



Week 50, 2017

Tea Market Report 11 – 15 December 2017

Continuous large offerings continue to drive fair demand and generally easier sales in Mombasa. Although best types across many grades sold firm to dearer, the rest of the offering had a clear easing trend, with medium PD's and D1's easing 15-20cts and plainer types of the same grades dropping even further, 40-50cts. Precipitation was observed throughout Kenya, with more East of the Rift than West; high crop volumes are being maintained. South to Malawi, although nearly 80% of the 1,560 offered packages were bid on, nothing sold owing to producers' market limitations. Precipitation trickles on, and crop intake outlook continues to look healthy.

The Colombo market showed a contrast between High and Low Grown teas. High Grown teas showed a clear easing trend, with many grades slipping 10-20cts. Low Grown teas on the other hand generally sold firm to dearer, with Pekoes and leafy types making solid gains. Dusts generally eased, 10-20cts, the first slide in an extensive period. Auction quantities decrease to start the year owing to the recent severe weather conditions and extensive rainfall. However, weather and crop indicate a boost looking forward. There was less demand in Jakarta for the 13,220 packages on offer, with 22% remaining unsold. Javan CTC teas gained while orthodox teas remained steady. Outlots were generally driven by producer price limits, a market characteristic similar to Malawi. Steady precipitation is continuing to support improved and increasing crop volumes. Auction quantities have been on a steady increase, and are notably well ahead of volumes in 2016, up 23%, 36% and 63% in sales 48, 49 and 50 respectively. North Indian markets met fair demand all around, with better teas selling firm to plainer sorts irregularly easier. November crop reports are not finalized but indicate that crop volumes were down 10% from 2016. In South India, good demand was observed in Cochin and Coimbatore. Strong and improved demand was observed in Coonoor. Dry cloudy conditions and sun persist, with crop volumes continuing to decline.

"Notice that the stiffest tree is most easily cracked, while the bamboo or willow survives by bending with the wind." – Bruce Lee

Crop figures (in m.kgs)

	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
Kenya	43.4	41.3	347.0	388.0
India	177.3	151.1	1,089.8	1074.4

Upcoming auction quantities (pkgs)

	Week 51	Week 52	Week 1
Mombasa	178,260	No sale	170,046
Blantyre	1,000	No sale	N/A
Colombo	6.17 m.kg	No sale	5.89 m.kg
Jakarta	17,600	No sale	N/A
Kolkata	174,785	181,458	N/A
Guwahati	191,403	No sale	189,071

KENYA

Auction – Fair general demand. BP1's sold firm to dearer at the top, below best sold steady to 8cts easier, good mediums steady to 6cts easier, mediums 2-8cts easier, and plainer types irregularly firm. Better PF1's sold firm to dearer, gaining up to 8cts for bests, 4cts for below best, and 3cts for good mediums; mediums and plainer types sold steady to easier. Better PD's similarly sold firm to dearer at the top, gaining up to 10cts for best, 4cts for below best; medium and plainer types eased, mediums shed up to 20cts, plainer types up to 50cts. D1's eased; bests steady to easier, good mediums 5cts down, mediums eased up to 15cts, and plainer types up to 40cts.

Demand – Pakistan packers were more active. Yemen and Bazaar were more active, but at lower levels while activity from Afghan, UK, Russia and Sudan was maintained with Iran operating.

Weather – East of Rift: received fair amounts of rainfall with average to slightly lower temperatures compared to the previous week; crop harvest remained steady. West of Rift: Kericho – generally meager precipitation early in the week, while a few parts reported dry weather through the week. Moderate temperatures continued with a steady crop harvest.

MALAWI

Auction – No teas sold in the auction, as all lines were taken out under bid.

Weather – Another week of fair but minimal precipitation, enough to maintain production momentum. Notable rains is forecasted for the coming two weeks, with crop intake increasing.



SRI LANKA

Auction – Fair general demand took place in Colombo. HG – Western BOP better sorts sold firm, other 10cts easier. Western BOPF better sorts eased 10cts, others eased 10-15cts. N. Eliya BOP and BOPF shed 20cts. Uva/Udapussellewa BOP sold firm, BOPF sold firm to 10cts easier. LG – OP1s sold firm to dearer, select best gained 20cts, best types gained 10cts, and below best and bottom types sold firm. BOP's eased; 10cts for select bests and 5cts for the remaining. OP's, select best and best sold firm, others gained 5cts. OPA's select best, and best sold firm, below best gained 10cts, and bottom gained 5-10cts. Pekoe1's gained 10-25cts, with better teas achieving highest rates. Pekoe's gained 15-30cts, with lower teas having the largest gains. FBOP/FBOP1's sold firm, except below best which gained 10cts. FF1 and FF's all sold firm, best FF's gained 5cts. BOP/BOPF and tippies/specials sold firm all around. Off grades – liquoring fannings sold 10cts easier for best types, below best and bottom types sold steady to 5cts easier. LG fannings best types eased 10cts, below best gained 10cts, and bottom types sold firm. BP/BM's gained 10-20cts for better types and sold firm at the bottom. BOP1A select best gained 5cts, best gained 15-20cts, below best gained 10cts, and the bottom sold firm. Dusts – High Grown better sorts sold firm, others eased 15-20cts. Secondary better sorts eased 10cts, others sold firm. LGs sold firm at the top, others gained 10-15cts.

Demand – Turkey, Libya and Iraq were back in the market. Syria very active. Iran and Dubai showed improved demand. Saudi Arabia, Unilever, Russia and North America were slow. Pakistan out priced.

Weather – Western/Udapussellawa Region had bright weather at the beginning of the week, and rainy weather later on. N. Eliya experienced rainy weather, while Uva saw bright mornings with misty and occasional scattered showers in the evenings. Sabaragamuwa reported bright weather with light showers at night. Ruhuna experienced bright weather.

INDONESIA

Auction – Java orthodox teas sold at steady levels, while Java CTC's made slight gains except for BP1 which was completely withdrawn. North Sumatra orthodox teas sold firm to dearer; West Sumatra steady with many withdrawals.

Weather – Java: cloudy with isolated thunderstorms and regular rains. Heaviest rains were reported over the weekend. In South Bandung temperatures dropped to 13°C. Sumatra: regular showers were reported.

BANGLADESH

Auction – Strong demand for the 50,342 CTC packages on offer. Broken sold irregular, fannings firm to dearer, and dusts sold in line with quality. Next sale has 49,025 packages on offer.

INDIA

Kolkata

Auction – CTC teas met fair demand. Best quality Assams sold at steady rates, others sold irregularly easier. Cachars and plainer Doors were available in a small quantity, and sold irregularly easier. Orthodox teas met fair demand; whole leaf types sold irregular to easier in line with quality, bolder leaf types sold firm to dearer, better broken types sold firm, lower broken and fannings eased 10cts. Darjeeling teas met less demand at easier rates.

Demand – HUL was active in the CTC market, with Tata and Western India operating, the latter on higher quality teas. Exporters showed improved demand, while local buyers were less active. Middle East and CIS were active in the orthodox market, while HUL was very selective.

Guwahati

Auction – Fair demand in the CTC market. Teas generally sold irregular to easier, except select clean and bright teas which sold firm.

Demand – In the CTC market, Tata and HUL showed selective interest, while Western India and Internal buyers were more active.

Siliguri

Auction – No report.

Coonoor

Auction – CTC teas met strong demand, generally 3-8cts dearer. Orthodox teas met improved demand, and sold firm to dearer. CTC dust saw improved demand, blacker good and medium types gained, others eased 2-4cts. Orthodox dust eased, secondaries sold irregular steady.

Coimbatore

Auction – CTC and dust met fair demand, steady to occasionally dearer.

Cochin

Auction – Orthodox leaf met good demand, select best Nilgiri's sold in line with quality, mediums firm to dearer. CTC teas met good demand; firm to dearer. Dusts met good demand, firm to dearer for best types, bolder grades and medium types eased, plainer black dusts sold firm to dearer.

All price movements quoted in USD per kilo.

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