



Week 11, 2018

Tea Market Report 12 - 16 March 2018

In Mombasa, there was reduced pre-auction interest due to upcoming auction volumes and the results in week 10. This week the auction quantity dropped from 138,280 to 126,273 but demand sunk, many teas eased, some severely. On a brighter note, absorption rate was improved, and out-lots reduced. The rains have persisted, while crop has not yet reacted and in some areas, seems to have suffered due to the rapid change. In Malawi, teas effectively sold out, with 1.13% remaining unsold. Demand was strong, rates were steady, and producers are showing to be more engaged with marketing their teas in the auction. Only two producers are shying away from the auction, likely due to financial reasons and quality premium expectations. Crop intakes remain healthy, amongst a stable market.

In Colombo, the market commenced rather bullish for Low Grown teas amongst strong wide spread demand. Small Pekoes and BOP1 made clear gains. OP and OPA gained at the bottom and below best levels, while the top was firm to lower. Bold Pekoes met good demand. With Iran celebrating their new year, Tippy and FBOP's experienced a lower market. High Grown BOP and BOPF eased, as well as dust, but off grades gained all round. Heavy rains continue across the island nation, crop intake is on the rise and sale offerings are expected to swell in the early part of April. In Jakarta, demand remained low, with 27% of teas remaining unsold. Producers continue to ease their price limitations each week, but it still remains a primary market constraint. No notable news comes from the North of India this week, as the markets await fresh teas expected in the coming weeks. In the South of India, sunny conditions have departed and have been replaced by clouds and precipitation in some regions. Cochin showed good demand, Coonoor as well with the exception of CTC teas, and in Coimbatore teas met fair demand. In Vietnam, warm temperatures and heavy rains have arrived ahead of time. Plucking has begun in several places, albeit the reports of low quality, open leaf.

"No good fish goes anywhere without a porpoise." – Lewis Carroll

Crop figures (in m.kgs)

	Dec-17	Dec-16	Jan/Dec 17	Jan/Dec 16
Malawi	5.7	5.6	45.6	43.1
India	70.0	64.0	1,278.8	1,267.4
	Jan-18	Jan-17		
Sri Lanka	24.27	21.69		
Kenya	40.8	33.0		

Upcoming auction quantities (pkgs)

	Week 12	Week 13	Week 14
Mombasa	122,280	133,419	126,598
Blantyre	4,080	7,020	N/A
Colombo	5.73 m.kg	6.09 m.kg	N/A
Jakarta	11,240	N/A	N/A
Kolkata	N/A	N/A	N/A
Guwahati	N/A	N/A	N/A

KENYA

Auction – Less general demand. Best and below best BP1 irregularly steady, good medium up to 20cts easier, medium irregularly steady to easier, plainer steady to 5cts easier. Best PF1 up to 20cts easier, below best 10-20cts easier, good medium 5-15cts easier, medium steady to 10cts easier, plainer types irregularly steady. Best PD up to 5cts easier, below best steady to 7cts easier, good medium 5-10cts easier, medium up to 20cts easier, plainer types steady to 15cts easier. Best D1 up to 10cts easier, below best and good medium up to 8cts easier, medium steady to 20cts easier, plainer steady to 15cts easier.

Demand – There was more activity from Pakistan packers but Afghan and Bazaar were slower. Interest from Kazakhstan and Sudan was maintained. Russia, Egypt, UK, Somalia and Iran were less active.

Weather – East of Rift – reduced rains, some areas dried up after 3 days. Crop reduced further but is expected to increase in the next few days. West of Rift – Kericho – sunny days and cold nights, good rains, crop increasing. Sotik – maintained rains and improved growing conditions, crop increasing.



MALAWI

Auction – Good demand at irregular rates. BP1, none of offer. PF1 Sc 2cts easier. PF1 Seedling met good demand but shed up to 5cts. PF, none on offer. PD, steady. Poor dust gained 4cts while the cleaner lots eased 3cts. Offgrade fannings sold firm to dealer for cleaner sorts, while fibrous lots eased. Offgrade dust met rates nominally 3cts dearer.

Weather – Partly cloudy and hot during the week with some isolated thunderstorms.

SRI LANKA

Auction – Decreased demand for High Grown, fair demand for Low Grown. HG – Western BOP and BOPF all round 20cts easier. N.Eliya BOP and BOPF 10-15cts easier. Uva/Udapussellewa BOP and BOPF 10-15cts easier. LG – OP1 select best up 20cts, best up 10-15cts, below best and bottom firm. BOP1 select best firm, best 10cts dear, below best 10cts easier, bottom firm. OP select best firm, best and below best up 5-10cts, bottom firm. OPA select best up 10-15cts, best, below best, and bottom firm. Pekoe1 dearer, select best 15cts, best, below best 15-20cts and bottom 5-10cts. Pekoe select best 10-15cts dearer, best 10cts up, below best firm, bottom 10cts easier. FBOP/FBOP1 best firm, below best and bottom up 5cts. FF1 all around firm. FF best firm, below best and bottom up 5-10cts. BOP/BOPF and tippies/specials all around firm. Off grades – liquoring fannings best and below best 10cts easier, bottom 20-30cts dearer. Low Grown fannings all round firm. BP best up 20cts, others firm. BM all round firm. BOP1A select best up 20-30cts, best, below best and bottom firm. Dust - HG/liquoring primary all round 20cts easier, secondaries firm, Low Grown better sorts firm, others 10cts easier.

Demand – Turkish beta and bazaar very active. Saudi Arabia, Dubai and Russia all active. Iraq excellent demand. Libya increased demand. Hong Kong fair demand. Japan selective demand. Unilever and North America quiet and slow. Pakistan and Syria out priced.

Weather – Western, Nuwara Eliya and Udapussellawa regions experienced bright mornings with evening showers. Wet weather was reported throughout Uva. Ruhuna and Sabaragamuwa reported bright mornings with evening showers.

INDONESIA

Auction - Less demand for 14,420 packages, 27% remained unsold. Generally, Java/Sumatra orthodox/CTC sold steady to easier except for selected orthodox BOPF/Dust and CTC PF1/fannings.

Weather - Java - continued cloudy conditions with regular showers. Some flooding was reported in South Bandung during the weekend. Sumatra - regular showers were reported.

BANGLADESH

Auction - The final sale of the season took place in Chittagong. 8,283 packages were on offer, most of which was of poor end of season types, all CTC. There was good demand with prices in line with quality.

INDIA

Kolkata – No report.

Guwahati – No report.

Siliguri - No report.

Coonoor

Auction – CTC met reduced demand. Best types sold irregular to 4-6cts easier, better fannings steady to occasionally dearer, mediums 2-3cts easier, and plainer types steady to dearer 2-3cts, especially the blacker types. Dust met good demand, firm to 5cts dearer. Orthodox met good demand, better types firm to dearer, others steady. Orthodox dusts barely steady, good demand for secondaries.

Coimbatore

Auction – Fair demand, all generally steady. Dust met fair demand at steady rates.

Cochin

Auction – CTC met good demand, at steady rates. Orthodox met good demand, select best Nilgiri sold at firm to dearer rates in line with quality, broken types firm, medium whole leaf and better made primary broken types dearer. Secondaries steady, fannings firm to dearer. Dust met good demand, firm to 5cts dearer.

All price movements quoted in USD per kilo.

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