea Market Report 20 – 24 November 2017

Auction offerings in Mombasa continue to escalate as is norm for the time of the year, however the 167,935 that closed for sale 48 not only happen to be largest auction figure so far, this year, but also the highest ever for any sale 48. Fair general demand was observed in the auction, with many teas slipping, while select grades gained often those with lower quality. Crop continues to increase, and auction quantities released for week 50 properly reflect this at 172,500 kg. Continued small volumes in Malawi were met with interest, albeit nearly all teas slipping in value. Auction week 49 has been cancelled due to lack of tea volumes on offer, but precipitation continues, and crop intakes are improving.

A generally mixed market took place in Colombo. High Grown BOP/BOPF dipped, but remains at relatively high levels. Low Grown leafy teas met mixed demand, with a majority of teas gaining. Demand in general was not very buoyant. Off grades and dust declined as well, with less general demand. Weather conditions have improved across Sri Lanka, with morning sunshine making a return after a long time. With heavy evening showers continuing to pelt the island nation, the sunshine/rain recipe should be ideal for upcoming crop production. There was improved demand for the 12,980 packages on offer in Jakarta, 15% remained unsold. Java Orthodox and CTC sold at firm to dearer levels, while Sumatra orthodox continued steady to easier with many lots withdrawn. Rainfall continues to increase, and similarly to Sri Lanka, healthy crop volumes are expected. Production is diminishing in Northern India with cold weather settling in. Markets met fair to good demand, with rates following accordingly, firm to easier. South India markets similarly saw a dip in rates, with many teas easing. Tea production in Vietnam faces eye to eye with the end of the season similarly to North India, both leaf quantity and quality are reflected. More central parts of the country with warmer weather are continuing production and all quantities continue to be swept up, with prices trending dearer.

"The thankful receiver bears a plentiful harvest." – William Blake

Crop figures (in m.kgs)

	Sept 17	Sept 16	Jan-Sept 17	Jan-Sept 16
India	145.8	190.0	912.6	923.3
Kenya	38.4	37.0	303.6	346.7
	Oct 17	Oct 16	Jan-Oct 17	Jan-Oct 16
Malawi	1.8	2.8	37.8	36.8
Sri Lanka	25.5	18.7	258.4	237.7

Upcoming auction quantities (pkgs)

	Week 48	Week 49	Week 50
Mombasa	162,135	167,935	172,500
Blantyre	1,220	Cancelled	N/A
Colombo	6.50 m. kg	6.50 m. kg	N/A
Jakarta	15,440	N/A	N/A
Kolkata	188,804	185,117	189,099
Guwahati	193,760	184,684	188,005

KENYA

Auction – Fair general demand. BP1s sold steady to easy, best and below best shedding 8cts and 10cts respectively. Plainer BP1 were an exception, selling firm to dearer. PF1s generally sold steady to easy, down 8cts for best types and 6cts for below best; mediums stood out selling out firm to 8cts up. Best and below best PDs sold steady to easier, while the remaining BPs sold firm to 10cts dearer. D1s sold steady to easier for better types, firm for good mediums, and up to 10cts dearer for medium and plainer types.

Demand – Dominant and strong activity from Egypt while Pakistan packers, Yemen, Afghan and Bazaar were more active. Russia, Sudan, UK and Somalia showed maintained interest but Iran was subdued.

Weather – East of Rift: rainfall notably reduced with warmer weather, crop increasing. West of Rift: Kericho – reduced rainfall, moderate temperatures; cop improving. Less rainfall in Sotik, crop increasing.

MALAWI

Auction – Improved demand at easier rates. One lot of BP1 was taken out under bid. PF1 Sc and PF1 Seedling met good demand, 3-5cts easier. The single lots of PD and D1 shed 6cts and 12cts respectively. Offgrade dusts gained 3cts. No PFs or offgrade dust were on offer.

Weather – Further additional rains were received. Thyolo had between 4-11mm on Monday and 3-10mm each on Saturday and Sunday. Mulanje had the real deal 7-40mm each on Saturday and Sunday. Leaf appearance and quantity improving.



SRI LANKA

Auction – Less general demand in Colombo. HG –Western BOP and BOPF better types firm to 10cts dearer, others firm to 10cts easier. N. Eliya BOP eased 20cts and BOPF firm to 20cts dearer. Uva/Udapussellewa BOP sold firm, BOPF eased 10cts. LG – OP1 gained 20cts at the top and 10cts for lower types. BOP1 sold firm at the top and bottom and 5-10cts dearer. OP select best gained 25-30cts, best up 10cts, and remaining firm. OPA select best sold 15-20 dearer, best 5-10cts dearer, below best firm, and bottom 5-10cts easier. Pekoe 1 sold firm for select best, 5cts dearer for best, and 10cts dearer for below best and bottom. Pekoe select best eased 30cts, best and below best eased 25cts, and bottom sold. FBOP/FBOP1 sold firm at the top, others gained 10cts. FF1, FF, BOP/BOPF, and tippies/specials all around firm. Off grades – liquoring fannings 20cts dearer. LG fannings 10-15cts easier. BP eased 30cts, BMs 10-15cts easier. BOP1A select best eased 10cts, others gained 10-15cts. Dust – High Grown well-made types 10cts dearer and others firm. Secondaries, better types gained 10-15cts, others firm. Low Grown better sorts gained 10-15cts, others sold firm.

Demand – Steady demand from Turkey, Syria active, Iran and Dubai improving demand. Libya and North America moderate to slow demand. Pakistan out priced. Russia and Hong Kong watching the market.

Weather – Sunny mornings, followed by heavy precipitation in the evenings across most regions.

INDONESIA

Auction – Improved demand. Java orthodox and CTC sold at firm to dearer rates. Sumatra orthodox maintained steady to easier rates with many withdrawals.

Weather – Java: cloudy with isolated thunderstorms and heavy showers during the afternoon/night. Rainfall increasing with low temperatures and windy conditions over night. Sumatra: regular showers were reported across Sumatra.

BANGLADESH

Auction – Strong demand for the 49,473 packages of CTC teas at fully firm to dearer rates. Next sale will have 46,283 packages on offer.

INDIA

Kolkata

Auction – CTC teas met fair to good demand. Well-made Assam's sold firm. Others traded easier following quality, with some withdrawals. Orthodox teas met fair to good demand, most teas traded firm to steady with bolder whole leaf types gaining, and some poor quality teas being withdrawn. Limited Darjeeling quantities met good demand at firm rates.

Demand – HUL was active on CTC teas, with Tata selective, and Western India active on better teas. Middle Eastern and CIS buyers were active on orthodox teas; HUL was active on whole leaf types.

Guwahati

Auction – Fair demand in the CTC market. Generally, all sorts met irregular to easier rates in line with quality.

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

Siliguri

Auction – No report.

Coonoor

Auction – CTC leaf met selective demand, generally 2-5cts easier, with plainer types remaining steady. Orthodox leaf sold irregular except well made teas which sold firm to dearer. CTC dust met fair demand, generally 3-6cts easier, except plainer types which sold at steady rates. Orthodox dust, sold steady to easier, powdery dusts were largely withdrawn.

Coimbatore

Auction – CTC leaf and dust met fair demand at barely steady rates.

Cochin

Auction – Orthodox leaf met fair demand, High Grown teas sold steady to easier, while medium types gained 2-4cts. CTC leaf met fair demanded, down 2-4cts. Dusts met good demand, teas at the top sold firm to occasionally dearer, best mediums sold firm and other mediums eased. Plainer types met minimal demand, with some withdrawals.

All price movements quoted in USD per kilo.

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