



Week 50, 2018

Tea Market Report 10 – 14 December 2018

The Mombasa auction, with 169k packages on offer, showed a good absorption rate across all grades. All buyers were active this week, but the hammer hit a slightly lower price in comparison to week 49. The last auction of 2018 will show a mighty 171k packages to finalize a record high production year. 2019 will start where we left off at 165k packages on offer. Malawi had no auction and no closing this week. Next week's auction will have 3,740 packages on offer and will be the last auction of 2018. Everyone has their eyes on the start of the next season and how it will kick-off.

In Sri Lanka, 7.02 m.kg on offer attracted strong demand amongst the buyers in the room. The market levels were strong on the leafy types, particularly for well-made BOP1, OP1 and Pekoe types. Contrary to last week, the High Grown teas were most in favour. The largest movement was shown in the select best and best categories, while below best and bottom end teas attracted comparatively less demand. The estate workers have called off the strike without a proper solution which still catalyses some uncertainty among exporters. In Jakarta, there was less demand for the 10,340 packages on offer with 14% of invoices remaining unsold, and 4% cancellation before the auction. Next week will be the last auction of the year at 12,940 packages on offer, in week 2 the first auction of 2019 will take place with the quantities still to be confirmed. The buyers in the Kolkata auction showed an interest for 72% of this week's offer, where the end of season brown leaf descriptions were heavily discounted. The production has stopped in Northern India as per orders of the Tea Board and pruning is on. Very healthy offerings will take place in next week's auction with over 200k packages to be sold.

In Vietnam all signs of winter showed after an exceptionally warm week. Expectations are that with the cold, the green leaf period will come to an end in the coming week. Production in the Middle Area may hold on a bit longer, but the end of the season is near.

"Business is done with numbers, not with words, but what is business without words." – Riley Linder

Crop figures (in m.kg)

	Oct-18	Oct-17	Jan-Oct 18	Jan-Oct 17
Kenya	49.2	43.4	395.5	346.9
India	176.4	183.2	1,117.6	1,127.2
	Nov-18	Nov-17	Jan-Nov 18	Jan-Nov 17
Malawi	1.4	2.1	44.2	39.9

Upcoming auction quantities (pkgs)

	week 51	week 52	week 1	week 2
Mombasa	171,166	N/A	165,608	161,048
Blantyre	3,740	N/A	N/A	N/A
Colombo	6.68 m.kg	N/A	4.18 m.kg	N/A
Jakarta	12,940	N/A	N/A	N/A
Kolkata	200,182	190,884	N/A	N/A
Guwahati	213,571	189,717	N/A	N/A

KENYA

Auction – Good general demand. Best BP1's selected best dearer while rest were steady to 4cts easier, below best steady to 2cts easier, good medium firm to 4cts dearer, medium 10-18cts dearer and more for selected lots, plainer 8-12cts dearer. Best PF1's firm to a cent dearer, below best opened easier but closed firm to 3cts dearer, good medium firm to 4cts dearer, medium steady to 3cts easier, plainer steady to 4cts easier. Best PD's steady to 4cts easier, below best 4-8cts easier, good medium firm to 4cts dearer, medium steady to 4cts easier, plainer firm to 8cts dearer. Best D1's steady to 2cts easier, below best 5-10cts easier, good medium irregularly steady to 4cts easier, medium irregularly steady to 5cts easier, plainer irregularly steady following quality.

Demand – All markets were active, most prominently being Pakistan, Yemen, UK and Egypt. Sudan showed a good demand for the plainer and medium sorts. Afghan buyers showed good interest in WoR PF1, EoR PF had a slightly lower demand at first but firmed up as the sale progressed.

Weather – Overall conditions are good for crops. Rainfall has been reported in all planting areas with a total average of 44mm. Minimum temperatures are around 15 degrees and max. temperatures around 23 degrees.

MALAWI

Auction – There was no auction this week.

Weather – Mulanje - Dry week with rains reported on Friday in the ranges of 12-39mm in areas that got heavy rains while the other areas got light showers. This week so far has been wet with more rains predicted till the end of the week. Thyolo - most estates got good rains on Sunday ranging from 9-76mm. The rest of the week was dry except for Mianga that received localized 65.8mm rain on Thursday. This week has been wet as well with more rains forecasted until Sunday.



SRI LANKA

Auction – HG – Strong demand. Western BOP best dearer 10-15cts whilst below best gained 10-20cts, plainer sorts gained 10-20cts. Western BOPF best up 15-20cts, below best dearer 10-20cts and plainer sorts gained 10-15cts. N. Eliya BOP overall firm, BOPF declined 5-10cts overall. Uva/Udapussellewa BOP overall dearer 5cts, BOPF overall firm to dearer 5cts. LG – Strong demand. OP1 select best dearer 40-60cts, best & below best gained 15-20cts bottom up 5-10cts. BOP1 select best dearer 30-50cts, best & below best firm bottom gained 20-30cts. OP select best & best 5-10cts dearer, others firm. OPA select best & best dearer 10-15cts, below best firm, bottom lower 5-10cts. PEKOE 1 select best dearer 20-30cts, best firm, below best & bottom lower 10-15cts. PEKOE all round firm. FBOP/FBOP1 all round 10-15cts up. FF1 best & below best 10-15cts up, bottom firm. FF all round 10-20cts up. BOP/BOPF fully firm. Tippiies/Specials best firm, below best & bottom 20cts up. Off grades - Liq. Fngs fully firm. LG Fngs select best 20cts dearer, best dearer 15-20cts, others firm. BP best firm to dearer 10cts, below best firm, others lower 10cts. BM select best dearer 10-15cts, best firm to 10cts dearer, below best firm, bottom steady to 5cts dearer. BOP1A overall firm. Dust - High Grown/Liq. Primary select best dearer 30-40cts, others firm. Secondaries overall firm. LG best firm to 10cts dearer, others firm.

Demand – Strong and aggressive demand from Turkey, Saudi Arabia, Syria and Iraq. Russia and Libya remained steady, but Dubai showed less demand. Hong Kong improved, and Japan was selective, only Iran was not showing in the market. The trend between supply and demand continued and showed a near perfect balance this week.

Weather – Western/N. Eliya – Occasional showers in the beginning of the week and bright weather was experienced during the latter part of the week in both regions. Udapussellawa/Uva regions saw bright mornings and wet evenings throughout the week. Strong gusty winds up to 40 kmph at times and cold weather is predicted in the week ahead. Low Grown areas have bright mornings with occasional showers.

INDONESIA

Auction – Overall Java/Sumatra Orthodox/CTC were selling at steady to easier levels except for West Sumatra BOP/BOPF/PF/PF2 were selling at firm to dearer levels.

Weather – Java - Cloudy with isolated thunderstorm and heavy showers in the evening hours were reported in West Java. Windy over night with temperatures as low as 16°C in south of Bandung. Central/East parts followed cloudy with heavy showers. Sumatra - Heavy regular showers in the north/west/south.

BANGLADESH

Auction – Satisfactory demand at slightly easier rates. Plain and poorer types eased further. Offerings next sale 52,708 packages.

INDIA

Kolkata

Auction – CTC met good general demand. Few better liquoring Assams around last, remainders irregular and sometimes lower following quality. Select mediums and plainer teas witnessed a firm trend. The orthodox market opened to good demand. First whole leaf irregular, remainder whole leaf firm to dearer. FOP saw some withdrawals, broken irregular around last following quality. Clean leafy fannings firm, improved enquiry for smaller fannings, browner and stalkier sorts continue to witness withdrawals.

Guwahati

Auction – CTC market opened to good demand. Good category barely steady. Remainder irregular following quality. Dust met good demand. Good and best categories barely steady. Select mediums and plainer around last. Remainder lower following quality.

Coonoor

Auction – CTC met less demand. All categories easier 2-3cts sometimes more with some withdrawals. Best dust teas barely steady, good teas easier 1-2cts, medium and plainer teas lower 2-3cts with some withdrawals. Orthodox met less demand with large withdrawals, fannings were steady. Primary BOPD's dearer, remainder easier, secondaries facing withdrawals.

Cochin

Auction – CTC met fair demand, all teas firm to dearer. Orthodox met fair demand. High Grown and Medium Orthodox teas dearer with quality, medium whole leaf teas saw a downward price correction, secondaries easier. Dust met fair demand. All teas irregular and lower.

Coimbatore

Auction – CTC met a reduced and selective demand. Best liquoring teas easier by 3-4cts, medium category teas also followed a similar trend with a better enquiry on fannings. Plainer teas lower 1-3cts. Best and medium category teas witnessed fair withdrawals. Orthodox had fair demand. All varieties irregularly lower with quality. Dust showed a reduced demand. High priced teas lower up to 3cts with fair withdrawals. Medium kinds lower 1-3cts, plainer PD's and RD's easier 2-3cts whilst finer grades eased 3-4cts.

All price movements quoted in USD per kilo.

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