

Week 12, 2019

Tea Market Report 16 – 22 March 2019

The softer tone continued in Kenya. Prices generally eased, whilst the pile of unsold teas increased. Especially the latter has a danger of becoming a market factor. Reprints keep auction availability high which soothes buyers into thinking that cropping itself is better than expected. The weather on the other hand is dry and hot. Some factories run night shifts and usually clear all fresh leaf before breakfast. Reduced demand was notably felt from Pakistan Bazaar & Egypt and isn't altogether that surprising taking into account the volumes bought in recent weeks. The pipelines are filled. The next important topic is the onset of the rains. The signs are on green for these to start before the end of the month.

The news in Central Africa is dominated by the aftermath of cyclone Idai. Especially Mozambique and Zimbabwe received the brunt of the storm, but also Malawi wasn't spared. Perhaps thousands of people are feared to have perished and the damage to property and infrastructure is huge. All cargo to and from Mozambique ports will feel the effects in weeks to come. The auction in Malawi received good support except for clonal PF1. Going rates drift largely sideways for now.

In South East Asia, demand in Colombo is healthy albeit perhaps a notch less pressing. Well-made Low Grown leafy teas sold at firm to dearer levels except for BOP1's & bold Pekoes which tended easier. The growing season is around the corner and availability should improve. In North India the nominal weight on offer sold firm closely following quality. There will be no sales next week. In the south, demand was fair in Kochi. The weather is warming up albeit still dry. Crop is low. The tea board has set the green leaf price for the coming season at INR15.60/kg. Jakarta received less demand and prices eased whilst a heavy 35% came out. Cropping is good and availability better than seen in quite some time. Spring plucking is done in China & Vietnam, but these teas will largely find their way to their respective domestic markets.

"I would like to die on Mars. Just not on impact." - Elon Musk

Crop figures (in m.kg)

	Jan-19	Jan-18		
India	14	17.7		
Kenya	48.3	40.8		
Malawi	7.5	6.3		
	Feb19	Feb18	Jan-Feb19	Jan-Feb18
Malawi	7.3	6.8	14.7	13.1

Upcoming auction quantities (pkgs)

	Week 13	Week 14	Week 15
Mombasa	166,295	172,295	173,474
Blantyre	4,720	6,160	N/A
Colombo	6.56 m kg	6.87m kgs	N/A
Jakarta	14,420	11,000	N/A
Kolkata	No auction	12,635	N/A
Guwahati	11,002	9,999	N/A

KENYA

Auction - Irregular demand. Best BP1's steady to 10cts easier with selected best dearer, below best irregularly steady to 10cts easier, good medium steady to 4cts easier, medium steady to 8cts easier with selected best dearer, plainer steady to 8cts easier. Best PF1's steady to 4cts easier, below best up to 5 cts easier, good medium steady, medium 6-10cts easier, plainer certified types closed firm, rest up to 15cts easier with outlots. Best PD's steady to easier, below best 2-4cts easier, good medium 5-10cts easier, medium steady to 5-8cts easier, plainer up to 10cts easier. Best D1's steady to 4cts easier, below best up to 5cts easier, good medium up to 10cts easier, medium steady to 8 cts easier, plainer up to 10cts easier and more for poorer types.

Demand - There was less demand from Egypt while EoR PDs met good demand from Yemen. Pakistan packers were active but the bazaar traders generally maintained activity, due to heavy arrivals, summer & nearing Ramadan. Kazakh buyers slowed down while Sudan maintained activity on BP1s.

Weather - It is hot and dry for the entire Kericho, Kisii, Limuru and the EoR region. Factories averaging green leaf intake between 30 - 40MT (about 30% of their capacity). There is pruning going on in most plantations with production taking place at night when temperatures are a bit low. By 9am most of the Greenleaf is processed. Crop is continuing to decline. Rains are expected by next week and there are some good signs that it will rain.

MALAWI

Auction - BP1 good demand at 2usc easier rates. PF1 Sc: selective demand. Steady to a cent easier where sold. PF1 Seedling good demand at steady to 2usc easier rates. PFs steady. PDs 1-2usc easier where sold. D1s good demand at 3-5usc easier rates Offgrade fngs 2usc easier where sold. Offgrade fngs well-made types were 2usc dearer while the balance were taken out with few under bids. Offgrade dust good demand at 10usc easier rates.

Weather - Mulanje - with much relief rains were only received for two days last week. On Monday the 11th ranging from 3-26mm and Sunday ranging from light showers to 29mm. The rest of week was dry enabling the estates to continue recovering from the heavy rains of the previous week. Some rains were reported during the current week which has been generally sunny. Thyolo - There were some light showers on Monday 11th and heavy rains on Friday and Sunday ranging from 10-60mm. There has been some further rains this week but it was generally dry and sunny.

SRI LANKA

Auction - HG - Good demand. Western BOP best firm, below best 5-10cts easier, plainer 3-5cts easier. Western BOPF best 5-10cts dearer, below best 10-20cts dearer, plain firm. N.Eliya BOP best 10-20cts easier and BOPF 10-20cts easier. Uva/Udapussellewa BOP dearer 3-5cts, BOPF firm to 5cts easier. LG - Good demand. OP1 select best & best firm, below lower 5-10 usc, bottom 5cts easier. BOP1 select best lower 10cts, best 5cts easier, below best 5cts easier, bottom firm. OP select best dearer 10cts, best dearer 10cts, below best 5cts dearer, bottom 5-10cts dearer. OPA select best dearer 10-15cts, best dearer 10cts, below best dearer 10cts, bottom 5cts easier. PEKOE 1 select best & best firm, below best & bottom 5cts easier. PEKOE Select best easier 10 usc, best firm, below best lower 15 usc, bottom lower 5-10 usc. FBOP/FBOP1 best firm, below best bold types 20-30cts dearer, bottom firm. FF1 best & below best 10cts dearer, bottom firm. FF best firm, below best dearer 20-30cts, bottom 10cts dearer. BOP all round firm. BOPF best firm, below best & bottom lower 5cts. Tippiies/Specials best 20cts dearer, below best & bottom teas all round 20-30 usc dearer. Off grades - Liq. Fngs select Best firm, all others lower 10-15 usc. Low Grown Fngs all round easier 10-15cts. BP/BM all round easier 10-20cts. BOP1A select best lower 5 usc. Best firm below best lower 5 usc, bottom lower 5 usc. Dust - High Grown/Liq. Dust 10-15cts dearer. Secondaries firm. Low Grown better sorts 20cts up, others 10-15cts dearer.

Demand - Less demand from Turkey & Syria and also Iraq was slowing down. Iran was active on the tippy types while Saudi Arabia was active on selected types. Mixed demand came from Russia, while Libya was active.

Weather - Western/ Nuwara Eliya Regions - Bright weather was reported during the course of last week in both the Western and Nuwara Eliya regions. However, the Western Region reported scattered showers on the last day of the week. Heavy rain falls (around 100 mm) can be expected in the Western Region in the days ahead according to The Department of Meteorology. Uva and Udapussellawa regions experienced dry weather throughout the week. Low Grown regions Ruhuna and Sabaragamuwa reported dry weather throughout the week. The Department of Meteorology predicts heavy rainfall in the week ahead.

INDONESIA

Auction - There was less demand for 15,300 packages with 35% remaining unsold mainly for Java medium PF/BT/F2 and CTC BP1 and CTC BP1/FNGS. Java/Sumatra Orthodox was selling at steady to easier except for Java BOPF and Sumatra BOP/BOPF/PF. CTC was mostly selling at steady to easier rates.

Weather - Java: Bright and sunny in the morning hours then cloudy with isolated thunderstorm followed by occasional showers was reported in most planting districts. Sumatra: Regular rainfall was reported in north/west/south planting districts.

INDIA

Kolkata

Auction - The CTC market met good demand. The offered teas mainly consisted of end of season teas, which traded following quality. Orthodox teas market opened strong and continued a firm trend.

Guwahati

Auction - The auction met strong demand for the end of season teas on offer.

Coonoor

Auction - CTC Leaf - Irregular market with fair demand. All categories steady to easier by 2 - 3c, with the good and medium sorts witnessing fair withdrawals. Orthodox leaf - Good demand. Whole-leaf and broken grades were dearer; fannings was steady. CTC dust - Good demand. Best and good liquoring teas dearer on quality, sometimes substantially. Medium and plainer sorts steady to dearer up to 3c. Orthodox dust - Good demand. Primary BOPD's dearer on quality; remainder was steady. Secondary teas tended to be easier.

Cochin

Auction - Orthodox leaf - Good demand. Select best Nilgiri teas firm to dearer 3-5c. Medium whole leaf and primary broken firm to dearer, remainder teas around last. Leaf ctc - Fair demand. All varieties sold around last. Dust CTC - Fair demand. Good and best categories firm to dearer, withdrawals seen on some marks following drop in quality. Mediums around last, tending easier at times. Plainer teas firm around last levels.

Coimbatore

Auction - CTC Leaf - Fair and selective demand. Good liquoring varieties irregular with quality and faced some withdrawals. Medium teas steady. Plainer category of teas fully firm to dearer. Orthodox leaf - Good demand at firm levels. Dust CTC - Selective demand. Better liquoring high priced varieties easier by up to 3c and facing withdrawals. Medium kinds irregularly lower with quality. Plainer PD's fully firm to dearer at times. Finer grades lower by 1-2c. Orthodox dust - met with good demand at around last levels.

All price movements quoted in USD per kilo.

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