

Week 15, 2019

Tea Market Report 8 – 12 April 2019

A completely different tone was witnessed in the Mombasa auction room whereby all grades on offer sold at firm to dearer rates. With the anticipated long rains in Kenya delayed, the tea bushes will take longer to recover, and, on that note, there has been an increased activity on outlots, even on the poorer sorts. At this week's auction there was a very good general demand with the lowest outlot figure of the year, only 22k pkgs. Auction quantities are easing up towards week 17 with 155k pkgs on offer but show a small upward trend in sale 18 with 163k pkgs to be sold.

In Malawi, the weather is hot and dry, causing the seasonal drop in the crop intake. In March production has been 6.4m kgs which is the lowest March figure since 2008. These lower figures have been the result of the drop in temperatures and the heavy rains from cyclone Idai. Cumulatively it's the highest Jan-March figure since 2012 due to the high Jan, Feb crops. The auction room attracted very good interest with only 17% remaining unsold. Next week's auction will have 5.9k pkgs on offer followed by 5.8k in sale 17.

In Colombo, the dry-spell remains and causing some disturbance amongst different segments in the industry, rains are highly welcome. There was an improved demand from Russia for the LG teas and the demand for the HG's continued to decline. Sale offerings remain stable around 7+m.kg but can expect a drop if the dry weather continues.

In Northern India, very useful rains have been received, expecting the April crop to increase with 20%. The quality of the teas is typical for the time of the year, bright but a little thin and green. The whole of India is preparing for the elections of a new parliament, with the results out by mid-May. In Jakarta, there was less demand for the 10k pkgs on offer with 34% remaining unsold due to some enforced absentees because of outstanding payment issues. Java orthodox was selling steady to easier except for selected Java PF/BOPF following the quality. Sumatra orthodox was selling at firm to dearer rates especially for main grades invoices BOP/BOPF/PF. CTC was selling at steady to easier levels with many withdrawn. As of next week, all fannings II will be sold in an E-auction every Friday, so there will be no availability of this grade in the main auction. Vietnam is heating up with temperatures up to 35 degree Celsius with high humidity levels in the northern part of Vietnam. The bulk tea season will start soon, probably within 1 or 2 weeks.

"Show me a sane man and I will cure him for you." – Carl Gustav Jung

Crop figures (in m.kg)

	March19	March18	Jan-Mch19	Jan-Mch18
Malawi	6.4	7.7	21.2	20.8
	Feb 19	Feb 18	Jan-Feb19	Jan-Feb18
India	14.7	13.5	28.7	31.2
Kenya	31.4	27.9	79.8	68.9

Upcoming auction quantities (pkgs)

	Week 16	Week 17	Week 18
Mombasa	162,484	155,300	163,475
Blantyre	5,900	5,800	N/A
Colombo	No Sale	7.14m kg	7.30m kg
Jakarta	9,900	10,080	N/A
Kolkata	37,204	59,491	N/A
Guwahati	38,508	83,960	N/A

KENYA

Auction – Good general demand. Best BP1's firm to 10cts dearer and more for selected best, below best irregular with quality, good medium firm to 2cts up, medium firm to 4cts up, plainer firm to 6cts up with some poorer types easier. Best PF1's up to 4cts up, below best firm to 2cts dearer, good medium 4 to 12cts up, medium 4 to 12cts easier, plainer firm to 10cts up with poorer types easier. Best PD's up to 6cts up, below best firm to 8cts up, good medium 8 to 20cts up, medium, 4 to 8cts up, plainer firm to 8cts up for quality types, poorer types easier. Best D1's 5 to 12cts up and more for selected best, below best firm to 5cts up, good medium steady to 6cts easier, medium 8 to 15cts up, plainer better types were firm to 14cts up, balance easier.

Demand – Pakistan showed very good demand, Afghan and Bazar were active. Kazak, UK and Sudan packers had a firm interest.

Weather – The seasonal rains have been erratic in most tea growing regions which has also affected other crops planted but now drying up. The MET has now amended weather forecast that proper rains will start at the end of the month. Some light showers have been reported in Kericho. Kisii area has also been receiving some light showers for the last few days. Sotik/Nandi areas received some showers in the afternoons.

MALAWI

Auction – Most teas were taken out under bid. BP1 none on offer. PF1 Sc less demand at 1-2cts easier, most teas taken out had registered bids. PF1 seedling less demand at steady to easier rates where sold. A big chunk of the teas taken out had registered bids. PF's steady. PD's well-made lots were absorbed steady to a cent dearer. The plainer sorts were taken

out under bid. D1's less demand with only the cleanest sorts selling in the room at steady to easier rates while the balance was taken out underbids. Offgrade fngs taken out, cleaner descriptions had bids registered. Offgrade dust nominally 4cts easier.

Weather - Mulanje, Thyolo - Dry, sunny and hot during the day and cool during the night.

SRI LANKA

Auction - HG - Fair demand. Western BOP overall 5-10cts dearer. Western BOPF overall 10-20cts lower. N.Eliya BOP/BOPF overall 10-20cts lower. Uva/Udapussellewa BOP/BOPF overall 10cts lower. LG - Good demand. OP1 select best firm, best lower 5-10cts, below best lower 5-10cts, bottom firm. BOP1 select best lower 15cts, best lower 10cts, below best firm, bottom firm. OP select best dearer 15cts, best firm, below best lower 5cts, bottom lower 5cts. OPA select best firm, best dearer 10-15cts, below best firm, bottom firm. PEKOE 1 select best lower 10cts, best lower 15cts, below best lower 15cts, bottom firm. PEKOE select best firm, best lower 10cts, below best lower 10cts, bottom firm. FBOP select best & best 10-20cts dearer, below best 10cts dearer, bottom 5-10cts dearer. FF1 best & below best dearer 10-20cts, bottom by 5-10cts. FF best firm, below best dearer 10-20cts, bottom firm to 10cts up. BOP all-round firm. BOPF best lower firm, below best & bottom 5cts dearer. Tippiies/Specials all round 20-30cts dearer. Off grades - Liq. Fngs better types lower 10cts, secondaries steady to 5cts lower. Low Grown fngs better varieties lower 10cts, balance firm. BP firm. BM steady to lower 5cts. BOP1A select best dearer 10cts, best steady to 5cts lower, below best lower 10cts, bottom firm. Dust - High Grown/Liq. Primary better sorts 15-20cts lower, others firm. Secondaries firm. Low Grown better sorts 20cts lower, others firm.

Demand - Turkey showed improved demand. Syria, Iran and Saudi Arabia were active. Russia had improved demand and Libya was strong.

Weather - Nuwara Eliya - Bright weather during the week, misty mornings in the week ahead. Uva/Udapussellawa - Dry weather throughout the week, heavy rain falls above 100 mm can be expected in both regions. Low Grown - Severe drought was reported in both the Ruhuna and Sabaragamuwa regions. The sun is going to be directly over the latitudes of Sri Lanka from 5-15 April and dry weather is expected to continue in both regions.

INDONESIA

Auction - Java Orthodox - less demand. BOP1 withdrawn. BOP neglected. BOPF firm. PF irregular from 3cts easier to 5cts dearer. Dust firm. BT steady. West Sumatra - Good demand. BOP firm to 6cts dearer. BOPF firm to 6cts dearer. PF firm to 2cts dearer. Dust neglected. BT firm to 3cts dearer. Java CTC - less demand. BP1 West neglected, East N/A. PF1 West withdrawn, East firm to 5cts dearer. D1 West withdrawn, East steady. Fngs West steady, East steady to 2cts easier.

Weather - Java - Continued to last week, bright and sunny in the morning, cloudy with isolated thunderstorm and heavy showers in the night. Parts in South Bandung reported heavy showers with sustained wind over the night with lower temperatures. Sumatra - Regular showers with overall lower precipitation levels in the west/north.

INDIA

Kolkata

Auction - CTC - Market opened to good demand. Nominal weight of good Assams were well competed for, grainy Dooars were irregular around last. Weaker demand for plainer varieties at easier rates with fair withdrawals. Orthodox - Market opened to strong demand. All clean well-made sorts selling at fully firm to dearer rates. Levels were Rs. 20-30 higher than last year for whole leaf descriptions and Rs. 10-15 higher for broken.

Guwahati

Auction - CTC - Good demand. Teas on offer met with fairly good demand and are selling irregular around last.

Coonoor

Auction - CTC leaf - good demand. The best liquoring teas were easier and faced large withdrawals, good sorts were steady to dearer 2-3cts, medium and plainer types steady to easier up to 2cts. Orthodox leaf - good demand. Clean, black primary whole-leaf grades and broken were dearer, fngs was steady. CTC dust - reduced demand. Best liquoring teas were easier, facing many withdrawals, good and medium sorts were easier by 2-4cts, plainer types were irregular, tending easier up to 2cts. Orthodox dust - fair demand. Primary BOPD's were steady with some withdrawals, remainder was easier, secondary teas were steady.

Cochin

Auction - Orthodox leaf - Good demand. Select best Nilgiris showed downward price corrections and settled at lower levels. Medium whole leaf and primary broken firm to dearer, remainder around last, fannings dearer. CTC leaf - fair demand. All varieties firm. Dust - good and popular marks fully firm to dearer up to 3cts and at times more. Mediums firm. Plainer teas with better leaf ruled firm to dearer, remainder around last.

Coimbatore

Auction - CTC leaf - fair demand. Good liquoring broken barely steady. Fanning types firm. Medium types easier by 1-2cts. Plainer teas tending lower with quality. Orthodox leaf - good demand. Select Nilgiri teas firm remainder irregular. Dust - fair demand. High priced popular teas sold at around last levels. Medium sorts and plainer teas were barely steady sometimes tending lower. Orthodox met with good demand at firm levels for the cleaner kinds, fibrous varieties were easier.

All price movements quoted in USD per kilo.

To read previous issues, please see our website: www.vanrees.com. Please follow us on LinkedIn: [Van Rees Group](#)