

Market Report - week 20 (11 – 15 May 2020)

CTC

In **Mombasa**, for the second week in a row the auction was met with somewhat depressed demand overall and there was a decent 176,925 packages on offer compared to 184,700 last week. Most grades were selling at easier levels and outlots came in at 14% compared to 12% last week. Buyers tended bearish amid the news that there will be another 191k packages on offer in sale 21 and as a result, the All Average Hammer price dropped 2usc from \$1.94 the previous sale to settle at \$1.92 this week. The EoR BP1's eased further this week as the Kazakh and other CIS nations were active but at lower levels, with better lots firm to dearer, WoR were firm and plainer were firm to dearer. The EoR PF1's tended easier, WoR remained firm with good support from Pakistan buyers, medium plantations were firm to dearer, but higher priced marks eased and plainer types were also easier. EoR PD's and D1's lost further, WoR also tended easier and poorer types were irregularly firm. On the weather front, EoR received generally decreased rainfall this week than in previous weeks and opened with intermittent cloudy and sunny spells. WoR, several areas received useful showers in the early part of the week, with the overall conditions displaying a mix of sunshine and clouds. The crop output in both regions is at seasonal levels. In this week's **Malawi** auction, there was little activity yet again, as has been the case in recent weeks. Buyers showed some interest towards the better sorts, but paid little attention to the remainder resulting in no close. The weather in Mulanje was cloudy, hot and dry during the day and cold at night, with Thyolo experiencing similar weather conditions. Both regions also experienced some slight showers over the weekend, with crop intake seasonally declining. In **Jakarta** CTC teas were selling at steady to easier rates with many withdrawn. In **Kolkata**, there was good demand for the very small amount of tea available selling at higher levels to the corresponding sale last year and in **Guwahati**, there was good demand at attractive levels.

Orthodox

In Colombo last week, small offerings of 3.2m.kg were on the table for Sale 17, as a result of the Wesak holidays. Most teas sold with good demand at firmer rates, apart from a handful from LG teas such as the high priced OP1s, OP, OPAs, in addition to HG BOPs. While crop intake remained the same as last week, weather conditions were favorable in many planting regions throughout the week. Further, the easing of COVID-19 restrictions will allow the collection of green leaf from small holders. On the other hand, there is a crop shortfall in Sri Lanka of 20m.kg for Q1 2020. In **Jakarta**, 5,960 packages went on offer although with 44% unsold, which were mainly secondary/off grades D2/D3/Fann2. Java/Sumatra Orthodox mostly sold at steady to firm except for some invoices of BT which sold at firm to dearer levels. Java/Sumatra CTC sold steady to easier with many withdrawn. COVID-19 infections continue to rise, however government officials hope to reopen the economy and return to "normal life" by July. Irregular weather was experienced in most planting districts in West/Central/East Java. Bright/sunny weather with hot temperatures during morning hours, then moderate showers in the afternoons/evenings. Crop is declining. In North India, **Kolkata**, Sale 14 took place, although it was very small and comprised mainly of old season teas which sold dearer. Sales 15-21 have been scrapped due to the lockdown. Normal Sales will resume from Sale 22, on 27th May. The port in Kolkata is working at about half capacity, however tea shipments to Iran and other Gulf countries are moving. In South India, **Coonoor**, the sale took place one day later due to truck drivers who were reluctant to operate in the district due to strict guidelines by the Health Department. Various trade organizations met the district administration and it was all sorted amicably without compromising health guidelines. There was good demand for better liquoring whole leaf types that were on offer at irregularly lower levels. Medium sorts were irregular and lower with few teas remaining unsold. **Kochi** also saw good demand with all types selling at firm to dearer rates in line with quality. Low crops all around in the south.

"We are very, very small, but we are profoundly capable of very, very big things." – Stephen Hawking

Auction qty. (pkgs)	week 21	week 22	week 23
Mombasa	185,067	191,405	186,024
Blantyre	1,680	No Closing	N/A
Colombo	N/A	N/A	N/A
Jakarta	7,380	5,620	N/A
Kolkata	N/A	N/A	N/A
Guwahati	N/A	109,545	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	55.73	26.46	158.57	106.3
Sri Lanka	13.28	28.15	53.27	73.19
Crop figures (m.kg)	Apr '20	Apr '19	Jan -Apr '20	Jan- Apr '19
Malawi	6.38	7.37	27.05	28.55

All price movements quoted in USD per kilo

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