

Week 13, 2019

Tea Market Report 25 – 29 March 2019

Mombasa witnessed a smaller auction, still a total volume of 166k packages, but the brokers were not able to increase the prices as they were very weak. Despite the prolonged dry weather of the past weeks, the volumes on offer are still ahead of 2018 and a record high. Next week there will be 172K pkgs to be sold, while the factories currently run on 30% of their capacity. There is a lot more tea to come when the bushes are recovered after the long dry spell. Finally, rains have been reported but these are yet to arrive in the WoR area, positive growing conditions are very likely to be ahead of us. In Blantyre there was improved demand in the auction room, resulting in an absorption rate of 87%. Surprisingly, after the good auction performances the offerings for the coming auctions are dropping. It seems producers are not too keen on selling tea in the auction, despite the January – February record crop. On a positive note, the port of Beira is fully operational again. Road repairs have been completed, communication lines are open and operations are getting back to normal.

In Sri Lanka there was good demand for Low Grown teas whilst the High Grown teas suffered. Bolder teas were the highlight of the auction, appreciating substantially across all categories. OP1's too met good demand and gained, but to a lesser extent. BOP1's remained firm and High Grown teas declined across all categories. Volumes are increasing, next week's auction will have 6.87m kg on offer. In Northern India there was no auction this week while Southern Indian auctions attracted good demand. Crop remains low in the south due to the warm and dry weather. In Jakarta there was less demand for 14,420 packages with 27% remaining unsold, mainly for Java PF/F2 and CTC PD/BP1. Java/Sumatra Orthodox was selling steady to firm except for Java D2 and Sumatra BT2. CTC was mostly selling at steady to easier rates. Vietnam is getting warmer and it seems summer is coming soon. Green tea for the local market has a lot of demand now availability of good quality tea is limited.

"I have never tried that before, so I think I should definitely be able to do that." – Astrid Lindgren, Pippi Longstocking

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 14	Week 15	Week 16
Mombasa	172,295	173,514	162,484
Blantyre	6,160	5,440	N/A
Colombo	6.87 m kg	6.96m kg	N/A
Jakarta	11,000	11,580	N/A
Kolkata	12,635	N/A	N/A
Guwahati	9,999	N/A	N/A

KENYA

Auction – Reduced general demand. Best BP1's steady to 5cts easier with selected lots dearer, below best steady to 16cts easier and more for reprints, good medium steady to 6cts easier, medium irregularly firm to dearer following quality, plainer 2 to 6cts easier. Best PF1's steady to 4cts easier, below best up to 8cts easier, good medium steady to 4cts easier, medium 6 to 10cts easier with selected lots dearer, plainer steady to easier with outlots. Best PD's steady to 4cts easier, below best up to 6cts easier, good medium firm to 4cts up, medium steady to 4cts easier, plainer up to 16cts easier and more for poor quality types. Best D1's up to 3cts easier with selected best dearer, below best up to 5cts easier, good medium irregularly steady to 4cts easier, medium firm to 8cts up, plainer 4 to 10cts easier.

Demand – This week, Pakistan packers were steady while bazar and Afghan jobbers were slow. UK, Yemen and Egypt were active while Sudan was steady and Kazakh slower. Post auction activity has been moderate with more emphasis on EoR PF1.

Weather – As predicted last week, the rains have finally been reported in most tea growing areas. Kericho/Sotik area has been raining since Monday while the EoR - Meru, Nyeri areas reporting some good rains from Wednesday. Some parts of WoR are yet to report of good rains but all signs are there. As for bushes, most of them are stressed and may take a while to fully recover. Crop should gradually rise after 3 weeks.

MALAWI

Auction – Good demand for well-made types at steady rates. BP1 one lot of non-RA certified on offer was snapped at 4cts cents below valuation. PF1 Sc very good demand at last week's levels. PF1 Seedling good demand at last week's levels except for some PGI descriptions that eased 5cts. PFs steady. PDs good demand at last week's levels. D1's continued good and widespread demand at firm to few cents dearer rates following leaf quality. Offgrade fngs selective demand, few lots sold 1-3cts dearer. A big weight was taken out with no bids. Offgrade dust a handful of well-made types sold up to 13cts dearer. The plainer sorts were taken out, some under bid.

Weather - From 18th to 24th March the southern regions experienced scattered thunderstorms with locally heavy downpours accompanied by strong winds due to the influence of the remnants of the tropical cyclone Idai. Beginning of the week was influenced by the presence of the ITCZ which is being enhanced by sunny intervals leading to scattered to widespread thunderstorms associated with locally heavy rain and patch rain drizzles in some areas.

SRI LANKA

Auction - HG - Less demand. Western BOP best 10-15cts lower, below best 10cts lower, plainer sorts 5-10cts lower. Western BOPF best 10-15cts lower, below best 10cts lower and plainer sorts 15-20cts lower. N.Eliya BOP 10cts lower, BOPF 10-15cts lower. Uva/Udapussellewa BOP 5cts lower, BOPF 5-10cts dearer. LG - Strong demand. OP1 select best firm, best 10cts dearer and below best firm, bottom 10-15cts dearer. BOP1 all-round firm. OP select best 20-25cts dearer, best 25cts dearer, below best 5-10cts dearer & bottom firm. OPA select best 5-10cts dearer, best 20-25cts dearer, below best 15cts dearer, bottom firm. PEKOE 1 select best firm, best firm, below best 10cts lower & bottom firm. PEKOE select best 20cts dearer, best & below best 10cts lower, bottom firm. FBOP/FBOP1 best 10cts lower, below best 10cts dearer & bottom firm. FF1 best and below best 20cts dearer & bottom 10cts up. FF best and below best 20cts dearer & bottom 10cts up. BOP firm, BOPF firm. Tippiess/Specials best & below best 15-20cts dearer, bottom 15cts up. Off grades - Liq. Fngs all-round 10cts lower. Low Grown Fngs all-round firm. BP 10cts dearer, BM firm. BOP1A select best & best 5cts lower, below best 5cts lower, bottom firm. Dust - High Grown/Liq. Primary better sorts 15cts lower, others firm to 10cts lower. Secondaries all-round firm. Low Grown better sorts 20cts dearer, others 5-10cts easier.

Demand - Exporters for Russia as well as Libya were active on OP/OPA. Iraq too joined the party this week. Saudi & Lebanon active on better OPI's. Turkey and Syria showed less demand.

Weather - The Western Region reported bright weather with occasional isolated showers in the latter part of the week. The Department of Meteorology forecasts misty mornings in the week ahead. In the Nuwara Eliya region dry weather was reported throughout the week. Both Uva and Udapussellawa regions reported bright weather throughout the week and in the Haputale Region occasional showers occurred in the latter part of the week. Bright weather is expected to continue in the regions in the days ahead. Ruhuna and Sabaragamuwa regions experienced intense dry weather throughout the week. However, predictions are that dry weather and misty mornings are coming in the Sabaragamuwa region and dry weather conditions to continue in both regions in the week ahead.

INDONESIA

Auction - Java Orthodox - fair demand. BOP1 withdrawn, BOP firm, BOPF firm, PF irregular from steady to firm. Dust firm, BT firm. West Sumatra - fair demand. BOP1 N/A, BOP firm to 2cts dearer. BOPF steady, PF firm, Dust firm, BT firm to 2cts dearer. BT2 steady to 8cts easier. Java CTC - fair demand. BP1 withdrawn. PF1 West N/A, East steady. PD firm. D1 firm to 4cts dearer. Fannings firm.

Weather - Java - continued to last week, bright and sunny in the morning hours then cloudy with isolated thunderstorms followed by occasional showers. Sumatra - regular rainfall was reported in north/west/south planting districts.

INDIA

Kolkata

Auction - No report.

Guwahati

Auction - No report.

Coonoor

Auction - CTC Leaf - Fair demand. Best liquoring teas easier 5-7cts while good and medium were easier by 2-3cts, with fair withdrawals in these three categories. Plainer sorts were easier up to 2cts. Orthodox leaf - Good demand for whole-leaf grades which were dearer. Remainder steady but tending easier. CTC dust - Fair demand. Best liquoring teas irregular and tending easier, good and medium teas easier by 2-3cts, with fair withdrawals. Plainer types were steady to dearer up to 2c. Orthodox dust - Fair demand. Primary BOPD's easier, remainder was easier too with some withdrawals. There was less demand for the secondary teas.

Cochin

Auction - Orthodox leaf - Fair demand. Select Nilgiri teas selling at lower levels, medium whole leaf around last. Broken and fannings lower. CTC leaf - Good demand. All varieties firm and even more so on the plainer types. Dust - less demand. Good and popular marks irregular and lower by 2-3cts, medium teas irregular and tending easier following quality. Plainer teas selling around last.

Coimbatore

Auction - CTC Leaf - Selective demand. Select good liquoring broken teas dearer. Remainder teas around last with the fanning types facing withdrawals. Medium kinds barely steady. Plainer types fully firm to dearer. Orthodox leaf - Good demand at irregular levels. CTC dust - Fair demand. Better liquoring varieties irregular and at times easier. Medium kinds barely steady especially the blacker types. Plainer PD and RD's firm. The finer grades irregular. Orthodox dust met with good demand at firm levels.

All price movements quoted in USD per kilo.

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