

Market Report - week 37 (7 - 11 September 2020)

CTC

Heavy rainfall and abundant availability of tea are currently not reports coming from **Kenya** but from Pakistan. It was setting the tone for the PF1 section this week, many Pakistan buyers took the pedestrian approach while the Afghan buyers sat on the fence. Resulting in general fair demand in the auction and an all average hammer price dropping by 1usc. BP1s met strong demand from Sudan and Kazakh buyers while also Chai joined which fueled competition for these types. Most BP1s closed firm to dearer with medium and plainer types trading 10-12 cts up. PF1s, however, traded generally steady up to 10cts easier. Only Rwanda, Burundi and plainer types managed to trade firm to 5cts dearer. PDs met strong demand at firm up to 14cts dearer rates, D1s followed a similar trend. At the end of this week's auction 22% came out. In the meantime, weather circumstances are changing a bit. EoR experienced light showers combined with dropping temperatures, averages of 18 degrees around Aberdares & Mt Kenya have been reported, while crop improved marginally. WoR enjoyed well distributed rains, with short sunny spells during the mornings. Crop intake remains steady. These are normal circumstances for the time of the year. On the other side demand is selective, with heavy arrivals being reported from Karachi and Europe is experiencing an extended summer. In North India however, prices are still at a fairly high levels which might help to shift some demand to Mombasa. In **Malawi**, the Limbe auction met again good demand. Most teas traded at last week's prices, where sold. The one lot of PF1sc sold at a 6usc dearer rate. PF1 seedlings met mixed demand, teas from EP gardens traded steady while PGI teas were taken out under bid. PDs traded steady while D1s traded 1ct easier. Offgrade fngs met good demand at 8cts easier rates. 55% of the teas on offer remained unsold. Weather conditions are normal for the transition period between winter & summer but not normal for the current time of the year, cloudy and relatively cold conditions prevail while crop intake is picking up seasonally.

Java/Sumatra CTC mostly sold at steady to easier except for Java CTC PF1/PD/D1/Fann which saw improved demand and sold at firm to dearer levels. Due to local lockdowns there was no sale in **Kolkata** this week. The sale in **Guwahati** met good demand at easier rates. Best Assam CTC teas traded sideways while good medium and medium types eased 3-5cts and the plainer end eased up to 10cts. In the South, CTC leaf in **Coonoor** met strong demand, the market opened steady to firm but gained momentum towards the close, prices appreciated up to 10cts. CTC dust also experienced strong demand at firm to 10cts higher rates. In **Coimbatore** CTC leaf met selective demand, well-made teas traded barely steady while medium types traded fully firm to dearer, plainer types traded 6cts up. CTC dust met strong demand with good liquoring types trading up to 10cts dearer, plainer types even more. The CTC Leaf auction in **Cochin** also met good demand with good liquoring types trading firm, while medium and plainer teas traded up to 10cts dearer.

Orthodox

Volumes were better this week in **Colombo** with 6.2 Mn kg on offer, of which 119,000 came from High and Mid Grown catalogues. It was an all-around firm market. Last week was the bottom of the market for High Grown. BOP/ BOPFs saw considerable demand at firmer levels. Unilever operated on all categories this week, a different tune to their slumber last. Japan, China, and the UK added more momentum. Mid Grown teas continued to be dominated by shippers to Germany, Taiwan, and China, thereby selling well. Low Grown teas were not left out of the uptrend and also met good demand. Well-made teas were the main beneficiaries in this category. Better OP1s/ BOP1s, and OP/ OPAs went firm to dearer, while others were stable. FBOPs and FF1s sold firm to dearer. Tippi varieties saw good demand as well. While the market was in full swing this week, adverse weather conditions were reported in most planting districts and a gradual decline in auction quantities has been seen. Low offerings can be expected in the coming weeks. If the weather improves, better offerings are expected of 6 Mn kg per week from October onwards.

Java and **Sumatra** Orthodox sold at firmer levels and while there were many neglected lots, negotiations again were done after the auction. West and Central Java regions reported heavy rains, while the East was dry. Sumatra reported irregular weather conditions across the island. In **Kolkata** there was no auction this week in view of the localized West Bengal lockdown and Sale 37 is planned to resume next week. **Coonoor** experienced healthier demand. Broken teas were overall firm to dearer by 3-5 usc, while leafier grades were not so fortunate with barely steady to irregularly lower levels of 5-10 usc. Dust saw good demand and the market continued the uptrend with prices climbing by 5-10 usc and more on primary types. In **Coimbatore** this week, leaf types experienced good demand. Whole leafy went fully firm, while broken teas and BOPFs were dearer. There was strong demand for dust, which increased by 10-15 usc. Rain has been reported in most planting districts of South India, except for Munnar.

“we may encounter many defeats, but we must not be defeated” – Maya Angelou

Auction qty. (pkgs)	week 38	week 39	Week40
Mombasa	136,820	141,097	133,340
Blantyre	2,080	1,740	N/A
Colombo	160,125	149,646	N/A
Jakarta	5,720	8,900	N/A
Kolkata	152,450	N/A	N/A
Guwahati	213,567	225,958	N/A

Crop figures (m. kg)	July '20	July '19	Jan -July '20	Jan-July '19
Sri Lanka	26.28	25.27	156.38	184.06
Malawi	1.08	1.36	32.36	36.01
Kenya	36.55	31.46	338.2	244.1
North India	140,7	154,5	390,5	527
South India	20,3	21.7	118.7	122.2
Crop figures (m. kg)	August '20	Aug '19	Jan -Aug '20	Jan-Aug '19
Malawi	1.26	25.27	33.62	37.06

All price movements quoted in USD per kilo

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