

Week 37, 2019

## Tea Market Report 9 – 13 September 2019

In Mombasa 130K pkgs were on offer as compared to 125K the previous week, 18% went unsold. Although some types traded dearer while others easier, proceedings could have differed if it weren't for a number of absent auction buyers due to the Muslim holiday Ashura. The auction, initially rescheduled for Monday, was at the last minute brought back to Tuesday. As a result, the demand faltered from Pakistan (bazar) and Afghanistan, as most have been away since Friday. In Malawi, good demand continued with buyers were more willing to share than last week. Crop intakes are seasonally low but improving. The August crop was 1.67 m. kgs, almost at par to what was produced the same period last year. In Colombo, 1.70 m. kgs were on offer this week under the high/ mid grown categories. Low grown auction quantities reached 3.27 m. kgs, which is reasonably stable in comparison to previous. In the Low Grown sector, good demand continued from Syria and Turkey, along with consistent interest from Iran. With some of the quantities declining in the forward sale, there seems to be a bearish sentiment moving forward. In the High Grown sector, a major buyer returned reasonably strong this week, which gave an upward correction to the better liquoring teas on offer. The decline in activity from China, was one of the main fundamental factors impacting the bottom end of the BOP market. The crop intake is expected to remain stable. In Indonesia crops continue to decline. This is also causing further slipping auction quantities, all caused by the seasonally dry weather conditions. Some buyers were still not allowed to participate in this week's auction due to outstanding payment issues. Vietnam is experiencing improved market demand. Factories are running well in capacity and the weather is cool with good rains being reported in almost all tea plantations.

"Creativity is intelligence having fun!" – Albert Einstein

### Crop figures (in m.kg)

	August 19	August 18	Jan-August19	Jan-August 18
Malawi	1.7	1.7	37.7	37.1

	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 38	Week 39	Week 40
Mombasa	129,359	136,949	137,731
Blantyre	3,900	2,980	N/A
Colombo	7.33 m. kgs	6.61 m. kgs	N/A
Jakarta	6,120	9,340	N/A
Kolkata	197,464	201,604	187,158
Guwahati	211,547	256,378	203,101

### KENYA

**Auction** – Fair general demand. Best BP1's 2-10cts easier, below best up to 30cts easier with withdrawals, good medium irregularly steady to slightly easier, medium steady to 10cts easier, plainer firm to 6cts dearer. Best PF1's 2-6cts easier, below best 5-10cts easier, good medium steady to 8cts easier, medium steady to 6cts easier, plainer opening dearer but closed irregularly steady to easier. Best PD's 6-12cts easier, below best up to 20cts easier, good medium about firm, medium 4 to 10cts up, plainer 5 to 10cts up. Best D1's steady to easier, below best steady to 5cts easier, good medium steady to 8cts easier, medium 4-8cts dearer, plainer firm to 8cts up.

**Demand** – Egypt carried the day while Kazakhstan, Yemen and Pakistan packers continued steady. UK, Russia and Afghan were less active with the bazaar almost quiet. Somalia was active in the secondaries with Iran and local packers absent.

**Weather** – EoR – Slight amount of rainfall was received with cool and cloudy conditions giving way to sunny intervals. Misty and chilly mornings were experienced throughout the week. A chance of showers will be experienced over few parts. The nights were colder. Ambient temperatures maintained low. Crop slightly decreased. WoR Nandi/Kericho/Kakamega/Kisii – Showers over few places were recorded, notably in the mornings giving way to showers and thunderstorms over several places later in the day. Mornings have been chilly with partly sunny intervals with average maximum temperatures on the decline. Average decrease in day and night temperatures observed.

#### **MALAWI**

**Auction** – Sale 37 met continued good demand with buyers a little more willing to share than last week. This resulted in some segments like the PF1sc and D1s prices re-aligning after being over boiled last week.

**Weather** – Mulanje and Thyolo both experienced hot to very hot over day time and cold in the evening. Saturday and Sunday were very cold throughout the day with some light showers. Night temperatures dropped as low as 7 degrees Celsius. From Monday, day temperatures picked up but remained cold during the night, but was not as cold as the weekend (night temperature improved to around 12-17 degrees Celsius).

#### **SRI LANKA**

**Auction** – HG – Good demand. Western BOP best 10-20cts dearer, below best 5-10cts lower, plain 5cts lower. Western BOPF best 20cts dearer, below best 5-10cts dearer, plain 5cts dearer. N.Eliya BOP irregular and BOPF 3-5cts lower. Uva/ Udapussellewa BOP 3-5cts lower and BOPF 5cts lower. LG – Fair demand. OP1 select best 25-30cts lower, best 10cts dearer, below best 10cts lower, bottom firm. BOP1 select best firm, best 10-15cts dearer, below best firm, bottom firm. OP Select best 10-15cts dearer, best 10cts dearer, below best firm, bottom firm. OPA Select best 10-15cts dearer, best 10cts dearer, below best firm, bottom firm. PEKOE 1 select best firm, best 10-15cts dearer, below best 10-15cts dearer, bottom 5cts dearer. PEKOE all round firm. FBOP/FBOP1 select best 10-15cts lower, best firm, below best firm, bottom firm. FF1 best firm, below best firm, bottom 10cts dearer. FF all round firm. BOP / BOPF all-round firm/ firm market. Tippiies/Specials all round firm. Off grades - Liq. Fgs better sorts 5-10cts lower, poorer sorts firm to 5cts dearer. Low Grown Fgs overall 5-10cts lower. BM select best 5-10cts lower, best firm, best 5cts lower, bottom 5cts lower. BP overall 15-20cts dearer. BOP1A select best 5-10cts lower, best firm, below best firm, bottom firm. Dust - High Growns/Liq. Primary better sorts 10-20cts dearer, others 10cts lower. Secondaries firm to 10cts dearer. Low grown better sorts firm to 10cts dearer, others firm.

**Demand** – Turkey and Syria strong. Iran, Saudi Arabia, Russia, and Hong Kong active. Iraq and North America selective.

**Weather** – High Grown Western and Nuwara Eliya regions have experienced dull, overcast conditions during the week. Uva and Uda Pussellawa districts have reported reasonably bright conditions at the start of the week, but showers were reported during the latter part. In the Low Grown planting districts, the weather is reported to have cleared up at the beginning, but showers are reported towards the end of the period under review.

#### **INDONESIA**

**Auction** – Unsold were mostly West Java Orthodox BOPF/ CTC FANN/D.2. General price trends for Java/Sumatra Orthodox/CTC were selling steady to firm with some invoices dearer especially for Java Orthodox PF/Dust/BT.

**Weather** – Java – All around dry. Sumatra – North, west and south also dry over the week.

#### **INDIA**

##### **Kolkata**

**Auction** – CTC – The market met good demand with 72% sold. Assams were barely steady and irregularly easier as there was less demand from a major buyer. Orthodox – The market opened to considerable demand with 94% sold. Better liquoring whole leaf, broken, and fannings traded irregular around last levels following quality. Remainder sorts were more bearish and witnessed some withdrawals. Improved demand for secondaries.

##### **Guwahati**

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

##### **Coonoor**

**Auction** – CTC leaf – There was fair but reduced demand. Best liquoring teas dearer; Good teas dearer 2-3cts. Mediums steady to easier up to 2cts with fair withdrawals. Plainers firm to occasionally easier 1ct. CTC dust – This week there was good demand. Best liquoring teas dearer. Good teas irregular, tending easier. Mediums were steady to dearer up to 2cts. Plainer sorts were steady to occasionally easier. Orthodox leaf – Good demand. Primary whole leaf grades dearer. Broken easier while fannings remained firm. Orthodox dust – There was good demand. Primary BOPD's dearer on quality. Remainder easier. Secondary teas steady.

##### **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. Good liquoring varieties firm around last. Medium kinds barely steady. Plainer teas lower with quality. Orthodox leaf – Good demand for whole leaf at irregularly easier levels. CTC dust – Fair and selective demand. High priced good liquoring teas fully firm to dearer with quality. Medium sorts dearer 2-3c. Plainer teas sold at irregularly lower levels with some withdrawals.