

Market Report - week 20 (16 May – 20 May 2022)

CTC

The 189k pkgs on offer in this week's **Mombasa** auction met irregular demand. Slightly improved absorption supported a 1cts higher all-average hammer price (2.25 USD). Flavoury EoR BP1s traded irregularly steady to easier with selective demand from Pakistan and Kazak buyers. Below best BP1s traded irregularly easier. KTDA WoR BP1s traded fully firm. While medium and plainer types traded irregularly steady to easier. Flavoury KTDA EoR PF1s traded irregularly steady to easier, with a large buyer remaining absent in this segment for the 3rd week. KTDA WoR PF1s traded firm but with outlots. Medium PF1s traded irregularly steady, following quality while the plainer types traded irregularly steady to easier following quality. The dust auction also met irregular demand at easier rates. Best PDs traded steady to easier with selected lines dearer, below best eased up to 8cts, good mediums remained firm and mediums trades 2-10cts easier. Plainer types however, managed to trade firm to 10cts dearer due to good interest from Egypt & EU buyers. Weather conditions in both tea growing areas remain normal for the time of the year, light to moderate rainfall combined with some sunny spells. Day and night time temperatures are creeping up, while crop remains steady at season's levels. With the long rains slowly materializing in larger auction quantities, buyers don't seem to be operating in full force. The auctions ahead of us offer 208k, 208k and 218k pkgs, which are large quantities of tea. The **Limbe** auction met less demand. PF1sc met selective demand and trading sideways. PF1 seedlings also traded sideways, however PGI types didn't trade at their usual premium prices. PDs traded 5cts dearer and D1s eased 3cts. Offgrade fngs traded at last week's prices where sold, offgrade dust traded a few cents below valuation. At the end of the day 67% of the teas on offer remained unsold. In the meantime, weather conditions have turned to hot and dry circumstances which makes crop seasonally decline. In **Jakarta** fair demand led to steady to firm rates for CTC teas. The **Kolkata** auction met improved demand for Assam first flush CTC invoices, the rest of the CTC section met fair demand. Well-made Assams met competition however at easier rates. 25% of the teas on offer remained unsold. Also the **Guwahati** auction met fair demand. Well-made Assams also met competition while medium types sold at irregularly easier prices with outlots. 44% of the teas on offer remained unsold. CTC teas met fair demand in **Coonoor**. The market opened 1-2cts easier but found momentum as the sale progressed. The **Coimbatore** auction met fair demand at irregularly easier levels with outlots. In **Cochin**, the CTC section traded sideways.

Orthodox

6.78 Mn Kg came under the hammer in **Colombo** this week. With the USD capped at Rs. 362 to a dollar and the correction, there seems to be some sanity in the marketplace. An easier trend was witnessed across all elevations. High grown teas consisted of 1.06 Mn Kg this week. Both western BOPs & BOPFs in the better category, where quality maintained, remained at last levels, while others witnessed a dip of USC 15. All other western BOPs eased USC 10-15. Corresponding BOPFs eased USC 20. Nuwara Eliya BOP / BOPF eased USC 15-20. Uva / Udu Pussellawa BOP shed USC 15-20, whilst BOPF eased USC 25-30. Apart from the Low Grown PF1s which showed resilience, all other PF1s eased USC 25-30. All BP1s maintained. Medium grown tea, amounted to 0.93 Mn Kg, Select best and best OP1/BOP1s eased USC 10-15, whilst other OP1/BOP1 eased 25-30. Better OP / OPAs eased USC 15-20. Other OP/OPA declined 25-30. All FBOPs eased 15-20. FF1s were lower by USC 15-20. PEK/ PEK1 eased USC 25-30. Low grown leafy teas had 1.68 Mn kg on offer, Select best OP1s maintained. All other OP1s shed USC 5-10. Select best and best BOP1s declined USC 20, other BOP1s maintained. Select best and OP/OPA maintained. All other OP/OPA eased 20-30. Pekoes eased USC 25-30 across all categories. PEK1s eased 25-30 across all categories. Low grown small leaf & premium teas, consisted of 1.16 Mn kg. Best FBOPs maintained. Below best sorts USC 10 dearer. Poor leaf sorts held firm. Best FF1s maintained. Other FF1s were USC 10 lower. FFs and very tippy teas were firm. Off Grades had 1.41 Mn Kg on offer. High grown FGS1 were dearer by USC 15. Others high grown Fgs1 USC 10 easier. Low grown FGS USC 10 easier. Better BMs were steady to USC 15 easier. Other BMs USC 15-20 easier. All BOP1As were USC 5-10 easier. Dust, had an offering of 0.54 Mn KG. High grown primary Dust1s and the secondaries were USC 30 lower and the low grown Dust shed by USC 20. In **Jakarta**, there was improved demand for 6,800 packages with 24% remain unsold. Java/Sumatra were overall tending firm to dearer levels. Most of the tea auction participants are back from the long holiday and the auctions were dominated by local buyers. A more aggressive market has been seen for some grades, especially main broken BOP1s/BOPs. **Kolkata** experienced strong demand with 98% of teas on offer sold. Better Black Assam TGFOP1 sold at barely steady levels, while bolder types were firm to occasionally dearer. Barely steady were small broken, and flowery types were firm to occasionally dearer. Leafy fannings up to 10 cents dearer. In **South India**, all three auction rooms saw good demand with the overall trend firm to dearer save for secondary broken and fannings in **Cochin** which showed a lower tendency.

"It is not a matter of what is true that counts, but a matter of what is perceived to be true." — Henry Kissinger



| Auction qty. (pkgs) | Week 21 | Week 22 | Week 23 |
|---------------------|---------|---------|---------|
| Mombasa | 208,366 | 208,866 | 218,258 |
| Blantyre | 8,440 | 8,280 | N/A |
| Colombo | 175,201 | 181,081 | N/A |
| Jakarta | 6,760 | 8,960 | N/A |
| Kolkata | 65,283 | 63,657 | N/A |
| Guwahati | 87,684 | 63,438 | N/A |

| Crop figures (m. kg) | February '22 | February '21 | Jan-February '22 | Jan-February '21 |
|----------------------|--------------|--------------|------------------|------------------|
| Kenya | 40.82 | 43.39 | 89.50 | 92.3 |
| | March '22 | March '21 | Jan-March '22 | Jan-March '21 |
| India | 68.03 | 66.45 | 100.29 | 99.84 |
| | April '22 | April '21 | Jan-April '22 | Jan-April '21 |
| Malawi | 7.1 | 8 | 19 | 22.2 |
| Sri Lanka | 18,3 | 16,3 | 82 | 86 |

All price movements quoted in USD per kilo

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