

Market Report - week 32 (03 – 07 August 2020)

CTC

This week's **Mombasa** auction met good general demand. The steeply dropping future auction offerings were a good reason for several buyers to act more forceful in the room. Some of the Best BP1 marks were stealing the show by appreciating around 1 USD per kg while others traded firm to dearer. Mainly due to strong antagonism between the Kazakh operators. Below best opened steady but traded up to 10cts dearer towards the close, good medium traded 12-18cts dearer, medium 8-15cts up, and the plainer end traded 5-10cts dearer. Best EoR PF1s sold firm to slightly dearer, Bazaar operators expected these to trade up to 10cts dearer, after the dearer opening these types lost steam and closed firm. Below best PF1s traded firm to dearer with support from a large packer while good medium traded irregularly steady to 2cts easier. Medium PF1s traded firm to 4cts dearer and plainer traded irregularly firm to dearer following quality. Best PDs enjoyed good support from Yemen buyers and traded firm to 6cts dearer, below best traded firm to dearer, good medium 2-8 cts dearer, mediums firm to 6cts up, plainer traded firm to 2cts up. At the end of all trading sessions a reduced 17% came out. However, during post auction activity most PF1 outlots sold. In the meantime, weather conditions are normal for the time of the year, cold circumstances with occasional rains prevail, causing a declining crop intake. The coming weeks there will be considerably less tea available in the room than we have seen the past 6 months, however it also seems Pakistan buyers are well stocked. On the other side, the situation in Assam hasn't changed. Adverse weather conditions combined with the restrictions due to the Covid pandemic have caused a serious tight market situation.

In **Malawi**, 53% of this week's Limbe auction consisted of Mateco BP1s which were all taken out under bid. There was good demand for the remaining teas in the room. EPM BP1s sold at 7-10cts below valuation, PF1s met good demand at 4-5cts below valuation, on lot of PF1 seedlings traded sideways while the remainder was taken out, PDs met good demand at 2cts easier rates. At the end of the day 64% of the teas came out, with VRB leading the buyers list by taking 15% followed by Zoono 8, Rfr 8 and JF 5. Weather conditions in Malawi are still warm during the day and cold during the night with isolated paltry showers. Crop is slowly picking up.

In the **Jakarta** auction, Java/Sumatra CTC mostly sold at steady to firm except for Java CTC PD which were selling at firm to dearer rates. There was strong demand for CTC teas in **Kolkata**, Best Assams traded sideways, tending dearer, while mediums traded sideways at last week's levels. Dooars selling firm. At the end of the auction only 9% outlots were reported. In **Guwahati** well-made teas sold steady while others traded irregular. The CTC Leaf section in **Coonoor** met good demand, brighter bolder grades appreciated 2-4cts while other sorts sold 7-10 cts dearer. Fannings traded 4-6cts dearer. CTC dust traded firm up to 4cts dearer. CTC leaf also met good demand in **Coimbatore**, well-made teas traded barely steady and experiencing some withdrawals, the medium and plainer teas traded fully firm. CTC Dust also met strong demand at 3-4cts dearer rates.

Orthodox

In **Colombo**, the general elections were held on Wednesday 5th and therefore sale 30 was a restricted sale with only 4.07m. kgs on offer. This relatively small volume attracted fair demand over all three categories. In the HG segment, last week's high demand for the improved teas were short lived as China showed not much interest and Hong Kong kept quiet. Interest from Japan was evident but not forceful whilst Taiwan operated on the bottom end. The Medium Grown teas followed last weeks trend and attracted good interest from Germany, Taiwan and China. There was less Uva leafy tea available due to factories switching to small leaf production since the bright weather has basically ended the Uva season for 2020. The LG leafy teas met a very good demand and sold at firm to dearer levels, except for the better OPs. The small leaf FBOPs and tippies sold at last weeks levels because of the firm interest from Russia. In terms of supply, a better availability of High and Medium Grown leafy teas is foreseen with gardens switching back to the usual orthodox manufacture now that the Uva season has prematurely ended. The weather conditions in the western regions was primarily rainy with much more to come next week.

Uva/Udapussellawa experienced mostly showers in the evening whilst the LG regions had dull weather but with a lot of rains predicted for the coming week. In **Indonesia**, the COVID-19 measurements are still in place and businesses are only allowed to operate with 50% of the employees. However, due to very little control all looks like business as usual. While businesses are mostly working at 100%, the auction room in Jakarta only showed enough interest for 37% of all teas on offer. Just minutes before the auction, more than 3,000pkgs had been cancelled which led to much discontent with the participants who wanted to operate on these selections. Along with the high limits of the brokers, this led to a total of 5,580 unsold packages. In **Kolkata**, there was a good general demand with 85% sold. Select whole leaf grades were let go at fully firm levels whilst the clean black first line leaves were barely steady and the second line 5-10cts easier. Smaller brokens were fully firm and the liquoring fannings up to 8cts easier. Darjeeling attracted good demand with select flavoury whole leaf grades barely steady and others 10-20cts easier. Brokens and fannings were 5-15cts easier. In **South India**, heavy monsoon weather unleashed its fury and will remain to show its force in the coming days. That did not stop the tea buyers as there was good demand in the **Coonoor** auction room. The well-made black whole leaf grades were dearer whilst the brokens and fannings sold around last. The medium category was barely steady and limited weight of the primary BOPDs were dearer on quality and competition.

"The Ultimate Measure Of A Man Is Not Where He Stands In Moments Of Comfort And Convenience, But Where He Stands At Times Of Challenge And Controversy." - Martin Luther King, Jr.



Auction qty. (pkgs)	week 33	week 34	week 35
Mombasa	159,253	136,681	135,173
Blantyre	1,600	1,680	N/A
Colombo	191,210	188,485	N/A
Jakarta	10,360	8,620	N/A
Kolkata	134,503	175,383	N/A
Guwahati	N/A	N/A	N/A

Crop figures (m.kg)	May '20	May '19	Jan -May '20	Jan- May '19
North India	75.6	112.3	113.3	246.8
South India	20.8	22.0	76.4	75.5
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
Kenya	46.38	42.42	301.61	212.61

All price movements quoted in USD per kilo

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