

Week 40, 2019

Tea Market Report 30 September – 4 October 2019

The market continued a spirited run in Mombasa, maintaining a similar momentum as last. On offer were 140k pkgs compared to 137k pkgs the previous week. Demand was good throughout the sale and the first three brokers had minimal outlots. In the end, total outlots stood at 9.68%. Pakistan packers again took the lead, while Afghanistan continued assertive. Crop levels have improved WoR as compared to the previous week, while slightly improved harvests were recorded EoR. In Malawi, it's the off-season and there was no auction this week. Crop intakes are dropping and yesterday, the brokers decided to cancel auction 42 (16th of October) due to insufficient quantities. In Colombo, a total 6.4mn kgs were on offer. Due to encounters with extreme rains, crops harvested have declined, and consequently auction quantities continue to be low. That being said, there is optimism for increased crops over the next week to ten days, as there has been brighter weather prevalent the last couple of days. In Indonesia, there was fair demand for 8,060 packages, with 25% which remained unsold. Due to low water tables, the situation is starting to become grave with a decline in crops in both Java and Sumatra. India recorded its highest rainfall in 25 years during the June-September monsoon season. The season has been extended, with withdrawal of rains expected to commence around 10th October against the usual 1st September. In Argentina, September has been very dry and the start of October very hot. Still, some rains have been forecasted which will help the start of the season. The main challenge, however, lies in its poor economic circumstances with ever high inflation and interest rates.

"The difference between what we do and what we are capable of doing would suffice to solve most of the world's problems." – Mahatma Gandhi

Crop figures (in m.kg)

	August 19	August 18	Jan-August19	Jan-August 18
Malawi	1.7	1.7	37.7	37
India	171.9	190.1	821.6	804.4
Sri Lanka	26.1	21.4	210.8	203.6
	July 19	July 18	Jan-July 19	Jan-July 18
Kenya	31.5	35.3	244.1	266.3

Upcoming auction quantities (pkgs)

	Week 41	Week 42	Week 43
Mombasa	134,918	139,720	147, 279
Blantyre	1,960	No Sale	No Sale
Colombo	5.92 m. kgs	6.34 m. kgs	N/A
Jakarta	9,060	8,960	N/A
Kolkata	181,148	186,922	184,445
Guwahati	181,212	189,739	177,455

KENYA

Auction – Best BP1's up to 20cts up and more following quality, below best steady to easier, good medium irregularly steady to easier with good quality lots dearer, medium opened dearer but later eased to close 5cts easier, plainer 4-10cts dearer. Best PF1's firm to 4cts dearer, below best firm to 6cts dearer, good medium firm to 4cts dearer, medium firm to 4cts dearer, plainer 4-6cts dearer. Best PD's firm to 6cts dearer, below best irregularly firm to dearer, good medium firm to 3cts dearer, medium firm to 4cts dearer, plainer 5-10cts dearer. Best D1's firm, below best steady to 3cts easier, good medium irregularly firm to dearer, medium firm to 3cts dearer, plainer firm to 10cts dearer.

Demand – Pakistan packers continued forceful followed by Afghan. Egyptian packers showed increased activity with UK and Bazar coming in selectively. There was more interest from Kazakh and Sudan this week while Yemen was maintained. Russia was slower while Iran and Local packers were absent.

Weather – EoR – Most parts of this region reported some light showers during the opening of the week under review. Partly cool and cloudy conditions prevailed during daytime but more in the evening hours. Towards end of the week, strong winds were reported across the region. Moderate ambient temperatures were recorded in the larger part of this region. Slightly improved harvests were recorded. WoR Nandi/ Kericho/ Kakamega/ Kisii – Most parts in this region recorded useful showers during the past week. Mornings opened fairly bright with sunny intervals and partly cloudy cover characterizing the later part of the day. A few instances of thunderstorms were recorded. Temperatures remained fairly moderate. Crop levels improved to last week levels.

MALAWI

Auction – No auction this week.

Weather – An unusual spell of cold weather this week after days of extremely hot weather. Some showers were received in both Mulanje and Thyolo, however the drop in temperature has not benefited much. There are hopes for the temperatures to build up again and for the rains to start around November.

SRI LANKA

Auction – HG – Good Demand. Western BOP best 5-10cts dearer, below best 5-8cts dearer, plain 5cts dearer. Western BOPF best 10-15cts dearer, below best 10cts dearer, plain 5-10cts dearer. N.Eliya BOP irregular, BOPF 5-8cts dearer. Udapussellewa BOP 5cts dearer, BOPF 5cts dearer. Uva BOP 5-8cts dearer, BOPF 5-10cts dearer. LG – Fair Demand. OP1 Select best 30-40cts dearer, best 10-20cts dearer, below best firm, bottom firm. BOP1 select best 20-30cts dearer, best 5-10cts dearer, below best 5-10cts dearer, bottom firm. OP select best firm, best 5-10cts dearer, below best 5-10cts dearer, bottom firm. OPA select best firm, best 5-10cts dearer, below best 5-10cts dearer, bottom firm. PEKOE 1 select best 30-40cts dearer, best 10-20cts dearer, below best 10-20cts dearer, bottom 5-10cts dearer. PEKOE select best 10-20cts dearer, best 5-10usc dearer, below best firm, bottom 5-10cts dearer. FBOP/FBOP1 select best 10-20cts dearer, best 10-20cts dearer, below best 5-10cts dearer, bottom 5cts dearer. FF1 best 10-15cts dearer, below best 10-15cts dearer, bottom firm. FF all round 10cts lower. BOP best 20cts dearer, below best 10cts lower, bottom firm. BOPF all round firm. Tippiies/Specials all round 10cts dearer. Off grades - Liq. Fgs better sorts firm to 5cts dearer, others firm. Low Grown fgs firm to 5cts dearer. BP firm to 5cts dearer, BM firm. BOP1A better sorts firm to 5cts easier. Dust - High Grown/Liq. primary better sorts firm to 10cts lower, others firm to 10cts dearer. Secondaries firm to 10cts dearer. Low Grown better sorts firm, others firm to 10cts lower.

Demand – Syria, Turkey Iraq, Saudi Arabia, and Japan were strong. Russia, Libya, and the UK were active. Hong Kong and Iran were operating.

Weather – Heavy rain prevailed in most of the planting districts over the week under review.

INDONESIA

Auction – General price trends for Java/Sumatra Orthodox were selling at firm to dearer except for Sumatra Orthodox BOPF/PF. In the meantime, Java/Sumatra CTC were selling steady to easier.

Weather – Java – Dry all over Java reported this week. Sumatra – North/West/South Sumatra also dry during the week.

INDIA

Kolkata

Auction – CTC – The market overall sufficient demand with 70% sold. Better liquoring Assams levels were around last, while the remainder were irregularly easier. Orthodox – The market opened to good demand with 85% sold. Remainder whole leaf, broken, and fannings sold at irregularly lower rates.

Guwahati

Auction – CTC – Fair demand. Teas seen sold irregular around last.

Coonoor

Auction – CTC leaf – Good demand. Best liquoring teas tending easier. Good types easier 2-3cts. Medium sorts steady to occasionally dearer with fair withdrawals. Plainer teas firm to dearer up to 2cts. CTC dust – Initial demand sluggish but improved with the progress of the sale. Best liquoring teas irregular and tending dearer. Good teas dearer by 3-5cts. Medium and plainer kinds dearer by 2-3cts. Orthodox leaf – Good demand. Primary whole leaf grades steady. Broken, tending easier. Fannings firm. Orthodox dust – Good demand. Primary BOPD's steady. Remainder easier. Good demand for the secondary teas which were dearer.

Cochin

Auction – Orthodox leaf – Fair demand. Select best Nigiri teas settled at lower levels. Medium whole leaf and cleaner primary broken around last. Smaller broken difficult of sale. Fannings lower. Heavy withdrawals on poor leaf appearance teas. CTC – Fair demand. All types firm to dearer 1-2cts. Dust – Good demand. Good and popular marks firm to dearer, particularly the RD and SRD. Finer grades irregular. Mediums selling irregular, dearer at times. Well-made plainer teas tending dearer by 2-3cts.

Coimbatore

Auction – CTC leaf – Fair and selective demand. Better liquoring kinds around last. Medium sorts steady with the fannings witnessing reduced enquiry. Plainer teas easier with some withdrawals. Orthodox leaf – Good demand for whole leaf at irregularly easier levels. CTC dust – Fair demand. High priced liquoring varieties fully firm. Medium kinds with liquoring merits around last. Remainder teas irregularly lower with quality. Plainer teas barely steady with some withdrawals.

All price movements quoted in USD per kilo.

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