Week 25, 2016

Tea market report 20-24 June, 2016

Yet again **Mombasa** strengthened as last week's auction closing was perceived as a bullish sign, while in fact historically, offerings are as high as ever. Especially Pakistan bazaar and Afghan buyers were active and willing to pay up. Similarly, we saw improved demand from Sudan, Iran and Egypt whilst activity from other markets was about maintained. The weather changed with scattered rain across the country. It's cool and crop decreased and will drop further. Hence, the downside looks limited which is normal for this time of year, but the unrelenting demand for teas is unprecedented. In **Central Africa** the tea seasons are drawing to and end and who ever needs teas, better be fast as hibernation is around the corner.

To South East Asia, where auctions in **India** were delayed, whilst **Colombo** followed a 2-tier market with better LG's and Dusts gaining but plainer sorts, off grades and HG's easing. Crop is picking up and will continue to do so as weather conditions are near to perfect now; less rain and more sunshine. **Indonesia** on the other hand will go into the drier season, but thus far the rains persist on Java, whilst Sumatra is slowly receiving less. The seasons in **Vietnam and China** are progressing well, although prevailing weather patterns are moving from one extreme into the other for certain regions. Hot/dry periods but also tornado's and extreme rainfall on occasion.

Global demand for both CTC and Orthodox is healthy, but expected to slow with Eid al-Fitr in the Muslim countries and summer holidays in the north around the corner.

"My policy on cake is pro having it and pro eating it." – Boris Johnson

Crop figures (in m.kgs)

	May 16	May 15	Jan-May16	Jan-May 15
Malawi	3.4	4.1	28.4	29.0
Sri Lanka	30.6	32.4	128.3	143.4

Forthcoming auction quantities (pkgs)

	Week 26	Week 27	Week 28
Mombasa	140,955	128,199	129,427
Blantyre	3,460	2,520	N/A
Colombo	6.5 m.kgs	6.1 m.kgs	N/A
Jakarta	11,760	No sale	9,700
Kolkata	120,240	136,920	148,810
Guwahati	111,884	103,401	128,442

KENYA
Auction – Strong demand for 147k packages with 8% remaining unsold. BP1s trading firm to 5-30cts dearer. PF1 trading firm to 5-20cts dearer. PD's trading firm to 5-15cts dearer. D1's trading firm to 5-20cts dearer.
Demand – There was dominant support from Afghanistan & Pak Bazaar, while Pakistan Packers, Kazak, Sudan, Iran, Russia, Yemen and Egypt were more active. Somalia was active at the bottom end.
Weather EoR – Scattered showers across the country and planting districts. Temperatures dropped further and crop declining. Western Uganda experiencing less rain and reducing crops.

MALAWI
Auction – Good demand for 3,560 packages with 10% outlots. BP1's met strong demand at 7-8cts dearer rates. PF1Sc trading 10cts dearer. PF1 Seedling trading firm to 4-6cts dearer. PF's neglected. PDs trading firm to 6cts dearer. Offgrades trading steady to easier.
Demand – UK, RSA & EU.
Weather – Sunny during the day with temperatures around 23 degrees, with low temperatures during the night. Crop dwindling fast.

SRI LANKA
Auction – Good demand for the 6.78 m.kgs on offer. HG – Western BOP/BOPF trading 5-10cts easier. N. Eliya BOP trading 5cts easier, BOPF trading firm. Uva/Udapussellewa BOP/BOPF gained 5cts. LG – All LG teas trading firm to 5-20 cts dearer with Tippies/Specials trading 10-60cts dearer. Off Grades – Mostly trading steady to 5cts easier except Liq Fgs best and BOP1A trading firm to 5cts dearer. Dust – Trading steady to 5cts easier with Low Grown dust trading firm.
Demand – Improved demand from Syria, Iran and Hong Kong. Turkey and Russian packers very active. Pakistan slowing down and North America active. While demand from Libya was slowing down.
Weather – Improved weather condition across the island with more sunshine and less rains which will also impact quality positively.

INDONESIA
Auction – Less demand for 11,440 pkgs of which 4% remained unsold. Java orthodox trading mostly steady to 3-15cts easier with Sumatra orthodox following a similar pattern. CTC teas mainly trading steady to 10cts easier as well except Java BP1 trading firm to 10-14cts dearer.
Demand – Local, Malaysia, ME, CIS and US.
Weather – Java experienced bright and sunny mornings with heavy showers during the evening. From Sumatra light showers during the week have been reported, rainfall has reduced considerably. Crop intake is maintained.

BANGLADESH
Auction – Next sale has 35,055 packages on offer. The market generally traded firm to dearer with blenders very active and local tea buyers showing selective demand.

INDIA

Kolkata
Auction – Delayed till Thursday and stopped halfway due to technical issues. Good general demand with better liquoring types firm to 30 dearer. Bright Fngs up to 15 dearer. Others 8 to 12. About 75% sold
Orthodox met strong demand at dearer rates, especially tippy types.
Demand – Middle-East, CIS & EU active, HUL selective, TGBL operating and Western India active, but on the liquoring teas.
Weather – Conducive for growth. Hot & humid.

Guwahati
Auction – Market opened to fair demand, Better Assams barely steady, mediums irregular. Dust about steady.
Demand – TBGL and HUL active. Internals showing fair support.

Siliguri
Auction – no report received.

Coonoor/Coimbatore/Cochin
Auction – Auctions still ongoing on Friday due to late starts

All price movements quoted in US$ per kilo.