

Week 47, 2019

Tea Market Report 18 – 22 November 2019

In Kenya, both sides of the Rift – EoR and WoR, received fair, albeit scattered showers compared to previous weeks. This has had little impact on crop levels as they have remained relatively high, as expected for this time in the season. This can be demonstrated with the continued high auction volumes on offer in week 50 at 165K packages. This week the market established good general demand with an absorption rate of 88%, despite the largish quantities on offer and after a buyers meeting on the 14th of November it was decided there will be no auction in week 52. In Malawi, the continued extreme temperatures have led to poor crop intakes with some fields turning brown as a result. Consequently, with such little tea on offer there will be no auction held in week 49. In spite of this, the market exhibited fairly good demand with off grades also getting fair interest. Indonesia has experienced irregular weather, shifting from hot and sunny conditions to moderate rains, meaning the crop remains on the low side, however the volumes are expected to rise in the coming weeks with 9,060 packages on offer in week 49. At the auction there was less demand for the 5,960 packages on offer with 27% remaining unsold, which can partly be attributed to the absence of some buyers who are still unable to participate, due to outstanding payment issues. The general price trends for orthodox were steady to firm and for CTC steady to easier. In Sri Lanka, the presidential election was held on the 16th of November, whereby the former defence secretary Gotabaya Rajapakse was voted in. In the auction, quantities have again shown signs of recovery, whilst still inconsistent, it is widely expected that December will show a recovery in overall quantities on offer. The Market also signalled strong demand this week for High and Mid Grown, with appreciation in value across all grades, whereas the Low Grown were irregular. This can be linked to the significantly improved liquors for the High Grown sector and the marginal improvement for the Low Grown sector. In South India there was overall strong demand across the board, with 85% of teas sold at the Coonoor Tea auction. In the north the market has also indicated better demand as of late, with the current climate we are beginning to see a good spread of cold weather character coming through in the Assam descriptions.

"Yesterday is gone. Tomorrow has not yet come. We have only today. Let us begin." - Mother Theresa

Crop figures (in m.kg)

	Oct 19	Oct 18	Jan-Oct 19	Jan-Oct 18
Malawi	2.30	2.20	42	42.8
	Sep 19	Sep 18	Jan-Sep 19	Jan-Sep 18
Malawi	2.1	3.6	39.8	40.6
Sri Lanka	24.8	25.6	235.6	229.2
Kenya	35.5	42.5	317	346
India	184.7	174.8	1006.4	979.2

Upcoming auction quantities (pkgs)

	Week 48	Week 49	Week 50
Mombasa	164,407	165,580	165,486
Blantyre	2,420	No closing	N/A
Colombo	5.98m. kgs	5.66m. kgs	N/A
Jakarta	7,220	9,060	N/A
Kolkata	192,476	191,563	N/A
Guwahati	179,439	171,947	N/A

KENYA

Auction – Best BP1's irregularly firm, below best irregularly steady to 16cts easier, good medium firm to 2cts up and more for selected lots, medium irregularly firm to 18cts up and more for selected best, plainer irregularly steady to 10cts easier with selected types firm. Best PF1's Firm to 2cts up, below best about firm, Good medium 2 to 4cts up, medium 2 to 18cts up and plainer steady to 5cts easier. Best PD's 2 to 5cts easier, below best up to 8cts easier, good medium firm, medium steady to 4cts easier and plainer 4 to 6cts easier. Best D1's up to 5cts up, below best firm to dearer, good medium steady to 7cts easier, medium 4 to 10cts easier and plainer 5 to 10cts easier.

Demand – Pakistan packers, Bazar and Afghan were forceful. Sudan, Yemen were steady while Egypt and UK were less active. Russia and Iran nibbled while Somalia was more active.

Weather – EoR - The week opened with fair showers recorded in most parts of this region, however some dry weather conditions were experienced towards the closure of this week. WoR - Several parts in this region reported fair albeit scattered showers as compared to the previous week. Most days opened bright closely followed by intermittent sunny periods while afternoons were mainly characterized by some mild overcast and occasional precipitation in many parts.

MALAWI

Auction – BP1 the one lot on offer was neglected. PF1 Sc none on offer. PF1 Seedling Improved demand. EPM and some Thyolo descriptions shed up to 2usc while the PGI marks were steady to 2-5usc dearer. PF's were neglected. PD's were neglected. D1's had good demand at 2-3usc easier rates. Off grade fngs improved demand at last week's levels and Off grade dust saw improved demand with most teas selling above valuations.

Weather – Mulanje - continued sunny and very hot conditions. Some rains were received on Sunday again ranging from 5-31mm. Thyolo - very hot. Some rains were received on the 15th ranging from 5-22mm and on 17th Ranging from 7-20mm.

SRI LANKA

Auction – HG – Good demand. Western BOP best 2-3cts Lower, below best irregular and plain 2-4cts dearer. Western BOPF best 2cts lower, below best 2-5cts dearer and plain 5-10cts dearer. N. Eliya BOP irregular and BOPF 2-4cts dearer. Uva/Udapussellewa BOP 5-10cts dearer and BOPF 5-10cts dearer. LG Fair demand. OP1 select best 15-20cts dearer, below best 10-15cts dearer, below best firm and bottom 10-15cts dearer. BOP1 select best firm, best firm to 5cts lower, below best 5cts lower and bottom 5cts lower. OP select best 10-15cts dearer, best 25-30cts dearer, below best firm to 5cts dearer and bottom firm. OPA select best 10cts lower, best firm, below best firm and bottom steady to 5cts lower. Pekoe 1 select best 10cts dearer, best 10-15cts dearer, below best 5-10cts dearer and bottom 5-10cts dearer. Pekoe select best 10usc lower, best 5-10cts lower, below best firm and bottom firm. FBOP/FBOP1 select best 20cts dearer, below best firm and bottom firm. FF1 select best 5cts lower and others firm. FF all around firm. BOP best firm, below best firm, bottom 5cts dearer. BOPF firm market. Tippiess/specials all around firm. Off grades – Liq. Fgs better sorts 10-15cts dearer and poorer 20cts dearer. Low Grown Fgs better sorts firm, below best 10-15cts dearer and bottom 10-15cts dearer. BP better sorts firm and others 10cts easier. BM best firm, below best 10-15cts dearer and bottom 10cts dearer. BOP1A better sorts firm and others 10cts easier. Dust - High Growns/Liq.primary better sorts 20-30cts dearer and others firm to 15cts dearer. Secondaries 10-15cts dearer. Low Grown firm.

Demand - High Grown/Mid Grown - Japan active once again. Unilever selective. South Africa quiet. China strong. North America was active but not forceful. Hong Kong was selective. Low Grown - Saudi Arabia was operating. Iran active. Syria/ Turkey strong. Russia selective. Iraq, Jordan, Libya active but not forceful.

Weather – All planting districts have reported bright, dry mornings with afternoon and evening showers. Crop intake is showing an increase.

INDONESIA

Auction – Java orthodox – fair demand, BOP1 firm, BOP N/A, BOPF steady, PF steady, dust neglected, BT firm to 7cts dearer, BT2 firm, PF2 firm, D2 withdrawn, D3 firm, BP N/A and BP2 N/A. West Sumatra – improved demand, BOP1 N/A, BOP Firm, BOPF firm, PF neglected, dust firm, BT firm to 17cts dearer, BT2 firm. Java CTC – Less demand, BP1 West firm, East N/A, PF1 West neglected and East neglected, PD West firm and East withdrawn, D1 West firm to 4cts dearer and East neglected, Fngs West firm and East firm, D2 West withdrawn and East firm.

Weather – Java - Mix weather was experienced last week. Bright and sunny with hot temperatures during morning/afternoon. Rain was irregularly reported in some region in Bandung, West Java. Seems rains haven't spread evenly yet in all tea region and the intensity of the rain are still in low side. More is forecast. Sumatra - experienced moderate rain.

INDIA

Kolkata

Auction – CTC – Better demand. Few Assam's maintaining quality around last. Remainder tending easier, particularly browner fibrous teas. Orthodox – Market opened to good demand. Well-made whole leaf irregular following quality. Flowery Broken around last, medium and smaller broken occasionally dearer, fannings tending lower and secondaries easier with some withdrawals. Darjeeling – Fair demand. Whole leaf grades sold at barely steady levels, broken and fannings were to sell.

Guwahati

Auction – CTC – Good general demand. Teas are seen selling irregularly around last prices.

Coonoor

Auction – CTC leaf – This week saw much improved demand in the market when compared to last. Best liquoring types irregular and tending easier. Good sorts easier 2-3cts. Although the better mediums were easier, the regular mediums were dearer by 2cts. Plainer teas steady to dearer up to 2cts. Orthodox leaf - Good demand. Primary whole leaf grades moved up dearly on quality. Broken eased on demand while the fannings were dearer. CTC Dust - There was better demand similar to the previous week's levels. Best liquoring teas eased by 2-4cts, with some withdrawals. Good types steady to easier up to 2cts. Mediums sorts steady to dearer by 2cts. Plainer types steady to easier by 2cts. Orthodox dust - Good demand. Good liquoring primary BOPD's dearer; remainder was irregular and tending easier. There was good demand for secondary teas which were easier.

Cochin

Auction – Orthodox leaf – Weak demand. Select best Nilgiris sold substantially lower in line with quality with fair withdrawals. Mediums followed a similar trend with heavy withdrawals on primary broken and secondary broken. Fannings around last. Leaf CTC – Good demand. All varieties around last. Dust - Good demand. Good and popular marks firm to dearer 2cts. Mediums followed a similar trend. Plainers irregular and lower.

Coimbatore

Auction – CTC leaf – Reduced demand. All categories witnessed sluggish enquiry except the medium and plainer fannings. Orthodox - Fair demand for the limited weight on offer at lower levels. Dust - Fair demand. Select good liquoring varieties around last. Remainder irregularly easier with quality. Medium sorts fully firm to dearer especially the better liquoring types. Plainer PDs and RDs steady. Finer grades lower and facing withdrawals. Orthodox - met with fair demand for the cleaner kinds. Fibrous types out listed.

All price movements quoted in USD per kilo

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