

Market Report - week 25 (15-19 June 2020)

CTC

A large amount of 204k packages was on offer in **Mombasa** this week. Fair demand led to 49k packages (24%) coming out but also to mixed market movements of the different grades / types on offer. EoR BP1s met good demand with antagonism between Khazak and Sudan buyers, while the good mediums and mediums eased. However, the plainer end firmed on the back of good support from local packers. PF1s met generally less demand, EoR types met less demand not only from Pakistan packers but Chai as well. WoR PF1s eased due to absence of a large global packer, which created more room for others to be active on these types. Mediums eased with selected lines firm to dearer. The plainer end traded firm to dearer. PDs met strong demand and the Yemen types were especially sought after, leading to firm up to 10cts dearer rates. Pakistan bazaar buyers were also active on these types. Plantation PDs met strong demand from buyers active on the Egypt market. In the meantime, weather conditions in the tea growing areas are still a combination of sunshine and rains WoR, while EoR reported drizzly mornings and gloomy conditions during the day. Declining temperatures have been reported which results in a marginal crop decline. There still seems to be a lot of tea around in East Africa, while also the supply chain seems to be filled sufficiently. The northern hemisphere is currently enjoying summertime, in which tea consumption is lower.

There was a small auction in **Limbe** this week with only 1,220 packages on offer. Most teas found a home in the auction room. The majority of the Naming'omba PF1s were neglected, other PF1s on offer sold at 4-5cts below valuation. Offgrade fngs met very good demand at 10 usc dearer rates. At the end of the day 28% remained unsold. Weather conditions are normal for the time of the year, cold to very cold during the night combined with overcast conditions & Chiperoni showers during the day. The chiperoni showers are badly needed for the tea bushes to develop, as it has been very dry in the past months. Leaf intake remains low, but normal for the off season.

In **Jakarta**, Java/Sumatra CTC traded mostly steady to firm except some invoices of Java D1/Fngs which sold at firm to dearer levels. The auction for CTC teas in **Kolkata** continued where it stopped last week. Strong demand leading to fully firm to dearer rates with HUL being very active, while Western Indian buyers also provided good support. The **Guwahati** auction followed a similar trend. In the south, the **Coonoor** auction met strong demand at 2-12cts dearer rates. The **Kochin** auction met good demand as well. All CTC leaf teas traded firm to dearer. Leaf CTC met fair demand in **Coimbatore**, good liquoring high priced teas experienced withdrawals, others traded firm up to 3usc dearer. CTC Dust also traded generally firm to 5 cents dearer.

Orthodox

In **Colombo**, they have witnessed the biggest e-auction in history with 6.7m. kgs on offer. There was an overall fair demand but again at lower levels, primarily in the HG category. Except for the poorer lots which showed some strength, all HG teas were let go at easier rates. The LG leafy teas did not follow this trend with most better OP1s and BOP1s firm on last levels, better OP/OPA's met good demand at slightly lower levels while Pekoes gained on last week. The LG small leaf lots met less demand with most categories selling at easier levels. January-May 2020 cumulative exports totalled 100.4 M/kgs compared to 121.03 M/kgs of January-May 2019, showing a decrease of 20.6 M/kgs. All main categories have shown a decline except for packed teas. Crop short fall up to May stands at 29.28 Mn Kg. Low Growns were the worst effected with a short fall of 22.07 Mn Kg, with High Growns accounting for 4.30 Mn Kg followed by Mid Growns falling short of 2. Mn Kg. Auctions volumes are not as high as the last several years however with 6.5 and 6.9m.kgs in the coming 2 weeks it's getting close. The weather conditions remain conducive for tea and leaf intake remains stable with just small decline in the western regions.

In **Jakarta**, there was less demand for 7,460 packages, 32% remained unsold. All types selling at steady to easier levels. The weather conditions on both Java and Sumatra are similar compared to last week with sunny mornings and rains in the afternoon which results in a steady crop. In the North of India all auction centres attracted good demand. In **Kolkata**, the market opened to strong demand. The select few tippies on offer sold well, while whole leaf grades saw some good interest and sold at fully firm to dearer levels. Cleaner secondaries and browner stalkier lots sold at fully firm rates whilst leafy fannings sold at dearer levels. For the Darjeeling lots there was a good general demand. The whole leaf descriptions were up to 50cts dearer, broken's fully firm and fannings 5-10cts easier with some withdrawals. A grand total of 95% has been sold. In **Coonoor**, there was good demand. The well-made primary whole leaf grades were firm, broken's and fanning's were irregular around last and the medium sorts were barely steady. **Kochi**, witnessed strong demand with all varieties selling at firm to dearer levels. The auction in **Coimbatore** was treating its supplier well, as there was good demand with all teas selling at fully firm levels.

"The most dangerous poison is the feeling of achievement. The antidote is to, every evening, think what can be done better tomorrow." - Ingvar Kamprad

Auction qty. (pkgs)	week 26	week 27	week 28
Mombasa	197,871	189,980	192,080
Blantyre	2,200	N/A	N/A
Colombo	6.51 m.kgs	6.90 m.kgs	N/A
Jakarta	7,050	9,480	N/A
Kolkata	55,998	72,147	N/A
Guwahati	176,739	164,950	N/A



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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