



Week 18, 2018

Tea Market Report 30 April – 4 May 2018

There were 161,933 packages on offer this week in Mombasa, up from 144,877 the previous week. Demand was reduced where most teas sold to buyers' limits. A total of 25,340 packages were neglected, the largest out-lot figure of the past 106 auctions. Weather remains very conducive and with the cold season still far enough ahead, auction quantities are expected to remain at this paramount level, pushing to possibly top previous records only set in 2014. In Malawi, teas met fair demand, many grades eased, but the overall auction value sung an ever so slightly dearer note. Just under a quarter of teas remained unsold. In the coming weeks the auction quantities continue to rise to 6,400 packages, but the season end begins to come into light, as some factories already have begun their maintenance period.

In Colombo a meager 4 m.kg were offered during the auction which took place over one day, as opposed to the normal two days. Shipments for this week and next alone absorbed the whole lot. Low Grown teas resumed marginally lower but isn't before long that they took off. Altogether many grades moved up, but this movement cannot and should not be considered a trend as the sale offerings were far from real. From next week onwards, auctions continue well above 7 m.kg. With precipitation and warm weather available, the coming weeks have strong support for continued good cropping. The Jakarta auction resumed this week after a week off, improved demand was shown with a significantly low number of unsold teas at 13%, broker's limits being the largest factor. Strong purchasing activity can be attributed to the previous cancelled auction, and stock taking prior to Ramadhan and other upcoming holidays. KPB has distributed their official letter to the buyers who have outstanding balances, most of which are local buyers; if not settled soon, these buyers will not be able to participate in the next auction. In North India, markets met mixed demand, with the strongest demand shown for orthodox teas in Kolkata, while fair demand took place for CTC teas in both Kolkata and Guwahati. Auction quantities continue to rise as the season builds momentum. Amended annual crop reports were released this week, putting cumulative 2017 Indian production at 1,322 m.kg up from 1,267 m.kg in 2016. Both Tamil Nadu and Terai observed the most notable gains, above 10%, whereas Darjeeling suffered, down 60%. Ahead of the main season just moments away, Vietnam observed holidays earlier this week. Most estates are expecting to start tea production within next 7-10 days. With sunshine and intermittent rains in the afternoon and night, no one is complaining.

"May the force (fourth) be with you." – Yoda

Crop figures (in m.kgs)

	March-18	March-17	Jan-March 18	Jan-March 17
Sri Lanka	28.5	26.6	74.2	66.56
Malawi	7.7	7.1	20.8	19.4

Upcoming auction quantities (pkgs)

	Week 19	Week 20	Week 21
Mombasa	163,252	167,272	163,267
Blantyre	6,180	6,400	N/A
Colombo	7.37 m.kgs	7.96 m.kgs	N/A
Jakarta	10,800	N/A	N/A
Kolkata	97,179	99,009	114,260
Guwahati	70,213	96,639	88,095

KENYA

Auction – Less general demand. Best BP1's steady to 10cts easier with select best dearer, below best up to 15cts easier, good medium up to 10-32cts easier, medium steady to 8cts easier, plainer types up to 7cts easier. Best PF1's up to 10cts easier, below best: up to 12cts easier, good medium 5-15cts easier, medium irregularly steady, plainer types firm to dearer. Best PD's firm to dearer, below best firm to 4cts up, good medium steady to 5cts easier, medium 5-10cts easier. Plainer types opened steady but closed up to 15cts easier. Best D1's up to 5cts easier, below best up to 7cts easier, good medium up to 10cts easier, medium steady to 10cts easier, plainer types steady to 10cts easier.

Demand – There was improved activity from Yemen, Egypt, Russia and Bazar while interest from Sudan, Afghanistan, UK and Iran was maintained. Activity from Pakistan packers and Kazakhstan was reduced. Somalia maintained activity at the plainer end.

Weather – East of Rift – Increased rainfall, favorable growing conditions, crop increasing with a 6 day plucking schedule. West of Rift – Kericho – More rain, sunny days and cold nights, crop reduced due to hail damage. Sotik – Maintained rains, maintained crop. Uganda – Increased rains, warmer temperatures, crop increasing. Rwanda/Burundi – Medium to heavy rainfall, moderate temperatures, crop improving.



MALAWI

Auction – Fairly good demand, with most teas taken out under bid. BP1's were neglected. PF1 Sc met selective demand, 5cts easier. PF1 Seedling 2-4cts easier. One lot of PF's on offer were taken out under bid. PD's mostly taken out under bid, remainder 5-7cts easier. All D1's sold firm. Offgrade fannings met good demand at firm levels. Offgrade dust, two lots on offer, dearer.

Weather – Partly cloudy with less rain showers recorded, cold at night, foggy in the mornings with patches of sunshine during the day. Crop intakes continues to decline with more factories closing for annual maintenance.

SRI LANKA

Auction – Good general demand. HG - Western BOP and BOPF all round gained 10-15cts. N. Eliya BOP and BOPF firm to 20-30cts dearer. Uva/Udapussellawa BOP and BOPF all around 10-20cts higher. LG - OP1 select best and best firm, below best 15-20cts easier, bottom firm. BOP1 select best firm, best 15cts dearer, below best up 10-15cts, bottom up 5-10cts. OP select best, best and below best 5-10cts dearer, bottom 5cts lower. OPA select best 15-20cts dearer, best and below best up 10cts, bottom 5cts easier. PEKOE 1 select best and best up 10cts. Below best up 5-10cts, bottom firm. PEKOE select best up 10cts, best and below best firm, bottom steady to 5cts easier. FBOP/FBOP1 best firm, below best and bottom up 5-10cts. FF1 all around up 5-10cts. FF best and below best firm, bottom up 10cts. BOP/BOPF all around firm. Tippiess/Specials best firm, below best 20cts dearer, bottom firm. Off Grades – Liquoring fanning best 5-10cts easier, below best and bottom firm. Low Grown fannings best 5-10cts dearer, below best and bottom firm. BP best 10-20cts up, below best and bottom 10cts dearer. BM best gained 10cts, below best and bottom firm. BOP1A select best firm, all others advanced 5-10cts. Dust – HG/Liquoring primary firm to 10-15cts dearer, secondaries firm to 10cts higher, LG firm to 10cts easier.

Demand – Good demand coming from Saudi Arabia and Libya. Iraq excellent demand. Turkey and Dubai active. Hong Kong, Japan, Unilever, and North America, slow and selective. Pakistan outpriced. Syria short, and looking for cheap volumes.

Weather – Western/N. Eliya/Uva regions experienced bright mornings with regular evening showers. Udapussellawa had dry weather conditions with occasional rains. LG - Ruhuna and Sabaragamuwa experienced bright mornings with regular evening showers.

INDONESIA

Auction – Improved demand for 13,480 packages, 13% unsold. Java Orthodox/CTC were sold firm to dearer levels except for Orthodox BOP1/D3 and CTC PF1. In the meantime, Sumatra Orthodox sold at irregular levels with some invoices remaining unsold due to broker's limit remaining too high.

Weather – Java: continued irregular weather in most planting districts. Bright and dry with irregular showers during the week. Sumatra: mixed weather with less rain was reported.

BANGLADESH

Auction – Fair demand at easier rates for the 14,666 packages on offer, all of which were CTC, dusts met fair demand as well. Next week's auction will feature 21,818 packages.

INDIA

Kolkata

Auction – CTC met fair demand, Assam's and Cachar's irregularly easier. Orthodox teas met strong demand, bolder leaf teas trading firm to dearer, fannings firm to occasionally dearer, others irregularly firm. Dust met good demand, liquoring Assam's easier, medium and plain Assam's firm.

Guwahati

Auction – Fair demand in the CTC market. Best quality steady to easier, others easier in line with quality. Dust met good demand steady to easier. Overall rates are higher than last year.

Siliguri

Auction – Good demand for better teas, others eased. Overall quality has been observed to have decreased attributed to seasonal factors.

Coonoor

Auction – No report.

Coimbatore

Auction – No report.

Cochin

Auction – No report.

All price movements quoted in USD per kilo.

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