

Week 04, 2020

Tea Market Report 20 – 24 January 2020

In **Kenya**, the third auction of the year saw improved general demand for the 173'000 packages on offer, with an impressive 6.8% outlots compared to 15.8% the previous week. Despite the huge quantities of tea on the horizon, it seems the buyers were not deterred and there was interest across all grades, whereby PF1's enjoyed almost 100% absorption. The next two auctions quantities are the biggest that we have ever seen in Mombasa, and it will be no surprise if we see the strong demand start to ease in light of the colossal quantum of tea. In **Malawi**, the auction this week again saw much improved absorption with most well-made teas finding a home. 84.42% of teas ended up being sold before the close of proceedings, with high activity on the outlots. The average price for all teas sold in the Limbe auction, inclusive of outlots, jumped from 134.47usc to 144.28usc, as the colour descriptions were the main beneficiaries. In **Indonesia**, there was fair demand for the 9'240 packages on offer with 28% remaining unsold. General price trends indicated Java/Sumatra orthodox were selling at steady to firm level, orthodox dust and CTC's mostly selling at steady to firm levels, with Fngs being the exemption. In **Sri Lanka**, the Colombo auction continues its positive start to 2020 with prices and auction quantities higher than last year's levels, with demand remaining stable, albeit with some quality differentiation. Additionally, the export figures for 2019 have also been released, with the final figure being 292.6m kgs, an increase of 10.3m kgs over 2018. Turkey clinched the top position as the primary importer of Sri Lankan tea, displacing Iraq in the process. As a result of the improved exports, revenue from tea exports improved by 3.2% to LKR 240.6 billion. In **North India** there was fair demand for Assam descriptions, but strong demand for clean black Dooars and Cachar teas. In **South India**, the average auction tea price in 2019 increased by 1.6% and the Coonoor tea auction volume continues to fall.

"Be happy. It really annoys negative people." – Ricky Gervais

Crop figures (in m.kg)

	December 19	December 18	Jan-Dec 19	Jan-Dec 18
Malawi	4.98	6.35	48.19	50.59
	November 19	November 18	Jan-Nov 19	Jan-Nov 18
Malawi	1.12	1.41	43.2	44.2
Sri Lanka	21.9	24.7	278.1	277.6
India	139.4	121.1	1322.6	1283.1
Kenya	45.1	45.6	408.2	441.2

Upcoming auction quantities (pkgs)

	Week 5	Week 6	Week 7
Mombasa	212'779	212'580	191,561
Blantyre	6'260	7'240	N/A
Colombo	7.0 m.kgs	5.8 m.kgs	N/A
Jakarta	10'100	N/A	N/A
Kolkata	142'221	176'471	N/A
Guwahati	173'816	N/A	N/A

KENYA

Auction – Best BP1's irregularly steady to easier, below best 5-10usc easier, good medium firm-3usc dearer, medium steady - easier, plainer steady- 5usc easier. Best PF1's steady- 2usc easier, below best about firm, Good medium steady- 2usc easier, medium steady - easier and plainer 2-5usc easier. Best PD's 2-4usc easier, below best 2-5usc easier, good medium firm – 2usc dearer, medium steady – 4usc easier and plainer 2-5usc easier. Best D1's up to 5usc easier, below best 4-12usc easier, good medium irregularly steady to 2usc easier, medium firm 4-6usc easier and plainer firm – 10usc dearer.

Demand – Pakistan packers were dominant, bazar and Egypt continued active. Sudan, Kazak and Yemen were steady; while Afghan continues to be slow. Russia was less active while Somalia showed improved demand in the secondaries.

Weather – EoR – Most parts experienced sunny intervals during the early parts of the week, whereas towards the weekend it became overcast with patchy rain in some places. WoR – Mornings were consistent of sunny periods and evenings saw frequent showers. Crop improved EoR and remained high WoR.

MALAWI

Auction - BP1 none on offer. PF1 Sc Good demand at 10usc below valuation. PF1 Seedling improved offtake in the room. The medium sorts were up to 1ucs easier, while better were up 7-8usc. PF neglected. PD improved absorptions, but a large quantity was taken out under bid, ones that sold 1-4usc dearer. D1 the one lot on offer was taken out under bid. Offgrade fngs well-made and colour descriptions absorbed at 1-2usc dearer while the balance was neglected and offgrade dust taken out under bid.

Weather - Mulanje: experienced heavy rains in 5/7 days this week with temperatures dropping and almost no sunshine. In Thyolo most estates received rains daily.

SRI LANKA

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

Demand - High Grown/Mid Grown - Good demand prevailed for the 1.7 mil kgs on offer, with the improved western High Grown teas appreciating sharply following quality. Low Grown - fair demand this week for the 3.6 mil kgs on offer. Shippers to UAE were operating, along with buyers on behalf of Saudi Arabia, Turkey, Iraq, Libya, Russia and select European out-markets.

Weather - Low Grown regions have remained relatively dry with isolated showers and High Grown areas have also been largely dry with the occasional afternoon shower. Crop intake is stable and moderate respectively.

INDONESIA

Auction - Java orthodox - fair demand, BOP1 firm, BOP neglected, BOPF irregularly 2usc easier to dearer, PF firm, dust firm-6usc dearer, BT firm, BT2 steady-3usc easier, PF2 irregularly 1usc easier 9usc dearer, D2 steady and D3 steady. West Sumatra - improved demand, BOP1 N/A, BOP neglected, BOPF firm, PF neglected, dust firm, BT firm, BT2 firm and PF2 firm - 5usc dearer. Java CTC - fair demand, BP1 West withdrawn, East N/A, PF1 West Withdrawn and East firm, PD West firm and East firm, D1 West steady and East Firm, Fngs West irregularly 3usc easier -2usc dearer and East firm, D2 West neglected and East firm.

Weather - Java - cloudy with heavy rains during the afternoon/evening and Sumatra regular rains were reported in all regions.

INDIA

Kolkata

Auction - CTC - Selected earlier Assams meeting with good demand and selling readily, remainder irregularly easier following decline in quality. Orthodox - Market opened to fair demand at levels lower than last. Select few clean well-made and earlier teas on offer irregular around last, remainder browner, stalkier sorts selling at irregular lower rates and witnessing withdrawals, particularly smaller broken. Dust - clean black liquoring teas selling readily at firm rates, remainder easier with fibrous secondaries neglected.

Guwahati

Auction - CTC - Fair general demand. Teas are seen selling irregularly easier around last.

Coonoor

Auction - CTC - Reduced demand - best liquoring sorts continued with selective demand, good and better medium teas saw some withdrawals, medium and fannings were barely steady whilst others eased, plainer met with fair enquiry at easier levels. Orthodox - less demand, primary whole leaf grades were easier with withdrawals, broken types were easier with a lot of withdrawals, whilst fannings declined by up to 2usc. CTC dust - brighter teas firm - 2-3usc dearer, better mediums easier by 2-3usc with withdrawals, medium teas lower and plainer teas declined by 2usc with some outlots. Orthodox dust - Primary BOPD's were easier, remainder barely steady and secondaries irregular at last levels.

Cochin

Auction - Orthodox - less demand. Select Nilgiri teas sold at lower levels, mediums limited volumes and broken sold with heavy withdrawals. CTC - fair demand, all teas barely steady. Dust - Fair demand. Few good and popular marks selling around last, pothers selling lower by 2-3usc following quality, Mediums irregular and lower, blacker, plainer types gained in value, remainder lower at times.

Coimbatore

Auction - CTC leaf - Fair demand. Better liquoring broken firm with blacker fannings appreciating by 1-2usc, medium kinds barely around last with some teas outlisted, plainer teas firm. Orthodox - Whole leaf fully firm, remainder lower. Dust - Fair demand, good liquoring popular varieties around last at times dearer on competition, medium kinds easier by 2-3usc and facing withdrawals, plainer teas around last with some blacker PD's appreciating by up to 2usc.

All price movements quoted in USD per kilo

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