

Week 48, 2019

## Tea Market Report 25 – 29 November 2019

A slightly improved auction volume met good demand in Mombasa. Especially demand from Pakistan was strong, leading to a generally firm to dearer market. Consumption at destination is improving due to the current cold weather circumstances and the desire to land teas before the festive season. In the meantime, rains are pouring down over the tea growing areas in East Africa. A lack of sunshine is withholding crop from accelerating output, especially in Rwanda. Also, landslides and blocked roads due to heavy rains have been reported. Nevertheless, auction quantities are increasing, combined with a 2-week break in December, the availability of tea in the auction will further improve. While the availability of tea in Malawi is still very limited, rains have arrived in both tea growing districts. The recent rainfall should help tea bushes to start recovering and start flushing in the coming weeks. The market hasn't changed with healthy demand for well-made teas while the poorer types are neglected. In Jakarta, after a dry period, the availability of tea is improving on the back of the recent start of the rains. Demand is fairly slow with 28% of the tea on offer coming out this week. Still, 6 buyers aren't allowed to participate in the auction due to outstanding payment issues. The Colombo auction met good demand this week. Due to the fact that auction volumes are not really improving it led to a generally firm to dearer market. Although weather conditions are beneficial for growing tea, auction quantities are not yet picking up. The North Indian tea market is slowly heading towards the off season. There is still plenty of tea available, with quite a selection of cold weather teas. In the south, temperatures are dropping, especially during the night. Also, in Vietnam the winter is not far away, but a small warm spell is useful for a last plucking round. The first large tenders for Argentine tea have been finalized in the US, the first market levels are established, more tenders for the 2020 season are to follow.

*"Great men are not born great, they grow great."* – Mario Puzo - The Godfather

### 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 49	Week 50	Week 51
Mombasa	165,580	165,486	176,500
Blantyre	No closing	1,180	N/A
Colombo	5.66m. kgs	5.27m. kgs	N/A
Jakarta	9,060	N/A	N/A
Kolkata	191,563	198,048	203,965
Guwahati	171,947	186,470	175,005

### KENYA

**Auction** – Best BP1's irregularly firm, below best 10 to 20cts easier, good medium up to 10cts easier, medium 6-10cts easier with select best dearer, plainer firm to 6cts dearer. Best PF1's firm, below best irregularly steady to 2cts easier, Good medium steady to 2cts easier, medium firm to 6cts dearer and plainer firm to 10cts dearer. Best PD's 2 to 5cts easier, below best steady to 2cts easier, good medium about firm, medium 4 to 10 cts easier and plainer irregularly steady to easier. Best D1's firm to 2cts dearer, below best 5 to 10cts easier, good medium steady to 2cts easier, medium 3 to 8 cts easier and plainer opened dearer but closed steady to 2cts easier.

**Demand** – Pakistan packers, Bazar and UK were active while Afghan was steady. Yemen was more forceful as Sudan, Egypt and Somalia continued steady. Russia was slightly more active while Iran was subdued.

**Weather** – EoR – Most parts in this region experienced showers during the week under review. Most days opened with cloudy spells with occasional sunny intervals as the day progressed. Ambient temperatures continued fairly moderate. Crop levels remained high at season levels. WoR Several parts registered useful showers during the past week. Cloudiness with morning rains over few places throughout the period. Afternoon and night showers occurred over several places throughout the period. Ambient temperatures continued moderate. Crop levels remained relatively high as expected in the season.

## MALAWI

**Auction** - BP1 none on offer. PF1 Sc none on offer. PF1 Seedling PGI marks met selective demand at upto 6cts easier rates, EPM neglected. PF's neglected. PD's neglected. D1's steady to a cent dearer. Off grade fngs better leaf descriptions were the only ones selling dearer. Off grade dust neglected.

**Weather** - Mulanje - wide spread rains were reported on 19<sup>th</sup> and 20<sup>th</sup> ranging from 5-29.5mm. Some isolated rains were also received during week 18-24<sup>th</sup>. Further generalized rains have been reported this week as well. Thyolo - isolated cases of rain was reported during week 18-24<sup>th</sup> with widespread rains reported on 23rd and from 25<sup>th</sup> to date.

## SRI LANKA

**Auction** - HG - Good demand. Western BOP best 3-5cts dearer, below best 2-4cts dearer and plain 5-10cts dearer. Western BOPF best 5cts dearer, below best 5cts dearer and plain 5-10cts dearer. N. Eliya BOP 5-10cts dearer and BOPF 2-5cts dearer. Uva/Udapussellewa BOP firm and BOPF 5-10cts dearer. LG Good demand. OP1 select best 30-40cts dearer, below best 10cts dearer, below best 10cts dearer. BOP1 select best firm, best 5-10cts dearer, below best 5cts dearer and bottom 5cts dearer. OP select best firm, best, below best & bottom 5cts dearer. OPA select best steady to 5cts easier, best firm, below best firm to 5cts dearer and bottom 10cts dearer. Pekoe 1 select best 10-20cts dearer, best 20cts dearer, below best 20cts dearer and bottom 10-20cts dearer. Pekoe select best firm, best 5cts lower, below best 5cts easier and bottom firm. FBOP/FBOP1 best 20cts easier, below best firm and bottom firm. FF1 best & below best firm and bottom 5cts dearer. FF all around firm. BOP best 10cts dearer, below best 5-10cts dearer, bottom 5-10cts dearer. BOPF firm market. Tippiess/specials all around firm. Off grades - Liq. Fgs better sorts 20-25cts dearer and others 10-15cts dearer. Low Grown Fgs better sorts 20cts dearer, below best & bottom 15-20cts dearer. BP better sorts firm and others 10cts easier. BM better sorts 20cts dearer, below best & bottom 10-15cts dearer. BOP1A better sorts firm and others 20cts dearer. Dust - High Grown/Liq.primary better sorts 20cts dearer and others firm to 15cts dearer. Secondaries firm. Low Grown better sorts firm, others 25cts easier

**Demand** - Syria, Turkey & Libya showed strong demand while Russia, Iran, Iraq, S. Arabia, Hong Kong & UK were active. Japan & Taiwan remained quiet.

**Weather** - Western High Grown / Uva and Uda Pussellawa regions have reported bright mornings with scattered evening showers. Nuwara Eliya regions however, have reported heavy rain. In the Low Grown sector, bright mornings have prevailed with scattered isolated afternoon and evening showers. High Grown regions have reported increased crop, whilst the Low Grown sectors reports no major change.

## INDONESIA

**Auction** - There was less demand for 6,060 packages with 28% remaining unsold. General price trends for Java/Sumatra Orthodox were selling at steady to firm with some selected grade firm to dearer levels (BOP1/BOPF/BT). Java/Sumatra CTC were selling at steady to easier except for selected CTC BP1/PD/FNGS which were selling at firm to dearer rates.

**Weather** - Java - Mix weather was experienced in West/Central/East Java last week. Bright and sunny during morning hours and moderate rains was reported in most tea regions. Seems rains haven't spread evenly yet in all tea region and the intensity of the rain are still low. We expect more and more rain. Sumatra - North/Central/South Sumatra experienced moderate rains.

## INDIA

### Kolkata

**Auction** - CTC - Good demand. Assams trading firm while remainder traded irregular & easier. Orthodox - Market opened to good demand. Well-made whole leaf irregular following quality. Large Broken trading sideways, medium and smaller broken & fannings tending dearer. Darjeeling - Limited demand. Large leaf teas sold 5-10cts easier.

### Guwahati

**Auction** - CTC - Good demand. Well-made Assams trading sideways, others easier and irregular.

### Coonoor

**Auction** - CTC leaf - Good demand which reduced with the progress of the sale. Best liquoring types irregular. Good sorts steady to easier by 2c. Plainer teas steady with the browner sorts being discarded. Orthodox leaf - Good demand. Primary whole leaf grades dearer on quality. Broken types irregular with some withdrawals. Fannings steady. CTC Dust - Demand marginally lower to last week. Best liquoring teas dearer 2-4c. Good and medium types dearer by 1-3c. Plainer sorts easier up to 2c with the browner sorts failing to get bids. Orthodox dust - Good demand. Primary BOPD's dearer. Remainder steady. Secondary teas easier with some withdrawals.

### Cochin

**Auction** - Orthodox leaf - Weak demand. Select best Nilgiri teas eased in value with quality and faced heavy withdrawals. Medium types followed a similar trend barring the cleaner whole leaf grades that sold readily at firm levels. Fannings around last. Leaf CTC - Fair demand. Better teas - Firm to dearer. Other teas - Lower. Dust - Good demand. Good and popular marks firm to dearer at times by 2c. Mediums also followed a similar trend. Plainer teas irregular and lower.

### Coimbatore

**Auction** - CTC leaf - Fair and selective demand. Bolder leaf grades easier with quality and facing some withdrawals. Fannings fully firm. Medium varieties around last. Plainer sorts firm. Dust - Fair demand. Good liquoring clean black PD's fully firm. Remainder irregularly lower with quality. Medium kinds barely steady with select black PD/RD appreciating by up to 2c. Plainer teas firm. Orthodox - met with fair demand for the leafy sorts. Powdery kinds out listed.

All price movements quoted in USD per kilo

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