

Week 44, 2019

Tea Market Report 28 October – 01 November 2019

In Mombasa, with a relatively small auction of just below 140K pkgs, there was a good general demand with improved absorption across all grades with an outlot figure of 10%. The market could have been stronger were it not for a 151K closing for sale 46 which eroded some confidence combined with the news of heavy rains across all growing regions. Conducive growing conditions result in increased auction quantities as we will witness in week 47 with 161K pkgs on offer. In Malawi they have seen another typical off-season auction with only 60% being sold of the 2.7K pkgs on offer. Mostly the better made PF1's attracted decent interest. Temperatures are increasing to as high as 41degrees Celsius and taking its toll on both plant and pluckers. The withering process is almost getting superfluous due to the extreme heat during the transport to that factories. Nevertheless, the cup quality is still very good while the leaf quality is seasonally decreasing. In Sri Lanka the weather patterns are still not fully conducive for tea growing resulting in a stable supply without any significant increase. Coming auctions will have 5.5 and 5.7m kg's on offer which is similar to the same sales in 2018, apart from the average auction prices which show a significant deficit compared to the same period. The presidential elections are scheduled for November 16th which will hopefully bring stability in the government. A record number of candidates have thrown their hats in the ring but the real contest will be between the candidates from the two main political parties. In Jakarta, there was less demand for 5,080 packages with 24% remain unsold mostly on Java CTC. The Indian production figures show a record quantity for September of 184.7m kg's, and a cumulative 2019 figure of 1006.3m kg's, an increase of 27.1m kg's compared the same period of 2018. In Northern India they have experienced heavy unseasonal rains which has led to flooding's in the lower Assam district of Nagaon and Golaghat. In Southern India the monsoon rains are supposed to be over which is not at all the case. Incessant rains continue to batter all plantation districts ensuring an abundance of water for the next few months.

"November always seemed to me the Norway of the year." - Emily Dickinson

Crop figures (in m.kg)

| | August 19 | August 18 | Jan-Aug 19 | Jan-Aug 18 |
|-----------|--------------|--------------|------------|------------|
| Kenya | 37.2 | 37.4 | 281.3 | 303.7 |
| Sri Lanka | 26.1 | 21.4 | 210.8 | 203.6 |
| | September 19 | September 18 | Jan-Sep 19 | Jan-Sep 18 |
| Malawi | 2.1 | 3.6 | 39.8 | 40.6 |
| India | 184.7 | 174.8 | 1006.3 | 979.2 |

Upcoming auction quantities (pkgs)

| | Week 45 | Week 46 | Week 47 |
|----------|-------------|-------------|---------|
| Mombasa | 144,039 | 151,710 | 161,197 |
| Blantyre | 3,780 | 3,840 | N/A |
| Colombo | 5.57 m. kgs | 5.72 m. kgs | N/A |
| Jakarta | 8,360 | 7,780 | N/A |
| Kolkata | 159,509 | 190,163 | 182,554 |
| Guwahati | 204,316 | 181,910 | 183,880 |

KENYA

Auction – Best BP1's 8-15cts dearer following quality, Below best firm to 4cts dearer, Good Medium firm to 8cts dearer, Medium steady to easier, Plainer 4-8cts dearer. Best PF1's opened firm but softened towards close, Below best steady to 6cts easier, Good Medium fully firm, Medium steady to 5cts easier, Plainer up to 8cts easier. Best PD's 3-10cts easier, Below best about steady, Good Medium up to 10cts dearer, Medium steady to 3cts easier, Plainer steady to 5cts easier. Best D1's firm to 5cts dearer, Below best firm to dearer, Good medium 6-10cts dearer, Medium irregularly firm, Plainer steady to 4cts easier.

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

Weather – EoR – Cool and cloudy conditions with chances of rains over few places marked majority of the mornings giving way to sunny intervals. In the afternoon, some showers were received over several places followed by short sunny intervals. Day-time maximum temperatures decreased across the region. WoR - Rainfall continued to be received over several parts of the West in the last week. Morning tended a little cloudy closely followed by short sunny intervals. Showers and thunderstorms were experienced in the afternoon over several places. Declining temperatures were reported.

MALAWI

Auction – BP1 the one lot on offer sold at last week's prices. PF1 Sc none on offer. PF1 Seedling good demand. The Mulanje descriptions sold at last week levels while Bloomfields gained upto 5cts while the Sayamas were discounted by 2cts. The balance was taken out under bid. PFs none on offer. PDs taken out under bid. D1s neglected with two lots taken out under bid. Offgrade fngs neglected. Steady where sold. Offgrade dust neglected.

Weather – Mulanje – a wave of extremely hot and sunny weather conditions with very high daytime temperatures continued. No rain was reported but a build-up of clouds with high chances of thundery showers has been predicted later in the week.

Thyolo - like in Mulanje with highest day temperatures being recorded around Gotha which has been 40-41 degrees Celsius throughout the week.

SRI LANKA

Auction - HG - Good Demand. Western BOP best 2-4cts dearer, Below Best 3-5cts dearer, Plain 5-10cts dearer. Western BOPF best firm, Below Best irregular tending dearer, Plain 5-10cts dearer. N.Eliya BOP 5cts dearer, BOPF irregular. Uva/Up BOP 3-5cts dearer, Uva/Up BOPF 5-10cts dearer. LG - Good demand. OP1 Select Best 20cts lower, Best firm, Below Best 20cts dearer, Bottom 10-15cts dearer. BOP1 Select Best 20cts lower, Best firm to 10cts dearer, Below Best 5cts dearer, Bottom 10cts dearer. OP Select Best firm, Best firm, Below Best 5-10cts dearer, Bottom 5cts dearer. OPA Select Best 10cts lower, Best firm, Below Best 5-10cts dearer, Bottom 10cts dearer, PEKOE 1 Select Best firm, Best firm, Below Best firm, Bottom firm. FBOP/FBOP1 Best firm, Below Best 5cts dearer, Bottom firm, FF1 Best 5cts dearer, Below Best 5-10cts dearer, Bottom 5cts dearer, FF all-round 5-10cts dearer. BOP Best 20cts dearer, Below Best 5-10cts dearer, bottom 5-10cts dearer. BOPF all-round 5-10cts dearer. Tippiess/Specials all-round firm. Off grades - Liq. Fgs Better sorts 5-10cts easier, poorer sorts 10cts easier. Low Grown fngs 10-15cts dearer. BP better sorts 10-15cts dearer, others firm to 10cts dearer. BM - Better Sorts 10-15cts dearer, others 5-10cts dearer. BOP1A overall 5-10cts dearer overall. High Grown/Liq. Primary better sorts firm to 10cts easier, others 5-10cts easier. Secondaries firm. Low grown firm.

Demand - Many markets operating actively - Russia, Syria, Turkey, Libya, Hong Kong, UK and Chile. Saudi Arabia and Japan were strong with their demand while Iran, Iraq and China were operating slightly slower.

Weather - In the High Grown sector, there has been heavy rains in the afternoons and evenings, with reasonably bright mornings. Low Grown planting districts have reported continued rain throughout the week.

INDONESIA

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

Weather - Java - Bright and sunny during morning hours and partly cloudy with short rain in some region in West/Central/East Java last week. Light rains are forecast but very scattered. Sumatra - Mix weather during the week with very short rain in North/Central/South Sumatra.

INDIA

Kolkata

Auction - CTC - Market opened to good demand. A total of 82% sold, Assams maintaining quality selling around last levels. Remainder selling in line with quality and browner sorts tending easier. Orthodox - Opened to good demand with a total of 84% sold. Clean, well-made whole leaf, broken and fannings selling at firm rates. Remainder whole leaf, broken and fannings irregular around last, secondaries selling at last levels as well. Darjeeling - Fair demand for larger weight of tea on offer with heavy withdrawals. Flavoury whole leaf grades were 10-15cts easier. All others were substantially easier against last. Dust - Market opened to good general demand, Assams maintaining quality sold at fully firm levels, medium and plainer sorts were barely steady.

Guwahati

Auction - CTC - Fair demand. Good Assams seen are barely steady. Remainder selling irregular around last.

Coonoor

Auction - CTC leaf - Reduced demand. Best liquoring teas eased 3-4cts, good and medium sorts by 2-4cts and plainer types by 2-4cts. Large withdrawals seen in all categories. Orthodox leaf - Good demand. Primary whole leaf grades dearer on quality. Broken tended to be easier while the Fannings were steady to occasionally easier. CTC Dust - Demand continued to reduce at slightly easier levels. Best liquoring teas eased by 4-6cts, good teas 3-5cts, mediums types eased by 2-4cts with the plainer sorts easing by 2-3cts. Orthodox Dust - There was fair demand. Primary BOPD's eased this week; remainder was easier with some withdrawals, secondaries eased with fair withdrawals.

Cochin

Auction - Orthodox leaf - Good demand. Select best Nilgiris settled at lower levels, medium whole leaf, primary larger broken sold at firm levels. Smaller Broken and Secondaries settled at easier rates, fannings dearer. CTC leaf - Fair demand. All varieties lower. Dust - Fair demand. Good and popular sorts barely steady, tending easier by 2-3cts. Medium teas around last. Plainer types irregular and lower with withdrawals.

Coimbatore

Auction - CTC leaf - Reduced demand. Select high priced teas sold at irregularly easier levels. Medium kind easier by 3-4cts with some withdrawals. Plainer types lower 2-3cts. Orthodox - Good demand at fully firm levels. Dust - Fair demand. Good liquoring PDs irregularly lower. Finer grades easier by up to 3cts, medium and plainer sorts easier 2-3cts. Orthodox met with fair demand for the cleaner varieties at firm levels. Fibrous kinds lower.

All price movements quoted in USD per kilo.

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