

Market Report - week 19 (4 – 8 May 2020)

CTC

The clear turn was there in the **Mombasa** auction. Less demand led to generally steady to easier rates, with medium PF1s dropping even up to 30 usc. Remarkably less general demand and dropping rates came with a lower percentage outlots vs last week (11.5% vs 13.96%). Best BP1s traded irregularly firm to dearer, below best steady to 10cts easier, good medium 10-15 cts easier, medium firm to dearer and plainer firm to 4cts dearer. Kazakh & CIS buyers were active while especially Sudan was slower. PF1s also met reduced demand and eased across the board, Best traded steady to 5cts easier, below best 4-10cts easier, good medium 5-10cts easier, medium 14 to 30cts easier and plainer 8-14cts easier. It was clearly noticeable the buyers who pushed the market last week, weren't as forceful this week. PDs showed a similar pattern, best traded steady to easier with selected lines firm while below best traded 5-10cts easier, good medium 8-14cts easier, medium 10-25cts easier, plainer 8-15cts easier. Pakistan and Yemen buyers were less active on the blacker types while Egypt showed less interest at the plainer end. In the meantime weather conditions upcountry are still conducive for growing tea, with bright mornings and afternoon showers in both east and west of the rift valley tea growing areas. There is a lot of uncertainty in the world, leading to changing consumption patterns, delayed shipments, and countries which are in a complete lockdown. Despite, but also due to the uncertainty, the large amounts of tea being produced were readily absorbed in the previous weeks. This week's **Malawi** auction started with the announcement that 400ps were withdrawn, only 3,240 packages came under hammer of which 62% remained unsold. The bulk of the teas which sold were off grades. Current weather conditions are normal for the time of the year, hot and dry conditions prevail, with crop seasonally declining as pruning is advancing. In **Jakarta** CTC teas traded steady to firm except the Fngs which traded steady to easier. In **Kolkata** no auctions are taking place for the moment due to the lock down situation. Weather conditions in Assam are still wet, thunderstorms bring heavy rains to the tea growing areas.

Orthodox

In **Colombo** this week, the third e-auction was concluded with 5.2m.kgs on offer in both the LG and HG sectors. As the system improved, the auction was able to conclude within two days, which as a result dealt a higher number of outlots. While there was fair demand, not all categories were able to hold their value as compared to last week and the cracks in demand began to surface. The defeated were poorer types which were the first to ease due to unrealistic levels, later followed OP/OPAs, and Bold Pekoes. On the other hand, types such as Small Pekoe1s, BOP1s, OP1s along with the Low Grown small leaf and tippy grades attracted more interest and sold at fully firm to dearer levels. Medium Grown types were sold fully firm, while HGs went slightly easier. Last year March 2019 exports stood at 26.4m.kgs compared to this year's 13.8m.kgs, of which can be owed to COVID19. This is the lowest export figure Sri Lanka has registered since April 2009, which stood at 14m.kgs. In **Indonesia**, a national ban has been imposed on the tradition of "Mudik", the return of people to their hometown during Ramadhan and Eid. As a result, brokers are now considering to reschedule Sale No. 21 to May 27th. While incentive for exporting is higher with a strong Rupiah that appreciated 9% in April, there was less demand for 8,450 packages with 55% unsold. Java/Sumatra Orthodox sold at steady to firm except for some invoices of Java BOP/BOP1 which sold firm to dearer. Java/Sumatra CTC sold steady to firm with many lots withdrawn. West/Central/East Java planting district experienced bright/sunny weather during morning hours with afternoon/evening cloudy with irregular showers. Irregular weather in most planting districts in Sumatra. In **North India**, **Kolkata** lockdown measures are still in place and sales are deferred until further notice. In **South India**, **Coonoor** auctions saw good demand for the limited quantity on offer in orthodox leaf and dust categories. **Kochin** saw good demand as well with Nilgiri and medium teas selling at last levels, while Fannings sold steady. Crop levels are low across the board in the south.

"A black cat crossing your path signifies that the animal is going somewhere." – Groucho Marx

Auction qty. (pkgs)	week 20	week 21	week 22
Mombasa	176,925	185,067	191,405
Blantyre	2,820	1,680	N/A
Colombo	N/A	N/A	N/A
Jakarta	5,960	7,380	N/A
Kolkata	N/A	N/A	N/A
Guwahati	N/A	N/A	N/A



Crop figures (m. kg)	Feb '20	Feb '19	Jan – Feb '20	Jan – Feb '19
South India	13.29	10.16	29.3	24.38
North India	1.24	4.64	1.24	4.64
Crop figures (m.kg)	Mar '20	Mar '19	Jan -Mar '20	Jan- Mar '19
Kenya	53.64	26.46	158.57	106.3
Malawi	6.73	6.44	20.67	21.17

All price movements quoted in USD per kilo

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