



Week 16, 2018

Tea Market Report 16 - 20 April 2018

It appears the buyer's focus was pointed towards the upcoming large auction quantities of 145k, 162k and 163k in the weeks ahead of us. As a result, most teas lost ground, only the bottom was able to hold firm. The lack of buying mood was also expressed by the 16% outlots. The large auction quantities are a result of the conducive growing conditions of the previous weeks, which haven't stopped and are likely to continue in the coming weeks. On the other side, in Malawi the end of the season is nearing with many estates have started to prune despite the decent weather conditions. Regular showers have been reported in all tea growing areas. Pruning is causing auction quantities to decline gradually and buyers have started to move their focus to Mombasa.

There wasn't an auction in Colombo this week due to Sinhala and Tamil New Year celebrations. In Jakarta most teas traded firm to dearer with only 8% remaining unsold which is an improvement of the absorption rate compared to the previous weeks. The weather conditions remain not unfavorable for growing tea, it is bright and dry but some rains have been reported as well. In North India the season is starting carefully with small auction quantities as the monsoon hasn't started yet, which is usual for the time of the year. The auctions met good to strong demand, resulting in higher price levels than last year. In the South temperatures are increasing with crop picking up in most tea growing areas. In Vietnam all eyes are at the start of the season which is supposed to start early May. Temperatures are increasing while more rains are forecasted, spring plucking will be finalized in the coming two weeks.

Meanwhile when we see buyers becoming very active we remind ourselves of the bear's wisdom:

"When you see someone putting on his big boots, you can be pretty sure that an adventure is going to happen."
 – A.A. Milne, Winnie-the-Pooh

Crop figures (in m.kgs)

	Feb-18	Feb-17	Jan-Feb 18	Jan-Feb 17
Sri Lanka	21.1	18.6	45.6	40.3
India	13.2	13.6	30.4	32.8
Kenya	27.9	22.6	68.8	55.6
	Jan-18	Jan-17		
Sri Lanka	24.3	21.7		
Malawi	6.3	5.2		

Upcoming auction quantities (pkgs)

	Week 17	Week 18	Week 19
Mombasa	144,877	161,933	163,252
Blantyre	5,260	6,020	N/A
Colombo	6.44 m.kgs	4.67m.kgs	N/A
Jakarta	No auction	12,140	N/A
Kolkata	49,227	84,500	N/A
Guwahati	80,330	74,568	N/A

KENYA

Auction – Fair general demand. Best BP1's irregularly firm to 6cts up following quality, below best up to 12cts easier with select lines firm, good medium steady to 10cts easier, medium irregularly steady to easier with select best firm, plainer steady to easier. Best PF1's steady to 7cts easier, below best steady to 8cts easier, good medium steady to 4cts easier, medium steady to easier, plainer firm to 2cts up. Best PD's steady to 5cts easier, below best up to 10cts easier, good medium up to 8cts easier, medium steady to 5cts easier, plainer irregularly following quality. Best D1's steady to a few cents easier, below best steady to 8cts easier, good medium up to 5cts easier, medium: 2 to 8cts easier, plainer firm to 5cts up.

Demand – There was maintained activity from Egypt, Yemen, UK and Somalia but at lower levels. Pakistan and Afghanistan were slower while Sudan and Kazak showed increased activity on their types.

Weather – East of Rift – continue to receive heavy rains with cloud cover with most factories now operating at full capacity, crop increasing. West of Rift – Kericho – more rains, sunny days and cold nights, increasing crop. Sotik-maintained rains and improved growing conditions. Uganda – Increased rains, warmer temperatures, crop improving. Rwanda/Burundi – medium to heavy rainfall, moderate temperatures, crop improving.



MALAWI

Auction – Fairly good demand. BP1s, none on offer. PF1 Sc met selected demand at last week's levels where sold. PF1 Seedling fairly good demand, steady to 1-2cts easier rates where sold. PFs, one lot on offer was taken out under bid. PDs good demand, up to 2cts easier, poorest leaf descriptions were neglected. D1s, good demand, 2-3cts dearer. Offgrade fanning met good demand, fibrous lots gained up to 7cts, while cleaner sorts were steady to slightly easier. Offgrade dust nominally 5usc dearer.

Weather – Mostly cloudy with wide spread rainfalls across the country. Foggy during the early morning and getting colder at night. Both Thyolo and Mulanje received some very useful rains. Crop intakes steady, pruning has begun.

SRI LANKA

Auction – No auction.

Weather – No report.

INDONESIA

Auction – There was improved demand for 9,920 packages with 8% remain unsold. Java and Sumatra Orthodox were selling at firm to dearer levels except for selected BOP1/BOP. CTC was selling at firm to dearer levels except for BP1.

Weather – Java: continued to last week, irregular weather was report in the most planting district in West/Central/East region. Bright and dry with irregular shower was report during the week. Sumatra: Mix weather with less rain was reported in West/North/South Sumatra.

BANGLADESH

Auction – No report.

INDIA

Kolkata

Auction – CTC teas met good demand. New seasons Assams gained, over previous year's prices, Dooars and Cachar teas sold firm. Orthodox market met very good demand. Whole leaf firm, bolder whole leaf dearer, brokers steady to slightly easier, and fannings slightly dearer. Old season teas sold in line with quality. Dust met good demand, firm to slightly dearer.

Guwahati

Auction – Good demand in the CTC market. Assams sold dearer. Good liquoring teas gained, medium and plainer types met good demand in line with quality.

Siliguri

Auction – No report.

Coonoor

Auction – CTC met good demand. Best liquoring varieties sold steady to occasionally dearer on quality, others 2-3cts easier, except fannings steady to dearer. CTC dust met good demand, best and good liquoring teas steady to dearer on quality, mediums and plainer types 2-3cts easier. Orthodox whole leaf dearer, others steady to occasionally dearer. Orthodox dust primary BOPD's steady, remainder good demand with gains.

Coimbatore

Auction – CTC met with fair demand, good liquoring types irregularly lower with quality with some withdrawals, mediums 2-3cts easier, plainer types firm. Orthodox primary grades barely steady, secondary grades gained with quality. Dust met fair demand, high priced popular marks barely steady, mediums 2-3cts easier, plainer varieties fully firm. Orthodox met strong demand at dearer levels.

Cochin

Auction – Orthodox met good demand. Select best Nilgiri sold in line with quality at firm to dearer rates, medium whole leaf and cleaner primary followed a similar trend, fannings dearer, secondaries with poor leaf were neglected. CTC teas met fair demand, all eased in value with fair withdrawals. Dust met good demand. Best category and popular marks sold in line with quality around last and at times dearer, select good mediums and mediums irregularly lower, remainder eased in value with some withdrawals, plainer types firm.

All price movements quoted in USD per kilo.

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