

Week 36, 2019

Tea Market Report 2 – 6 September 2019

A fair overall demand prevailed in Kenya this week with 125K pkgs on offer and 17% unsold. The auction was presented with arraying behaviors from various markets. Pakistan and Afghanistan purchasing activity slowed down. Buyers expected a dearer market but to the contrary. Although offerings are reducing and the bazaar is certainly in need of tea, caution on operating large volumes is exhibited. Adding to the bearish sentiment, a few indirect tax variables were increased and have impacted import costs. That being said, interest on the lower plainer types increased as buyers looked for replacements for Indian teas. WoR crop harvest continues on the rise, while in EoR low cropping endures. In Malawi, demand was slow in the first catalogue however it picked up in the second, though mainly as a result of better quality teas attracting interest. Both catalogues had a fair amount of Mateco mount whose main grades remain unsold mostly on account of lack of certification. Crop intakes remain seasonally low. In Colombo, Low Grown offerings this week amounted to a quantity of 2,965,712 Kilos while a combined quantity of 1,758,606 Kgs were sold in the Ex Estate and High and Medium categories. In the Low Grown sector, there appeared to be fair demand forthcoming from Saudi Arabia, Syria and Iran, whilst some of the other out-markets, such as Russia, Libya, Iraq, appeared less active and bearish. High Grown are overall bearish with South Africa, Russia, North America, China and Hong Kong all very selective. There is interest from Japan, but only for a select category of tea, which apart from the quality parameters require to comply with Japanese agrochemical regulations. In Indonesia, the auctions saw less demand for 8,860 packages with 19% remaining unsold. In India, Kerala's plantation sector has suffered an estimated loss of around INR 120 crore by way of crop and infrastructure damages in recent rains and landslides. In Vietnam the tea season is in full swing and most factories are running within capacity now. The weather continues well this week with sunshine during the day and enough rain in most tea areas.

"Courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen." – Richard Branson

Crop figures (in m.kg)

	July 19	July 18	Jan-July 19	Jan-July 18
Malawi	1.4	1.3	36.0	35.4
Sri Lanka	25.7	23.9	184.1	182.1
India	176.1	162.5	649.8	614.4
Kenya	31.5	35.3	244.1	266.3

Upcoming auction quantities (pkgs)

	Week 37	Week 38	Week 39
Mombasa	130,920	129,359	136,949
Blantyre	2,880	3,900	N/A
Colombo	7.14 m. kgs	7.33 m. kgs	N/A
Jakarta	8,180	6,120	N/A
Kolkata	198,031	197,464	201,604
Guwahati	172,210	211,547	N/A

KENYA

Auction – Fair general demand. Best BP1's irregularly firm to dearer, below best irregularly steady to 10cts easier, good medium steady to 4cts easier, medium irregularly firm to 10cts dearer, plainer 4-8cts dearer. Best PF1's steady to 4cts easier, below best 4-7cts easier, good medium steady to 5cts easier with better marks firm, medium 8-10cts dearer with some high-priced types easier, plainer firm to 6cts up. Best PD's opened easier but changed midway and closed 30-35cts up, below best up to 25cts up, good medium steady to 8cts easier, medium firm to 10cts up, plainer 4-8cts up. Best D1's firm, below best steady to 4cts easier, good medium irregularly firm to dearer, medium irregularly firm to 8cts up, plainer firm to 10cts up.

Demand – Kazakh and Sudan continued to be the dominant market followed by Yemen. Pakistan packers slowed down while UK and Egyptian packers were more active. Bazar was steady while Russia showed improved interest. Somalia was more forceful as Iran maintained their silence. Local packers continued selective.

Weather – EoR – Generally minimal rainfall was received with cool and cloudy conditions giving way to sunny intervals. Misty mornings being experienced throughout the week. A chance of showers will be experienced over few parts. The nights were colder. Ambient temperatures maintained low. WoR – Several parts in this region continued to receive some amounts of rainfall over the past week. The mornings tended sunny through to afternoons; the evenings received relative showers with a few instances of thunderstorms.

MALAWI

Auction – Continued good general demand. BP1's none on offer. PF1 Sc continued strong demand fueled by the good quality on offer at 16-34cts dearer rates. PF1 Seedling good demand, PGI descriptions were firm to 3cts dearer while the balance were steady to 2cts easier following quality. PF's neglected. PD's none on offer. D1's 9-10cts dearer. Offgrade fngs good demand at 3cts easier. Offgrade dust good demand at up to 21cts dearer rates.

Weather – Mulanje and Thyolo both experienced overall hot conditions during the day but continued cold during the night.

SRI LANKA

Auction – HG – Fair demand. Western BOP best 5-10cts dearer, below best 3-5cts lower, plain 3-5cts lower. Western BOPF best 10cts dearer, below best 10cts lower, plain 2-3cts dearer. N.Eliya BOP irregular and BOPF 2-3cts lower. Uva BOP 10-20cts lower following quality and BOPF 10-20cts lower following quality. Udupussellewa BOP 3-5cts lower and BOPF firm. LG – Fair demand. OP1 select best 30-35cts dearer, best 10cts dearer, below best 10cts lower, bottom 10cts lower. BOP1 select best 15-20cts lower, all others firm. OP select best 10-15cts dearer, best firm, below best 5cts lower, bottom 10cts lower. OPA select best, best & below best firm, bottom 10cts lower. PEKOE 1 select best firm, best firm, below best & bottom 10-15cts dearer. PEKOE select best & best firm, below best 10-15cts dearer, bottom 25cts dearer. FBOP/FBOP1 select best & best 20cts dearer, below best & bottom 10cts dearer. FF1 best & below best 10-15cts dearer, bottom 10cts dearer. FF all round 10-15cts dearer. BOP best 20cts dearer, below best 10cts dearer, bottom firm. BOPF all round firm. Tippiess/Specials all round 20cts dearer. Off grades - Liq. Fgs better sorts 10-15cts lower, poorer sorts fully firm to 5cts dearer. Low Grown Fgs better sorts firm, poorer sorts steady to 5cts lower. Cleaner BP 10-15cts dearer and balance 10cts lower. Cleaner BM fully firm, below best & bottom 5cts lower. BOP1A select best 10cts dearer, best firm 5cts dearer, below best firm, bottom 5-10cts lower. Dust - High Grows/Liq. Primary better sorts 20-30cts dearer, others 10cts lower. Secondaries firm to 10cts lower. Low Grown better sorts firm to 20cts dearer, others 5-10cts lower following quality.

Demand – Saudi Arabia along with Syria, and Iran strong, while Turkey and North America were active. Iraq and Russia selective.

Weather – Western High Grown and Nuwara Eliya regions have reported fair rain fall. Together with dull, overcast conditions. Uva / Uda Pussellawa regions have been reasonably bright with isolated showers. Low Grown areas have experienced heavy rainfall, with overcast conditions.

INDONESIA

Auction – The general price trend for Orthodox and CTC was steady to easier levels.

Weather – Java – Partly cloudy with drizzle and very short/irregular rains in the West Java region. Central/East Java still dry during the week.

INDIA

Kolkata

Auction – CTC – The market met good demand with 75% sold. Quality Assams were fully firm while the remainder were barely steady and tending irregularly easier. Dooars followed similarly. Orthodox – The market opened to considerable demand with 94% sold. Select few tippy teas sold without hesitation. Clean well-made whole leaf, broken, and fannings were irregular around last levels. Remainder whole leaf, broken, and fanning were irregularly lower and witnessed withdrawals. Darjeeling – Good overall demand at easier rates. Flavoury whole leaf descriptions were 20-30cts lower while the remainder were barely steady.

Guwahati

Auction – CTC – All around good demand. Teas on offer traded irregularly around last according to quality.

Coonoor

Auction – CTC leaf – Good demand. Best liquoring teas dearer. Good and medium teas steady to dearer 2-3cts, at times substantially more. Plainer teas firm. In general, there was better demand for the bolder grades. CTC dust – Improved demand. Best liquoring teas dearer. Good and medium sorts firm to dearer by 2- 3cts sometimes more. Plainer teas steady to dearer up to 2cts. Orthodox leaf – Good demand. Primary whole leaf grades dearer. Broken easier while fannings were firm. Orthodox dust – Good demand. Primary BOPD's easier; remainder dearer. Secondary teas steady to occasionally dearer.

Cochin

Auction – Orthodox leaf – Fair and sporadic demand. Select best Nilgiri teas around last at times lower. Medium whole leaf saw drop in levels. Plainer broken followed a similar trend. Fannings lower. CTC - Fair demand. Irregular.

Dust – Improved demand following quality. Good and popular varieties sold at steady to dearer rates. Medium and plainer teas irregular around last and easier at times by 1-2cts with fair withdrawals especially the browner fibrous sorts.

Coimbatore

Auction – CTC leaf – Fair demand. Better liquoring varieties fully firm to dearer except fannings. Medium bolder grades dearer by 1-2cts. Smaller broken and fannings irregular. Plainer teas around last. Orthodox leaf – Whole leaf sold at easier levels, while the broken are facing withdrawals and secondary teas are steady. CTC dust – Selective demand. High priced PD's and RD's around last. The finer grades dearer by 3cts. Medium sorts fully firm especially the liquoring sorts. Plainer teas steady.

All price movements quoted in USD per kilo.

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