

## Market Report - Week 37 (12 – 16 September 2022)

### CTC

Good general demand prevailed this week in **Mombasa**. Absorption was slightly reduced as offering increased to 185k packages compared to 170 last week. The All Avg hammer shed 4cts to close at \$2.24. Flavoury EoR BP1's met selective demand and these types sold at irregularly steady to slightly lower rates. Below best wobbled as usual operators were slightly less active. The list of reprints continues to grow. Plainer broken types were irregularly firm to dearer while poorer types were easier. They met irregular demand from Sudan and CIS while local packers were absent. Foreign types also met selective and sold steady to easier. Best KTDA EoR PF1's sold at irregularly firm levels with the below best shedding upto 6cts from last week. This was largely due to a slower bazar who is again affected by the volatile PAK rupee. Pakistan packers took advantage of this and mopped up most of the teas with Afghan and UK lending useful support. Medium PF1's sold at irregularly firm rates. Interest came from UK and Pakistan packers with Sudan and bazar nibbling. Plainer PF1's were irregularly steady to slightly easier but saw improved demand from Pakistan packers, Russia, bazar, Sudan and UK. Foreign types sold at steady to slightly easier rates. Another strong market prevailed in this week's Dust auction. Good inquiry with maintained absorption rate continued throughout the auction which saw prices go up further. Yemen, Pakistan packers and Bazaar continued strong on the EoR PD/D1s and they gained up to 18cts. UK also nibbled on some of the quality types but met strong competition and they were in most cases out bid. Medium types received strong activity from Egypt packers with UK, Yemen and Bazaar lending some good support. Certified plainer types continued strong on account of UK while balance were irregular with quality. This went to Egypt, CIS and Yemen buyers. EoR received some rain in parts of the region. Daytime (maximum) temperatures increased over most stations while nighttime (minimum) temperatures increased over some stations. Slight decrease in crop harvest. On the West side rainfall continued to be recorded in the Highlands West of the Rift Valley and the Lake Victoria Basin. Crop harvest decreased marginally. The new President, Dr. William Ruto has been sworn in. His main area of focus is to revamp the economy and food sustainability. Has issued new directives for lowering the fertilizer prices by 50% for all farmers including tea farmers. We should see an increase in production in the next couple of months if the short rains arrive on schedule. Another small sale in **Limbe** and fundamentally too small to call a market as some teas were again withdrawn at the last moment. Similar to last week seedling PF1 and Off grade Fngs enjoyed good demand at steady rates. The small flush continues with hot weather during the day and nights still cool. The dry season seem to have ended in Indonesia and both Java and Sumatra received heavy rains. Crop is expected to increase. CTC teas met good demand in Jakarta at steady to firm rates. There was less demand in **Kolkata** and 66% sold overall. Best broken types and Fngs shed 3 to 5 cts, whilst mediums and plainer types lost 5 to 8cts. Major blenders were less active, and Gujarat & Bazaar continued. **Guwahati** auction met good demand for well-made teas, the rest was fair. Cropping is steady under continued heavy rains. In the **South Indian** auction centres, CTC teas met good demand at generally firm to dearer rates, especially at the plainer end of the spectre. Supply is picking up now that the monsoon is tailing off.

### Orthodox

A volume of 4.25 Mn KG came under the click in **Colombo** this week, which was similar to the previous week. Ex-Estate offerings stood at 0.566 M/Kgs. Western BOP/BOPF's of all categories were mostly firm with select few invoices gaining USC 25 following quality/special inquiry. BOP/BOPF's from the Nuwara Eliya Region were limited and these too sold at previous week's levels. Uva BOP's continued to sell well, whilst the corresponding BOPF's maintained. Medium grown teas had 0.48 Mn kg on offer, better BOP1s and FBOPs were firm to USC 10 dearer. Balance BOP1s and FBOPs gained USC 5. Better FF1s gained USC 5-10. Other FF1s were USC 5 dearer. Select best OP/ OPAs were USC 5 dearer and the rest were sold at last week's levels. Low grown leafy teas had an offering of 1.05 Mn Kg. Select best OP1s were firm to USC 5 dearer, whilst best sorts maintained. Other OP1s were USC 20-25 dearer. Select best BOP1s were USC 20-25 easier. Below best BOP1s maintained. Bottom end BOP1s firm to USC 15 dearer. Select best OPA maintained. Best sorts were firm to USC 10-15 dearer. Below best OPAs were firm to USC 5 dearer. Poorer OPAs gained USC 15. Select best OPs were firm, whilst best & below best OPs gained USC 15. Bottom end OPs were USC 15 -20 dearer. PEKs & PEK1s maintained. Low grown small leaf & premium teas dropped to 0.89 Mn kg. Select best & best FBOPs shed USC 5-10. Below best sorts were firm to USC 5-10 dearer. Poorer sorts gained USC 10. Select best FF1s appreciated USC 10-20. Other FBOPF1s were USC 10-15 dearer. Select best & best FFs were higher by USC 5. Below best FFs were USC 5 dearer. Bottom end FFs eased USC 5. Vey Tippy teas too were easier USC 10-20. Off Grades offerings were 0.98 Mn kg. All high grown liquoring FGS1 gained USC 5-10. Better low grown FGS were USC 30-40 easier. Best low grown FGS gained USC 14. Other low grown were FGS firm to USC 20 dearer. Better BMs appreciated by USC 25. Other BMs were 15-20 dearer. Cleaner BPs maintained, whilst others too gained USC 10. Best BOP1As gained USC 15, whilst below best sorts appreciated USC 10-15. Poorer sorts were USC 5-10 dearer. Dust offerings stood at 0.30 Mn kg. Primary Dust1s and secondaries maintained. The best low grown Dust1s maintained. In **Jakarta**, the 2022 dry season seems already to have ended since last week. It was again, an unusual short dry season (July-August). West Java has seen daily heavy/long rains, and the situation is similar in Sumatra. We expect the crop to increase in the next coming weeks. In the auction this week, there was less demand for 7,960 packages with 54% remaining unsold. Price trend for Java/Sumatra Orthodox continues to be steady to firm following qualities where broker valuation remained very firm. In **Kolkata** 82% of teas on offer were absorbed. Clean black whole leaf grade were 5-8 cents easier while the bolder sorts were 8-12 cents easier. Flowery broken types were 6-9 cents easier while the smaller grades were tending 9-12 cents lower. Better liquoring fngs were 5-10 cents lower and the rest up to 15 cents lower. In **South India**, 89% of teas in across the auction rooms were sold. Demand for Orthodox whole leaf and larger broken types continue to be very strong. Quality is improving.

*"Our greatest weakness lies in giving up. The most certain way to succeed is always to try just one more time."* — Thomas Edison



Auction qty. (pkgs)	Week 38	Week 39	Week 40
<b>Mombasa</b>	185,248	188,490	183,420
<b>Blantyre</b>	No sale	N/A	N/A
<b>Colombo</b>	136,870	N/A	N/A
<b>Jakarta</b>	8,080	N/A	N/A
<b>Kolkata</b>	228,750	N/A	N/A
<b>Guwahati</b>	182,547	N/A	N/A

Crop figures (m. kg)	May '22	May '21	Jan-May '22	Jan- May'21
<b>Kenya</b>	50	45	227	231
	July '22	July '21	Jan-July '22	Jan-July '21
<b>Sri Lanka</b>	19.8	26.4	153	188
<b>Malawi</b>	1.29	1.80	33.7	36.35
<b>India</b>	153	180	614	629
	August '22	August '21	Jan-August '22	Jan-August '21
<b>Malawi</b>	1.9	2.09	35.7	38.4

*All price movements quoted in USD per kilo*

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