VAN REES

Market Report - Week 21 (22 – 26 May 2023)

CTC

In **Mombasa**, the 2nd largest auction so far this year took place this week. The 246k packages on offer met fair demand at irregularly steady to easier rates. Nevertheless, absorption improved (93k pkgs outlots vs 97k) while also the all-average hammer price increased by 1usc to USD 2.08 per kg. Flavory KTDA EoR BP1s traded irregularly steady up to 8cts easier. KTDA WoR BP1s remained firm at minimum prices with selective interest from Pakistan packers. Medium BP1s traded steady to 4cts easier while plainer types remained irregularly firm. Flavory KTDA EoR PF1s traded irregularly steady to 4cts easier with demand from Pakistan packers, CIS & UK for the fresh teas. KTDA WoR PF1s remained firm at reserve prices, with better marks easing 1-2cts. Demand for these types was selective from UK, Russia, Pakistan packers & Sudan while other usual buyers remained on the famous fence. Medium PF1s traded irregularly steady while plainer types traded steady to 2cts easier with selected marks trading firm to dearer. The M1 auction met good demand this week, Best PDs traded firm to 4cts dearer, below best & good mediums irregularly firm, medium PD traded irregularly steady to 4cts easier with selected blacker types firm and plainer PDs traded irregularly steady with select best firm. Current weather conditions are normal for the time of the year and conducive for growing tea. Crop intake is at season's level EoR and increased further in WoR regions. While there is abundant availability of tea, demand from the usual Kenya tea consuming countries is maintained. Pakistan packers showed maintained activity while also Afghan & Bazar traders followed a similar pattern. The availability of USD in Egypt & Pakistan is still causing subdued demand, while the warmer season ahead of us, is not stimulating tea consumption. The **Limbe** auction met improved demand. BP1s traded 2-3cts below valuations. PF1sc traded at steady rates where sold, while PF1 seedlings met very good demand but trading sideways. PFs & PDs were neglected. D1s eased 5-8cts. Offgrade fngs traded steady to 3cts dearer and offgrade dust sold at dearer rates. At the end of the day 41% of the teas on offer remained unsold. Weather conditions are seasonally normal with bright and dry conditions throughout the week. Crop intake is declining as pruning is in full swing. In **Jakarta**, CTC teas met less demand while broker limits remained very high resulting in heavy withdrawals. CTC teas in **Kolkata** met fair demand with best teas trading sideways and less well-made teas trading irregular and easier. In **Guwahati** fair demand prevailed, better Assams traded firm, mediums and others traded irregularly sideways with outlots.

Orthodox

In **Colombo**, the sale recorded an auction offering of 7.12 Mn Kgs. There was overall less demand experienced in the market as a result, teas showed a drop in prices across the board. Select best BOPs gained on special inquiry for a few invoices. Best and other BOPs were overall lower by USC 35-40. BOPFs overall shed USC 30-50. Nuwara Eliya BOPs continued to be unsellable with the BOPFs again showing a drop by USC 50-60. Uva BOPs were easier by USC 50 & better Uva BOPFs sorts were overall easier by USC 55-65. CTC – better Low grown PF1s & BP1s were firm, whilst the others were irregularly lower by USC 15. The High grown & Medium PF1's eased in price by USC 6-13. OP1s in general showed a decline of USC 33-66. Select best FBOPs held firm. Others eased by USC 15-30. BOP1s were overall lower by USC 15. FF1s overall declined by USC 16-33. OP/OPAs commenced firm and shed by USC 16 as the sale progressed. PEK/PEK1s overall showed a drop in prices by USC 16. Select best OP1's maintained last week's levels, whilst others were easier by USC 15-25. Select best BOP1s strengthened by USC 17. Others were firm to easier by USC 33. Select best OPA were firm and gained by USC 5. Best and other OP/OPAs showed a drop by USC 10-15. Select best & best PEK/PEK1s firm on last whilst the bottom end PEK/PEK1s were lower by USC 17-33. Select best & best FBOPs were lower by USC 20-30. Below best also declined by USC 10-15. FF1s were overall lower by USC 20-30 except for a few invoices. FFs, except for some well-made invoices, others overall declined by USC 30-40. BOP/BOPF shed by USC 20-30. Premiums were lower by USC 30-40. However, some well-made teas gained. Better high grown liquoring FGS1 declined by USC 30. Others dropped by USC 30-40. Low grown FNGs, overall showed a drop in the market by USC 15-18. Select best and best BMs were lower by USC 15-20. Others were firm. BPs eased by USC 10-30. BOP1As were steady to easier by USC 7-20. Primary high grown teas dropped by USC 30-40. Secondaries shed by USC 45. Low Growns eased by USC 25-30. This week's weather reports indicate sunny mornings with afternoon showers in most tea growing areas. While Nuwara Eliya & Uva reported bright and sunny weather resulting in a slight declining crop intake. Usually, Ceylon is in the middle of the raining season during this time of the year. While rains have seized, this might indicate the start of a dry spell. Demand however could potentially pick up due to government officials starting talks with Iran. The orthodox section in **Jakarta** followed a similar pattern as the CTC section. Trading firm where sold and experiencing heavy withdrawals. In **Kolkata** orthodox teas met good demand. Better quality larger leaf and brokens were sought after while the remainder traded sideways. Smaller leaf teas met less demand while fngs & off grades traded irregularly sideways.

"Life is like riding a bicycle. To keep your balance, you must keep moving." — Albert Einstein

Auction qty. (pkgs)	Week 22	Week 23	Week 24
Mombasa	231,099	259,439	263,600
Blantyre	5,280	5,540	N/A
Colombo	155,821	186,600	N/A
Jakarta	N/A	N/A	N/A
Kolkata	77,760	105,396	N/A
Guwahati	73,146	96,830	N/A

Crop figures (m. kg)	February '23	February '22	Jan-Feb '23	Jan-Feb '22
Kenya	33	41	88	90
	April '22	April '22	Jan-April '23	Jan-April '22
Malawi	5.9	7.1	25	26
Sri Lanka	24.7	22.9	84	86

All price movements quoted in USD per kilo

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