

Market Report - week 11 (09 – 13 March 2020)

CTC

In **Kenya**, the 10th sale of the year continued the trend of relentlessly high auction quantities that we have witnessed since the beginning of the new year, with an impressive 198,279 packages on offer this week, slightly up on the 196,918 of the previous week. As expected with astronomical quantum of teas around at the moment, bearish sentiments were demonstrated from the onset of the auction, whereby the all average hammer price shed by 7usc to close at \$1.93. Despite, the dwindling market prices the demand remained high with only 13% outlots compared to 15% the previous week, with Chai, Global and CKL maintaining their top 3 position on the buyer's list respectively. Overall, all grades were selling at steady to easier rates, with the exception of selected BP1's which were irregularly firm to 14usc up, which can be attributed to activity from the Kazak's and Sudanese. Activity on PF1's was yet again driven by Pakistan packers who continued active on KTDA PF1's, yet rates depreciated as the auction developed and EoR PF1's settled 10-12usc lower, which was irresistible to the Afghan and Bazar buyers. With respect to the record January crop of 53,6mkgs, which is up 5,25mkgs from the same period in 2019, it appears that we can expect continued high auction quantities, which can heavily be attributed to the favourable growing conditions that have been witnessed recently. The weather EoR tended moderate with light scattered showers, WoR it was reported to be slightly dry with the occasional shower, whereas the crop output improved in both regions and remained low in Uganda. In **Malawi**, there was less activity this week, owing to selective demand across all grades. Stansand led the way, securing 20.35% of the teas on offer and even ended up paying an extra 7usc to secure PF1sc outlots. However, overall the demand was lacking, which can be highlighted by the dip in the all average hammer price which plummeted from 145usc to 123usc, the cheap RD's can be held responsible for a large portion of this decline. BP1's were neglected with only one lot registering a bid, PF1 seedlings sold at steady to 2usc easier, PF's 4usc dearer and PD's 1 to 2usc easier. Overall, the absorption rate sat at 46.51%, which had risen from 28.49% before the addition of outlots. The weather in Mulanje was largely hot and dry except for Saturday, which experienced some light rains, similarly in Thyolo it was hot and dry and there were scattered showers on Saturday. In **Jakarta**, Java and Sumatra CTC were selling at steady to easier rates with many withdrawn. In **Kolkata**, there were only 320 packages on offer which consisted of last seasons' left over teas, which were met with poor demand at lower levels.

Orthodox

In **Sri Lanka** the dry and bright weather conditions have continued to prevail in all planting districts, especially the Low Grown sector is experiencing conditions which are quite severe. Certain parts within the Ruhuna and Sabaragamuwa regions are struggling to keep their bushes alive due to the lack of water. The Medium and High Grown areas are less affected and appear to be coping with the conditions satisfactorily. Consequently, crop figures are low and in the same time the auction offerings as well. The auction of week 13 has only 4.5m. kgs catalogued which is the lowest we have witnessed in a very long time. The quality of leaf in the forward sales in the LG sector is stable while in HG sector the quality is gradually tailing-off, overall the quality remains satisfactory. The demand, in this week's auction, for the leafy categories was strong whilst in the small leaf categories it recorded lower general demand. In spite of the modest quantities on offer, the High and Medium Grown sector showed a decline in the overall demand. In **Jakarta** there was less demand for 9,440 packages on offer with 33% remaining unsold. Most grades selling at steady to firm levels except for some selected invoices Java BOP1/BOP/DUST/BT/PF2 and Sumatra BT2 which were selling at firm to dearer levels. The weather in Java is bright and sunny in the morning and cloudy with heavy showers during nighttime and all over Sumatra moderate rains have been received. In **North India** they continued to get good Spring rains over all planting districts and Assam production is to commence next week. Due to the very low quantities **Kolkata** and **Guwahati** had no auction this week.

"Don't search for the meaning of life. Simply be present for the people you love." – Maxime Lagacé

Auction qty. (pkgs)	week 12	week 13	week 14
Mombasa	200,103	189,996	188,708
Blantyre	7,920	5,840	N/A
Colombo	5.15 m. kgs	4.59 m. kgs	N/A
Jakarta	11,360	11,700	N/A
Kolkata	5,184	No sale	N/A
Guwahati	No sale	1,922	N/A



Crop figures (m. kg)	Jan '20	Jan '19		
Kenya	53.6	48.4		
Sri Lanka	21.9	23.2		
Crop figures (m. kg)	Feb '20	Feb '19	Jan – Feb '20	Jan – Feb '19
Malawi	7.6	7.3	13.9	14.7

All price movements quoted in USD per kilo

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