

## Market Report - week 28 ( 03 July - 10 July 2020)

### CTC

Again 190k packages came under the hammer in **Mombasa** this week. The last sale in which offerings were below 175k packages was sale number 2. Despite buyers have seemed to get used to these large numbers, the opening of this week's session was slow, with brokers insisting on better prices and struggling to move teas. Best BP1s met good demand from Khazak & Sudan buyers and gained up to 14cts while others traded steady up to 15 cts easier for the high priced Rwandan types. Best PF1s lost last week's gains and all subscriptions of PF1 traded steady to easier. PDs followed the PF1 trend and traded generally steady to easier. At the end of the day 40k packages (21%) came out. The EATTA plans to go live with the e-auction for the secondaries as well as the main grades from next week. Secondaries, PDs & D1s will be sold on Mondays and BP1s and PF1s will be sold on Tuesdays. Current weather circumstances in the tea growing areas are normal for the time of the year with EoR chilly mornings followed by sunny spells in the afternoon. WoR had bright & sunny mornings followed by cloudy afternoons with occasional precipitation. Despite that pruning has started in some areas, leaf intake has gone up WoR while EoR reported a steady harvest. Also, Uganda reported a steady leaf intake. The crop figure for May 2020 has been published during this week's auction session. 47mln kgs is another record for the month of May and brings us 85mln kg ahead of 2019. The KTDA has discouraged their small holders to apply fertilizer. The auction quantities indicate a healthy supply of tea. A bullish factor on the demand side is a North Indian crop which is 20-30% lower than last year's. This week's **Limbe** auction took place on a Thursday instead of the previously usual Tuesday. It made buyers able to respond on the Tuesday's Mombasa auction. A weak Mombasa auction didn't lead to a weak Limbe auction. Strong demand prevailed and led to dearer rates across all grades except for the PFs. PF1sc sold 8usc above valuations while PGI PF1 seedlings traded steady up to 16cents dearer, while the EPM PF1s gained 1-3cents. PDs traded 3-4usc and D1s traded 5-15cents above valuations. At the end of the day almost 83% of the teas on offer found a home. Current weather conditions are warm during the day and cold during the night, the 10-day forecast for Mulanje shows some cold and wet spell. Thyolo remains dry and Chiperoni showers are urgently needed. Despite the abundant availability of tea in East Africa, demand from neighboring countries is very strong. In **Jakarta**, Java/Sumatra CTC mostly sold at steady to firm rates except for some Java D1/FNGS which sold at firm to dearer levels. In **Kolkata** the market met strong demand again with all categories trading firm to dearer, 97% of the teas sold. This week's Guwahati auction will take place on Saturday the 11th of July. In Cochin CTC leaf teas met strong demand at dearer rates, CTC Dust also met strong demand appreciating up to 10 cents. Only the very fine grades traded irregularly sideways. In Coimbatore, CTC Leaf met strong demand trading 5-12cts up. CTC Dust followed a similar trend as the Cochin market.

### Orthodox

A grand 7.01 Mn kg was on offer in Colombo this week. High Grown teas were hurting after another week of free fall in prices. It was however expected due to the large quantities on offer, combined with mediocre quality. Medium grown types recovered from last week and went firmer this week. Most categories of Low Grown teas saw improved demand, with major markets active, however select best OP1/BOP1s sold at lower levels. Western/Nuwara Eliya Regions saw bright morning and overcast evenings with light showers. Rain is expected in the week ahead. Uva/Udapusellawa regions experienced clear weather throughout the week. Evening showers and strong winds (up to 40 kmph) are forecasted in the week ahead. As a result of the dull weather seen in planting districts, crop intakes have declined. Sale 27 offerings will have a drop of 119mt, mainly in the High Grown, compared to this week's sale. In **Jakarta**, Java/ Sumatra orthodox mostly sold steady to firm save for some invoices of Sumatra BOP1 which sold at a firm to dearer level. Many buyers who sell in the local market have had very selective demand this week, as the local currency continues to depreciate. Java had similar weather conditions compared to last week. Moderate to heavy showers in most planting districts in West/Central/East Java. Sumatra was partly bright and sunny in the morning hours with irregular rain in North/West/Central regions. **Kolkata** met strong demand for cleaner black tea types and secondaries saw improved demand, firming 20 cents. 93% went sold. In **Coonoor** whole leaf, broken, and fannings all went at firm to dearer rates while medium category types sold at steady levels. **Coimbatore** saw good demand at firm levels.

*"Never say never because limits, like fears, are often just illusions." - Michael Jordan*

Auction qty. (pkgs)	week 29	week 30	week 31
<b>Mombasa</b>	179,796	193,759	176,582
<b>Blantyre</b>	No closing	N/A	N/A
<b>Colombo</b>	6.89 m. kgs	6.68 m. kgs	N/A
<b>Jakarta</b>	11,920	11,980	N/A
<b>Kolkata</b>	94,704	113,728	N/A
<b>Guwahati</b>	No closing	N/A	N/A



Crop figures (m.kg)	Apr '20	Apr '19	Jan -Apr '20	Jan- Apr '19
North India	23.9	70.5	57.7	134.5
South India	15.1	14.0	55.7	53.5
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
Kenya	47.00	37.76	255.23	170.18
Sri Lanka	28.36	34.10	102.03	131.17

*All price movements quoted in USD per kilo*

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