Market Report - week 24 (8-12 June 2020)

CTC

Good demand in **Mombasa** which gradually eased towards close. On offer was 190,038 pkgs compared to last week's 186,024 pkgs. Despite the sale having some 4k pkgs higher than last week, it met good absorption with initially 38k pkgs taken out (20%) compared to 46K (25%) last week. The sale was a two tier one where the Brokens and the PF1's generally steady to easier while the PD/D1's were firm to dearer. KTDA PF1's were the biggest casualty of this week after meeting lacklustre demand from Pakistan. Buyers seem to be full towards close and brokers easily met the market. The All Avg Hammer lost 4cts to close at $1.78h. Best EoR BP1 were generally steady to easier. Lower marks along with reprints continue to be discounted and absorbed by Global and Kazak operators. WoR BP1 were firm and met good interest. Foreign types eased or were largely neglected. Sudan and local packers supported the plainer end. EoR PF1 maintained their downward trend after buyers took a pedestrian approach. WoR PF1's also depreciated but met reasonable absorption. Plainer PF1's were steady to slightly easier with certified marks getting a near 100% absorption with rest being volatile. Plantations PD/D1s maintained their strength due to Egypt with UK buyers coming in for selected certified lots. Both sides of the Rift report declining temperatures and leaf intake. Where the East side only received light rains, the West got useful precipitation at the end of the week. In general, the rains are subsiding, and crop will follow a similar trend. There was no sale in **Blantyre** this week. Only a 58% lower crop figure for May which shows the low rainfall experienced since March. Only January and February were good, whilst the three following months were below par. The rainfall pattern is very similar to the low cropping years of 2003 and 2005 and without decent winter rains the August and September crop recovery will be affected drastically. We expect off season prices to remain steady for the small volumes ahead. In **Jakarta** there was little CTC which sold at steady to firm rates. In **Kolkata** the low volumes on offer continue to push prices. Good liquoring types met very strong demand with best Assam gaining 20 to 30 cts, whilst medium types appreciating 10 to 15. A low 10% was taken out. Demand is mostly domestic with packers and Gujarat buyers operating. In **Guwahati**, demand followed improved seasonal quality and going rates were steady to firm. In the South, leafy CTC saw levels strengthen in all 3 centers. Dust types met fair demand at steady rates in **Kochi, Coonoor** and **Coimbatore**. Pre-Monsoon showers continue strong over North East districts and June crop is at par with last year's levels. However, combined May crop in Assam, Dooars and Terai is supposedly down with approximately 100 mln kg.

Orthodox

In **Colombo**, 6.6 Mln kg was on offer this week. The increase came mainly for account of HG tea. LG supply is stable. Not surprisingly HG types eased as a result. BOP came down a notch but better BOPF dropped significantly. For below best types the drop was less strong. For LG, better OP/OPA met good demand at steady rates, but plainer types declined. Good OP1 attracted interested from Saudi, Libya and even China. Best BOP1 also sold well, but most other categories eased, including LG small leaf teas. The volumes on offer have antagonistic effects on prices. The market for better HG is limited which causes depressed rates, whilst for best LG, availability cannot be high enough judging the demand. Turkey and Russia were market drivers with most regulars operating. Saudi, Libya and Iran are notably less active. The weather is conducive for tea and leaf intake went up. The **Jakarta** auction met less demand for a small weight of 5,680 pkgs of which 35% remained unsold. Going rates didn't change much. The weather on both Islands is mostly bright & sunny with irregular rainfall. The start of the dry season is late albeit crop has started to decline. Strong demand in **Kolkata** with tippy varieties gaining 30 to 40cts. Other categories also advanced around 15 to 25 cts. Demand for Darjeeling was fair and saw both quality and plainer sorts coming down. Only 50% sold. South India had a fairly good week, where **Coonoor** saw all around good demand in leafy and dust types. **Kochin** also saw good demand with Nilgiris, secondary, and fannings firm. Medium whole leaf and well-made primary brokens went firm to dearer. **Coimbatore** experienced considerable demand at firm levels.

"It takes nothing to join the crowd. It takes everything to stand alone." – Hans F. Hansen

Auction qty. (pkgs)	week 25	week 26	week 27
Mombasa	204,085	197,871	189,980
Blantyre	1,200	2,200	N/A
Colombo	6.76 m. kgs	N/A	N/A
Jakarta	7,520	N/A	N/A
Kolkata	42,085	N/A	N/A
Guwahati	78,461	125,879	176,739

Crop figures (m.kg)	Mar '20	Mar '19	Jan -Mar '20	Jan-Mar '19
North India	32.2	59.5	33.4	64.1
South India	11.3	15.1	40.6	39.5
Crop figures (m.kg)	**Apr '20**	**Apr '19**	**Jan -Apr '20**	**Jan- Apr '19**
Malawi	6.38	7.37	27.05	28.55
Kenya	49.66	26.13	208.23	132.42
Sri Lanka	13.28	23.62	73.31	97.1
Crop figures (m.kg)	**May '20**	**May '19**	**Jan -May '20**	**Jan-May '19**
Malawi	2.8	4.5	29.9	33.0

All price movements quoted in USD per kilo
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