

Week 33, 2019

## Tea Market Report 12 – 16 August 2019

Mombasa had a reduced quantity on offer compared to sale 32, 128K pkgs of which 85% has been sold. This week's biggest gainers were the best EoR and Rwanda BP1's. There was a fierce competition between Kazakh and Sudan buyers resulting in gains of over 50cts and Kitabe coming out the best at \$6.06/kg. Auction quantities are reducing in the coming weeks as the cold season is at its peak. All over Kenya the crop harvest remains seasonally low whilst the neighbouring countries are experiencing a declining crop. Sale 34 has 132K pkgs on offer, 11% lower compared to the same auction in 2018.

In Malawi, they're not looking at their big brother Kenya. With a very small auction quantity buyers were able to cover their needs at lower levels, only a few producers were holding on to higher prices. In total 75% heard the sound of the hammer. Crop intake is seasonally low, July had a production of 1,359,254kg compared to 1,250,364kg in 2018. Cumulatively year to date crop has increased with 1.7% with a total volume of 36,013,134kg.

Due to Eid-UI-Adha holiday there was a restricted auction of 1 day in Colombo with 4.46m. kg on offer. As a result, the LG leafy quantity was down by more than 800MT compared to 91MT for the HG teas. With this small decrease and no major improvement in the overall quality, the HG teas declined further after last week's disappointing results. Showers in the Uva region in previous weeks have shortened the Uva season. As a result, almost all the tea factories in the region have changed their manufacture and have gone back to orthodox leafy manufacture. Therefore, the coming week and the week after will have the last bit of the Uva seasonal teas of 2019. India celebrating its Independence Day on the 15<sup>th</sup> of August whilst there are ongoing tensions with Pakistan about Kashmir. In the south they have witnessed sincere flooding's resulting in hundreds of casualties and forcing many families to leave their homes. The heavy rainfall and flooding's combined with several landslides leave the tea plantations in the Kerala state in trouble. It didn't affect the demand in the northern auctions which opened strong. In the south however there has been a lesser demand for the teas on offer. In Indonesia, there were again some buyers missing in the auction room due to outstanding payment issues. There was improved demand for 10,400 packages with 16% remaining unsold. Generally, Java/Sumatra Orthodox/CTC were selling at steady to firm rates with some Sumatra BOPF and Java CTC PD invoices were selling at firm to dearer levels. In Vietnam the weather is still very hot and some good rains have arrived in most tea growing areas. Northern and southern areas are harvesting more green leaf every day.

*"I read, I study, I examine, I listen, I think, and out of all that I try to form an idea into which I put as much common sense as I can."* - Marquis de Lafayette

### Crop figures (in m.kg)

	July 19	July 18	Jan-July 19	Jan-July 18
<b>Malawi</b>	1.4	1.3	36.0	35.4
	June 19	June 18	Jan-June 19	Jan-June 18
<b>Kenya</b>	42.4	43.3	212.61	231
<b>Malawi</b>	1.6	1.9	34.6	34.1
<b>Sri Lanka</b>	26.9	23	158.4	158.2
<b>India</b>	150.9	149.1	437.7	451.9

### Upcoming auction quantities (pkgs)

	Week 34	Week 35	Week 36
<b>Mombasa</b>	132,400	127,667	125,922
<b>Blantyre</b>	2,280	2,860	N/A
<b>Colombo</b>	7.27 m. kgs	7.41 m. kgs	N/A
<b>Jakarta</b>	12,680	12,780	N/A
<b>Kolkata</b>	186,896	186,204	200,439
<b>Guwahati</b>	230,186	183,457	201,137

### KENYA

**Auction** - Fair general demand. Best BP1's firm to 15cts up and more for quality lots, below best irregularly firm to 10cts up, good medium firm to 8cts up and more for quality lots, medium steady to easier, plainer irregularly firm to dearer. Best PF1's firm to 5cts up, below best firm to 4cts up, good medium 2 to 6cts up, medium firm to 5cts up, plainer firm to 12cts up. Best PD's firm to 10cts up, below best firm to 5cts up, good medium 2 to 4cts up, medium irregularly firm to 5cts up, plainer up to 10cts up. Best D1's firm to 6cts up, below best firm to 4cts dearer, good medium steady to easier, medium irregularly firm to dearer, plainer firm to 8cts up.

**Demand** - All around good support from Afghanistan, Pakistan, Kazakhstan, Sudan, the UK, Yemen, and Egypt.

**Weather** - EoR - Light and moderate rainfall was recorded with cool and cloudy conditions expected to prevail in the better part of the week. Declining temperatures especially at night were recorded in several parts of this region. WoR - Several parts in this region continued to receive significant amounts of rainfall over the past week. Morning tended a little cloudy closely followed by short sunny intervals in the afternoon. Temperatures during the day was relatively increased and at its minimum during the night.

#### **MALAWI**

**Auction** – Good demand. BP1's none on offer. PF1 Sc good demand for the small offering at last week's levels. PF1 Seedling continued good demand at 2-5cts easier rates. PF's two lots on offer were sold at 8cts below valuation. PD's good demand at last week levels. D1's good demand at 5cts easier rates. Offgrade fngs neglected. Offgrade dust 8-22cts easier following quality.

**Weather** – Mulanje and Thyolo both experienced warm to hot weather during the day and cool conditions in the evening. Very normal weather conditions for the time of year.

#### **SRI LANKA**

**Auction** – HG – Less demand. Western BOP best 3-5cts lower, below best 5cts lower, plain 5cts lower. Western BOPF best 5cts lower, below best 5-8cts lower, plain 5cts lower. N.Eliya BOP 5-10cts lower and BOPF irregular. Uva/ Udapussellewa BOP 5-10cts lower and BOPF 10cts lower. LG – Fair demand. OP1 select best 30-35cts dearer, others all-round firm. BOP1 select best firm, best & below best 2-5cts dearer, bottom firm. OP select best & best lower 5-10cts, below best 2-5cts lower, bottom firm. OPA select best & best lower 8-10cts, below best dearer 5-10cts, bottom firm. PEKOE 1 select best dearer 10-20cts best firm, below best & bottom dearer 10cts. PEKOE select best 20-30cts lower, best & below best firm, bottom dearer 5-10cts. FBOP/FBOP1 select best, best, B/B firm, bottom 5cts dearer. FF1 best 10cts dearer, others firm. FF best 10-20cts dearer, others firm. BOP/BOPF BOP all-round firm & BOPF firm market. Tippiess/Specials all-round 20-30cts dearer. Off grades - Liq. Fngs firm on last. Low Grown Fngs overall firm on last. BP overall firm. BM overall firm. BOP1A best, below best firm, bottom 3cts dearer. Dust - High Grown/Liq. Primary firm on last. Secondaries steady to 10cts lower. Low grown better sorts firm 10cts lower. Balance 5-10cts lower.

**Demand** – There was a good demand from Turkey and Iraq. Syria, Saudi Arabia and Libya showed an improved interest compared to last week whilst Iran and Hong Kong were selective with their purchases.

**Weather** – Western/Nuwara Eliya regions – Heavy showers were reported throughout the week and a lot of wind predicted in the week ahead. Udapussellawa - Bright weather with scattered showers and light winds were reported throughout the week. Uva region – Strong winds with bright weather. Low Grown areas - Both Ruhuna and Sabaragamuwa regions experienced rain throughout the week and heavy rainfall predicted in the days to come.

#### **INDONESIA**

**Auction** – Java orthodox – less demand. BOP1 withdrawn. BOP firm. BOPF steady to 3cts easier. PF steady. Dust steady to 4cts easier. West Sumatra – improved demand. BOP1 firm. BOP steady. BOPF firm to 9cts dearer. PF steady. Dust firm. Java CTC – improved demand. BP1 West firm, East neglected. PF1 West firm, East steady. PD West firm to 6cts dearer, East N/A. D1 West firm, East firm. Fngs West firm, East steady.

**Weather** – Java – Continued to last week, all over Java and Sumatra reported dry during the week.

#### **INDIA**

##### **Kolkata**

**Auction** – CTC – The market opened to good demand with 74% sold. Few better liquoring Assams selling around last, whilst remainder Assams were irregularly easier. A small volume of Cachars sold with similar trend. Orthodox – Market opened to strong demand selling up to 89%. Selected tippy teas on offer selling readily. Clean well-made whole leaf, brokens and leafy fngs firm around last. Remainder whole leaf, brokens and smaller/browner fngs irregular around last. Browner and stalkier secondaries selling at irregularly lower rates. Darjeeling – Flavoury whole leaf descriptions were firm to occasionally 50cts dearer, medium and plainer sorts were barely steady. Some flavoury brokens and fngs firm to 10cts dearer, others barely steady. Dust – Opened to good demand, 78% sold. Good and best Assams selling around last, good mediums were firm.

##### **Guwahati**

**Auction** – CTC – Good general demand. Few select good Assams and Mediums were sold irregularly around last. Remainder selling at steady to easier rates following quality.

##### **Coonoor**

**Auction** – CTC leaf – Good demand. Best liquoring teas irregular and tending dearer. Good teas easier 2-3cts, mediums steady, plainer teas easier up to 2cts. CTC dust – reduced demand. Best and good liquoring teas easier 2-3cts with fair withdrawals in the latter. Medium teas easier up to 2cts, plainer teas steady to firm. Orthodox leaf – good demand. Primary whole leaf grades easier, brokens tending dearer and fannings easier with fair withdrawals. Orthodox dust – good demand. Primary BOPD's dearer on quality, remainder irregular and tending easier. Better demand for secondaries at easier rates.

##### **Cochin**

**Auction** – Orthodox leaf – Fair demand. Select Nilgiri teas sold around last levels. Cleaner medium whole leaf and primary brokens sold at last levels and at times firm. Secondary teas lower. Fannings lower. Fair withdrawal on all medium varieties. Fannings firm. CTC – fair demand selling at 1-2cts lower. Dust – weak demand. Good and popular marks eased in value by 3-4cts and more at times. Mediums following same trend. Plainer teas irregular and lower 2-3c. Heavy withdrawals in all categories.

##### **Coimbatore**

**Auction** – CTC leaf – Fair demand. Better liquoring teas irregularly lower by 1-2cts. Medium sorts with liquoring merits firm, others lower by 2cts. Plainer teas easier by 1-2cts except for fngs. Orthodox leaf – fair demand. Whole leaf lower by 2-3cts. CTC dust – fair and selective demand. High priced finer grades fully firm to dearer while the bolder dusts were irregularly lower with quality. Medium teas easier by 1-2cts, plainer PD's easier 1-2cts remainder by 2-3cts.

*All price movements quoted in USD per kilo.*

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