

Market Report - week 30 (20 – 24 July 2020)

CTC

Again a large 179k packages came under the virtual hammer in **Mombasa** this week. All 3 sub auctions (M1, M2 & S1) met improved demand at generally firm to dearer rates except PD & D1s. The all average hammer price increased by 1usc. EoR BP1s gained up to 20cts, below best traded 10cts dearer, good medium gained 10-20 cents, medium 5-15cts while the plainer end traded firm up to 6cts dearer. Best flavory lots met interest from Khazak & Sudan buyers, the West of Rift types met good demand from Pakistan. Medium and plainer types sold well to Sudan and local packers. PF1s also appreciated across the board, best PF1s gained 6-12cts, below best up to 5cts, good medium up to 4 cents for better leaf types, medium PF1s traded irregularly firm and plainer PF1s traded firm to 5cts dearer. Buyers from Afghanistan and the Pakistan bazar were active on the EoR types, while Afghan/Pakistan packers were active at the WoR types. The plantation types were an appetite for UK, Sudan and Bazar. Best PDs traded firm to 10cts dearer, below best up to 5cts dearer, good medium irregularly firm to 8cts dearer. Medium & plainer types however, traded steady to 8 cts easier. The usual buyers were active, with Yemen on the darker leaf sorts while WoR types met good demand from buyers from the Pakistan Bazar & Egypt. Although there was improved demand across the board, the absorption rate hasn't improved much and ended up at 79%. Weather conditions are normal for the time of the year, cool circumstances with some rain prevail and makes crop decline in both EoR & WoR areas. Following the cold weather pattern, offerings in Mombasa are gradually declining in the coming weeks with a 159k in week 33. The last time such an amount of tea was on offer, was November 2019. Buyers have been spoiled with abundant amounts of tea available. Now colder weather has set in and crop will drop. There was no auction in **Malawi** this week, weather conditions in the tea growing areas remain cold with some light showers during the week. Last week Friday heavy showers were reported, pouring down useful substantial amounts of water on the tea bushes. More of those rains could be useful for crop to flush in case the weather warms up in August / September. There is not much tea around in Malawi at the moment. In **Jakarta** the Java/Sumatra CTC teas mostly sold at steady to firm rates. In **Kolkata** CTC teas continued to experience strong demand with all teas trading firm to dearer and 90% of the teas on offer being sold. The **Coonoor** auction followed the market in the North, strong demand leading to firm to dearer rates only good and better medium teas continued to witness incremental prices at irregular levels following quality. The **Cochin** auction met strong demand with all varieties trading 3-6cts dearer.

Orthodox

This week there were 6.7m.kgs on offer in **Colombo**, a further drop of 0.2m. kgs compared to last week. The High Grown segment had just a marginal drop with a fair maintained quality. Given the demand and the improved activity from last week a dearer market was expected but due to lesser activity from several main buyers, teas were sold at discounted levels. The Mid Grown market had 0.8m.kgs on offer with the Far East buyers dominating the market. Italy appeared to be back in the market for these types while the regular shippers to Germany were still going slow. The LG leafy grades met a widespread demand for the entire range on offer. The smaller leafy grades attracted less interest as the Middle East was not as active. The cumulative export figures of 2020 show a decline of 21.1m. kgs compared to last year, ending at 124m. kgs at the first 6 months. Iraq held their first position even though they have imported 18% less, followed by Turkey and Russia. Due to a large increase of value-added exports, especially in tea bags, the highest ever FOB value of USD 4.89 has been recorded in June. On the supply side, Sri Lanka recorded the lowest production quantities since 1995. Jan-Jun cumulative figures declined with 19% compared to last year to 129m. kgs. This is showing in the auction room with weekly figures of around 6m.kgs. All HG regions received good showers during the course of the week and is expected to receive more in the coming week. The LG regions reported bright morning and dull evenings and fairly heavy rainfall in the week ahead. In **Jakarta**, there was not much demand for the teas on offer. With 11,820 pkgs to be sold, only 45% that found a new owner. All were let go at firm levels expect for Java BOP's which went at firm to dearer levels. Crop levels are maintained as the weather remains bright and sunny in the morning with irregular rains in the afternoon. In **Kolkata**, there was a good general demand at slightly lower levels. A total of 88% has been sold. Darjeeling attracted better demand from particularly Germany, Bazaar and a selective Japan. In **Coonoor**, there was yet again a good demand in the auction room. Whole leaf grades were firm to dearer and the broken and fannings sold around last levels. The medium category teas were irregularly dearer. For the dust market there was also good demand with the primary BOPD's firm and mediums and secondaries barely steady at last levels. In **Cochin**, there was fair demand. Select best Nilgiri teas sold irregularly lower in line with quality. Medium whole leaf and well-made broken sold at firm rates on competition. In **Coimbatore**, good demand resulted in fully firm levels for the medium teas on offer in the leafy category and dearer levels for the cleaner varieties in the dust category.

"And as long as people have problems, the blues can never die." – B.B. King



Auction qty. (pkgs)	week 31	week 32	week 33
Mombasa	176,582	171,065	159,253
Blantyre	2,460	2,620	N/A
Colombo	164,232	111,047	N/A
Jakarta	12,680	12,160	N/A
Kolkata	176,739	117,539	N/A
Guwahati	N/A	N/A	N/A

Crop figures (m.kg)	Apr '20	Apr '19	Jan -Apr '20	Jan- Apr '19
Sri Lanka	13.28	23.62	73.31	97.1
North India	23.9	70.5	57.7	134.5
South India	15.1	14.0	55.7	53.5
Crop figures (m.kg)	May '20	May '19	Jan -May '20	Jan-May '19
Kenya	47.00	37.76	255.23	170.18
Sri Lanka	28.36	34.10	102.03	131.17
Crop figures (m.kg)	June '20	June '19	Jan -June '20	Jan-June '19
Malawi	1.39	1.61	31.28	34.65

All price movements quoted in USD per kilo

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