

Market Report - week 26 (22-26 June 2020)

CTC

Another almost 200k packages came under the hammer in **Mombasa** this week. After so many of these large auctions in a row, it starts to feel normal, while it is a very large amount of tea every week. Good demand led to reduced outlots (34k, 17%). BP1s met good demand from Sudan and Kazak buyers, with mostly firm to dearer rates, up to 20cts for the plainer types. PF1s met fair demand in the room but almost all outlots were absorbed by the Pakistan buyers before the end of the day. The best & below best traded steady to easier while good medium traded steady to firm, mediums opened firm but closed steady to easier and plainer types traded firm to 5cts dearer. All PDs traded generally firm up to 14cts dearer, best PDs even gained up to 30cts. Demand came from the usual buyers Yemen and Egypt. In the meantime, weather circumstances are changing a bit. There are still sufficient rains but day and night temperatures in both EoR and WoR are cooling off. For the moment crop intake remains steady. Summer weather reduces hot tea consumption in the northern hemisphere while the supply chain is saturated with tea. Less availability of tea in Assam and a lock down of Guwahati are factors to consider. The **Limbe** auction met good demand this week, out of the 2,200 packages 64% was sold in the room and at the end of the day 76% found a buyer. BP1s eased up to 5cts and PF1 seedling traded 1 cent easier. Offgrades met very good demand at irregular rates. Current weather conditions are warm during the day and cold during the night, with some light chiperoni showers in both areas. Crop is currently very low and some of the large producers decided to close all their processing facilities in Thyolo and Mulanje. Future auctions will take place on Thursdays, so brokers and buyers have the possibility to anticipate on the Tuesday's Mombasa market. In **Jakarta**, Java & Sumatra CTC were selling at irregular levels. CTC teas in **Kolkata** met very strong demand at fully firm to dearer rates. The limited amount of Dust on offer also met very strong demand at dearer rates. The **Guwahati** market met strong demand, with better Assams gaining 10-15ct, medium and plainer types traded 5-8cts dearer. In the south, the **Coonoor** auction met good demand but met some resistance as the sale progressed. Medium teas traded up to 4cts dearer, plainer types 5-7 cents up. CTC dust traded steady to 5-7cts dearer.

Orthodox

In **Colombo** this week there was fair demand for the 6.5 Mn Kg on offer. High Grown lost their momentum, having experienced a steep drop over the last 4 consecutive weeks. While bottom end and below best teas attracted more interest and were able to achieve dearer price levels, better liquoring types decreased following a drop in quality and decent offerings. The market was slow for Medium Grown teas, which have lately seen very healthy offerings. Low Grown teas met good demand and sold at dearer levels. Western and Nuwara Eliya regions reported dull weather with scattered showers this week, and more rain is expected in the week ahead. In the Uva and Udupussellawa regions, clear weather was reported throughout the week. There are reports of India citing a record drop of 28% in the January – March crop intake this year. The production of North Indian teas alone for the same period is 50%. The loss in crop up to June is expected to be above 30%. In **Jakarta**, 7,000 packages were on offer with 41% unsold. Java and Sumatra Orthodox mostly sold at steady to firm levels except for some invoices of Sumatra Dust which sold at firm to dearer levels. Weather conditions in Java and Sumatra continued as last week with most planting districts experiencing bright mornings and afternoons with irregular rains. In **Kolkata** the bulls were up and running. The market opened to strong demand with 95% sold. Select best tippy types went firm, but clean black first leaves and TGFPs were 20-30 usc dearer, and GFOPs were 10-15 usc dearer. Flowery broken were 20-30 usc dearer, however the biggest champs of the sale were smaller broken with an increase of 40 usc. Leafy fannings were 20-30 usc dearer. On the Darjeeling side, there was improved demand. Better whole leaf grades went dearer while plainer sorts were fully firm. Better liquoring broken and fannings were firm while others were easier. **Coonoor** saw good demand. Well-made primary whole leaf grades were dearer following quality. The broken and fannings in this category were also dearer by 4-6 usc. All sorts in the medium category were firm. Primary BOPDs were firm to dearer, while medium teas were fully firm to occasionally dearer. Good demand was also observed in **Coimbatore** at firm levels for the limited leaf offerings, while cleaner varieties of the dust were irregular.

"Change happens by listening and then starting a dialogue with the people who are doing something you don't believe is right."
– Jane Goodall

Auction qty. (pkgs)	week 27	week 28	week 29
Mombasa	189,980	192,080	179,796
Blantyre	No auction	3,340	N/A
Colombo	6.90 m.kgs	7.01 m. kgs	N/A
Jakarta	9,480	11,260	N/A
Kolkata	72,147	74,718	N/A
Guwahati	164,950	167,034	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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