

Week 11, 2019

## Tea Market Report 11 – 15 March 2019

After a period of easier markets in Mombasa due to an abundant availability of tea, one would expect a clear turning point nearing now that auction volumes are slightly tightening. However, the crop figure published during the auction took a possibility for an upwards momentum away. 48 mln kg can be considered as a large crop for the month of January, 8mln kg more than last year. Also, the closing for week 13 confirms that there is still a lot of tea available in Kenya. The weather conditions, although dry, are normal for the time of the year. Normally we should approach the end of the dry period and the MAM rains shouldn't be too far away. In Malawi there is more rain than they can absorb. Very heavy rains and strong winds are torturing the poor habitants in the middle and south of Malawi. The situation will worsen due to the tropical cyclone Idai approaching coastal Mozambique and later Zimbabwe in the coming days.

The Colombo auction witnessed good demand on both High & Low Grown teas. With Iraq & Libya stepping up their buying while Saudi, Lebanon & Turkey were active. Dry weather conditions combined with good demand are the main cause of a firmer market. The Jakarta auction met fair demand with a fairly large 19% remaining unsold. Especially orthodox teas traded at firm to dearer rates. Auction quantities are increasing and are now clearly larger than last year. Conducive weather conditions are reported from all tea growing areas on both islands. In Vietnam the market is warming up for the start of the season. The first plucking is taking place, but factories are far from running at full capacity as moisture is needed. Demand at the beginning of the season appears to be stronger than previous years. Tea production in South India is still low, weather conditions are warm and dry.

*“Leadership is not just about giving energy ... it's unleashing other people's energy.” – Paul Polman*

### Crop figures (in m.kg)

	Jan-19	Jan-18
India	14	17.7
Kenya	48.3	40.8
Malawi	7.5	6.3

### Upcoming auction quantities (pkgs)

	Week 12	Week 13	Week 14
Mombasa	178,726	166,295	172,295
Blantyre	7,860	4,720	N/A
Colombo	6.55 m kg	6.56 m kg	N/A
Jakarta	15,300	15,583	N/A
Kolkata	2,950	No auction	N/A
Guwahati	11,002	No auction	N/A

### KENYA

**Auction** – Fair general demand. Best BP1's Steady to 4cts easier with selected quality lots firm, below best irregularly steady to 5cts easier, good medium pened firm but lost to close steady to 6cts easier, medium firm to 4cts up, plainer Firm to 4cts up. Best PF1's up to 4cts easier, below best 4-10 cts easier, good medium firm, medium firm to 4cts up, plainer steady to 8cts easier. Best PD's steady to easier, below best up to 5cts easier, good medium firm to 3cts dearer, medium steady to 2cts easier, plainer irregularly firm to dearer following quality. Best D1's steady to easier, below best up to 4cts easier, good medium firm to 6cts up, medium steady to 2cts easier, plainer irregular with quality.

**Demand** – There was again good demand from Pakistan and Afghan buyers, they stepped up buying WoR PF1s during the auction. Also demand from Egypt was firm, together with Yemen for the small leaf types. Supportive demand for EoR BP1s came from Khazak and Sudan buyers.

**Weather** – East of Rift – Been hot and dry for the entire EoR region. Factories averaging Greenleaf intake between 30 – 40MT (about 40% of their capacity). Crop declining. West of Rift - Kericho and Nandi has been very dry and hot throughout the week. Parts of Bomet and Kisii received useful showers this week. Should the rainfall continue, we can expect the crop to steadily rise.

### MALAWI

**Auction** – BP1 non certified traded at a deep discount. PF1 Sc : selective demand at steady to 2usc dearer rates. PF1 Seedling selective demand with heavy withdrawals. Where sold the market eased by 2usc. PFs up to 6-7usc easier. PDs fairly good demand in the room at 1-2usc easier rates. Some were taken out under bid. Offgrade fngs selective demand at steady rates where sold. D1s good widespread demand at 8-9usc dearer. Offgrade fngs well-made types were 2usc dearer while the balance were taken out with few under bids. Offgrade dust : the clean sorts met some good demand.

**Weather** – Mulanje - daily rainfall recordings ranged from 28-150mm in places around Bloomfield and 48-185mm round mini mini The rest of the estates experienced similar amounts of daily rainfall during the wet days. Thyolo - Areas around Chisunga received daily rainfall between 50-200mm while the Makwasa/Mianga/Kasembereka area had daily recordings between 25 to 170mm.

## SRI LANKA

**Auction** - HG - Good demand. Western BOP best firm, below best 5-10cts easier, plainer 3-5cts easier. Western BOPF best 10-20cts dearer, below best 10-20cts dearer, plain 10-15cts dearer. N.Eliya BOP / BOPF best 10-20cts easier and BOPF 10cts easier. Uva/Udapussellewa BOP dearer 10cts, BOPF 10-15ts dearer. LG - Good demand. OPI select best dearer 30cts, best & below best firm, bottom 70cts easier. BOP1 select best lower 5cts, best 5cts easier, below best 5cts easier, bottom firm. OP select best dearer 10-15cts, best dearer 10cts, below best 5-10cts dearer, bottom 5-10cts easier. OPA select best dearer 15-20cts, best dearer 10cts, below best dearer 10cts, bottom 10cts easier. PEKOE 1 select best & best firm, below best 5cts easier, best 5cts easier. PEKOE Select best dearer 10 usc, best firm, below best lower 20-25 usc, bottom lower 5 usc. FBOP/FBOP1 best 40-70cts dearer, below best 10-20cts dearer, bottom firm. FF1 best & below best 10cts dearer, bottom lower 5cts. FF best firm, below best dearer 20-30cts, bottom firm to 10cts dearer. BOP all round firm. BOPF best easier, below best & bottom lower 5cts. Tippiess/Specials 20-30 cts dearer. Off grades - Liq. Fngs best & below best irregularly dearer following quality, bottom 10-15cts easier. Low Grown Fngs all round dearer 10-15cts. BP/BM 10cts dearer. BOP1A select best firm, best 10-15cts easier, below best lower 10-15cts, bottom 15 cts dearer. Dust - High Grown/Liq. Dust 15-20ct dearer. Secondaries firm 10cts dearer. Low Grown better sorts 20cts easier, others 10-15cts easier.

**Demand** - Good demand from Turkey, while Syria and Iran slowed down. Saudi Arabia, Libya & Hong Kong were operating and Iraq was active. Demand from Russia is slowly recovering.

**Weather** - Western/ Nuwara Eliya Regions - Dry weather was reported in both the Western and Nuwara Eliya regions throughout the week. Uva and Udapussellawa regions reported bright weather during the course of last week. The Department of Meteorology predicts afternoon showers in the week ahead in the Uva Region. Low Grown regions experienced bright weather and several spells of scattered showers in the latter part of the week. Afternoon showers are expected in the Rathnapura Region in the week ahead.

## INDONESIA

**Auction** - There was fair demand for 14,860 packages with 19% remaining unsold. Java Orthodox was selling at firm to dearer levels for primary grades BOP1/BOP/BOPF, while secondary grades (BT/F2/D2) was steady to firm. Sumatra orthodox steady to firm. Java/Sumatra CTC were selling at steady to easier.

**Weather** - Java - Continued to last week cloudy with isolated thunderstorm with heavy rainfall was reported in most planting district. Windy over the night with temperatures dropped to 17° in South/West Bandung. Some areas in South Bandung/Central/East Java were flooding. Sumatra - Regular rainfall was report in North/West/South planting district

## INDIA

### Kolkata

**Auction** - The CTC market met good demand. Most teas traded irregularly sideways following quality. Dust met good demand, end of season teas were the mainstay of the teas on offer.

### Guwahati

**Auction** - No sale.

### Coonoor

**Auction** - CTC Leaf - Good demand. Best liquoring varieties substantially dearer on quality. Good and plainer sorts steady to dearer up to 2c, mediums up to 4c. Orthodox leaf - Good demand. Black, cleaner whole-leaf grades dearer on quality. Brokens steady; fannings easier. CTC dust - Good demand. Best liquoring teas dearer on quality. Good and medium sorts steady to dearer up to 3c. Plainer teas fully firm to dearer by 3-4c. Orthodox dust - Good demand. Primary BOPD's easier on demand; remainder steady; better demand for the secondary teas which were dearer.

### Cochin

**Auction** - Orthodox leaf - Good demand. Select best Nilgiri teas firm to dearer. Medium whole leaf and primary brokens around last. Remainder teas lower with fair withdrawals on smaller brokens. Dust CTC - Good demand. All varieties around last and at times dearer for the plainer sorts. Orthodox dust - Good demand. Good and popular categories firm and dearer, irregular at time following quality. Mediums firm around last. Plainer teas firm to dearer.

### Coimbatore

**Auction** - CTC Leaf - Fair and selective demand. Better liquoring varieties barely steady. Medium bolders irregularly lower whilst the smaller brokens and fannings sold at 2-3c dearer levels especially the fannings. Plainer teas fully firm to dearer. Orthodox leaf - Good demand for whole leaf and fannings at firm levels. Remainder easier. Dust CTC - Fair demand. Good liquoring popular teas irregularly lower with quality. Medium PD's fully firm to dearer with the finer grades tending lower. Plainer teas dearer by 2-3c. Orthodox dust - Orthodox met with good demand for the secondary teas on offer at firm levels.

*All price movements quoted in USD per kilo.*

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