

Market Report - week 22 (25 – 29 May 2020)

CTC

This week in **Mombasa** history was made with the first E-Auction taking place for the Secondary auction. While there were some delays and technical glitches, 50% was sold on this platform. In general, there was a total of 191,405 packages which went under hammer, 6K more packages than last week. There was reduced general demand and outlots were up 22% as compared to last. The Main auction met good demand with the exception of KTDA PF1s which had many outlots mainly due to a lack of interest of Pakistan packers. Brokers were very accommodating sellers and helped move a majority of teas on offer. The All Avg Hammer shed a further 5cts to close at \$1.83. There was less activity from Kazakh and Sudan buyers on better EoR BP1s with few selected remaining firm. The remainder was irregularly steady to easier. Better plantations BP1s were about firm with rest tending easier. On the EoR front, there was reduced interest, with Pakistan packers and Bazar operating at lower rates. There was a bit selectivity on EoR sorts at steady to easier rates and a bit less interest in WoR PF1s which therefore declined. Reduced but useful showers were experienced in a larger part of EoR region throughout the week. A progressive decline in temperatures was reported in the region. Most parts recorded steady harvest. WoR small showers were experienced in isolated parts. Temperatures were on average lower to last weeks. Crop harvest was at season's level. In **Limbe** there was no auction this week. There was however a Zoom conference call to further discuss the previous points raised by producers and buyers on how to proceed in the auction. Weather conditions were hot during the day and cold in the evening in Thyolo and Mulanje, with the latter experiencing more clouds. Crop intakes are declining in line with seasonality, as pruning advances further those that have not yet completed. In **Indonesia** the government plans to implement a "new normal" scenario in Jakarta after June 4th. The government hopes to recover the economy with a National Economic Recovery Programme. All sectors of business will reopen, and the implementation will be carried out through several phases in June. State Owned plantation holding company PT Perkebunan Nusantara III (PTPN) has restructured the corporate hierarchy of its 13 subsidiaries to boost their financial and operational performance. The holding, through a State-Owned Enterprises Ministry evaluated and demoted all of its subsidiaries Board of Directors in all PTPN. In the tea sector, the conclusion is the sales/marketing department of each PTPN has now been permanently closed. All communications/transactions will go through and approved by the Holding. The role of the broker KPB is now a bit of a blur. In the auction, there was less demand for 5,620 packages with 47% which remained unsold of various CTC grades. Java/Sumatra sold steady to firm with many withdrawn. In **Kolkata**, Sale 22 has been deferred to Friday 29th and Saturday 30th May, 2020 due to the cyclone and poor internet connectivity. In **Coonoor**, the auction met good demand and was overall steady to dearer on the leaf side while dust saw better levels, with better liquoring types the winners. Better mediums and medium smaller saw a decline in prices but the offtake was improved as compared to last week.

Orthodox

In **Colombo**, the 8th e-auction had 9,654 lots on offer and took 2 full days to complete. With the increasing offerings in the forthcoming auctions they're looking at ways to speed up the e-auction as we will see at least a 10% increase in volume. These higher offerings combined with urgent shipments over the last weeks resulted in a good demand at lower levels. The weather remains perfect for growth as all planting districts have received healthy showers. Most estates have fertilized their fields ahead of the rains which is positively affecting the crop and will eventually show in very large sales offerings in July. These increased volumes are much needed as the export figures over the 1st four months have decreased substantially to all destinations, except for Chile and Saudi Arabia. In **Jakarta**, Java/Sumatra Orthodox mostly sold at steady to firm except for some invoices of PF which were selling at firm to dearer levels. In the South of India, the auctions attracted an overall fair demand. In **Coonoor**, the nominal weight on offer sold at firm to slightly easier levels. In **Kochin**, there was good demand and in particular for the better made whole leaf grades. Most grades sold at firm levels with an occasional dearer lot. At the **Coimbatore** auction there was a good demand for whole leaf grades at firm levels, the remainder was barely steady. In the North of India, the **Kolkata** auction has been postponed to the 2nd and 3rd of June. There is an amended sales program which will be communicated by CTTA next week. The **Guwahati** auction did take place and attracted a good general demand. Selected clean and liquoring sorts sold around last weeks levels while the brown and lighter teas were up to 10cts easier.

"It's not much of a tail, but I'm sort of attached to it." – A.A. Milne

Auction qty. (pkgs)	week 23	week 24	week 25
Mombasa	186,024	190,038	204,085
Blantyre	3,800	N/A	N/A
Colombo	N/A	N/A	N/A
Jakarta	5,700	5,680	N/A
Kolkata	N/A	N/A	N/A
Guwahati	109,545	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	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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