

Market Report - week 50 (13 December – 17 December 2021)

CTC

Last week's softer market sentiment continued in this week's **Mombasa** auction. Despite good general demand, the all average hammer price shed 5cts, closing at USD 2.39/kg. An increased 23% of the teas under hammer remained unsold versus last week (19%). EoR BP1s opened steady but continue to lose ground as the sale progressed, closing at 15cts easier. Kazakh buyers were clearly slower on these types. WoR BP1s also met less interest, with only a few buyers nibbling trading steady to easier with outlots. Medium BP1s traded irregularly steady to 10cts easier and also plainer types traded irregularly steady to easier. EoR PF1s continued the downwards trend and again traded up to 15-20cts easier. Bazar was slow with the large closing 01/2022 ahead of us. WoR PF1 traded steady to 20cts easier, a large global packer was the most active buyer in this segment. Medium PF1s traded irregularly steady to 5cts easier with quality types trading firm. Plainer types traded irregular, firm to dearer following quality. The M1 auction showed a 2 tier market, KTDA types eased while plantation and foreign teas gained. Both EoR & WoR PDs lost up to 20cts while medium PDs traded irregularly firm to 14cts dearer and plainer types traded irregularly firm to 10cts dearer. Current weather conditions are still normal, EoR reported rainfall over the high lands with increasing day temperatures. WoR also reported rainfall with generally sunny mornings and increasing temperatures. Crop WoR decreased slightly. Auction quantities continue to be high but well managed, especially taking into account that there won't be an auction in week 52. There is still a lot of tea around while demand is not as strong as the previous weeks. Bazar buyers were predominantly interested in plantation types, considering KTDA teas as high priced. Other buyers also don't seem to be as forceful as a few weeks ago. Buyers in **Malawi** are looking forward to the new season, which hasn't started yet. Old season teas met very slow demand in this week's Limbe auction, only 28% were sold. BP1s sold a cent dearer, PF1sc traded at sideways where sold, PF1 seedlings also traded sideways. PDs were neglected, D1s one out of 2 lots was sold at last week's levels. Offgrade fngs eased 1usc while offgrade dust was taken out. VRB led the buyer's list by taking 15% followed by Stan 8, Rfr 3, JF 2 & Chombe 1. All eyes are still pointed at the sky, the forecasted rains didn't arrive in Mulanje, only a few isolated light showers. Thyolo was hot with 41 degrees with some areas receiving nice rains up to 28mm. While crop intake remains low. There is still quite a bit of tea around in Malawi but also in the rest of Africa. In **Jakarta**, CTC teas met less demand, with most teas trading steady to firm. Only East Java PF1 gained up to 6cts, West D1 also traded firm to 4cts dearer. While East Java PD traded steady to 6cts easier, also East D1 eased up to 4 cts. In **Kolkata**, CTC teas met good demand. A few well-made types traded irregularly sideways, tending easier. Poorer leaf types traded easier with outlots. The **Guwahati** auction met good demand, better types trading firm to dearer while the remainder traded steady. The **Coonoor** auction met fair demand at steady to easier rates. The **Coimbatore** auction met good demand but most teas traded irregular and easier. In **Cochin**, CTC teas met good demand at dearer levels.

Orthodox

At the virtual auction room in **Colombo**, a total volume of 5.2m.kgs was came under the click this week which is a shortfall of 0.70m.kgs from the previous week. The demand for HG teas were driven by quality whilst mid & LG teas met with strong demand across all categories. The HG segment consisted of 0.70m.kgs. Select best BOP's eased following quality, whilst better western BOP's maintained. Plainer BOP's were firm to easier. Select best BOPF maintained and the better BOPF's were firm to easier. Plainer BOPF's maintained. Nuwara Eliya BOP/BOPF mostly didn't find any buyers, Udu Pussellawa BOP/BOPF's were dearer and Uva BOP/BOPF were firm to dearer. Medium grown teas, offering stood at 0.57m.kgs, a decrease of 0.14 m.kgs from last week, met with good demand and sold at mostly dearer levels. LG leafy teas, had 1.26m.kgs on offer. All OP1/ BOP1's met with strong demand and gained sharply. OP/OPA's too gained on last levels. PEK's gained across all categories, whilst better PEK1's maintained. Other PEK1's were marginally dearer. LG small leaf & premium teas consisted of 0.88m.kgs. Better FBOP's maintained, other FBOP gained. All categories of FBOPF1's and very tippy types gained on last levels. Off Grades, offerings stood at 1.25m.kgs this week. High grown liquoring FGS1 maintained. Low grown cleaner FGS were dearer, whilst other low grown FGS were marginally dearer. Better BM's maintained, others gained. All BOP1A's sold at mostly dearer levels. The dust catalogue had an offering of 0.55 m.kgs, which met with restricted demand, with most teas easing on last levels. On the weather front, all regions reported bright mornings and evening showers xcept for the Western high grown, Western, Uva, Udapussellawa and Low grown regions reported a decline in the crop intake, whilst the Nuwara Eliya region maintained. Weekly offering continues to dip. The 1st sale in January consists only 4.9 m.kgs, which is a 5-year low for the said sale. Sale no 2 will probably have a similar figure. Auctions 3, 4 & 5 may have quantities around the 6m.kgs mark which would be a result of no closures for the next 2 weeks. Thereafter, quantities would return to below 5m.kgs as we move into the drier period. In **Kolkata**, the market opened to good demand with 88% of teas on offer sold. Select few tippy teas sold at dearer levels, well-made whole leaf and brokens sold around last weeks levels. The remainder sold at lower levels, following quality. In the combined 3 auctions in the **South**, there was less demand, selling 66% of the teas on offer. Supply have dropped considerably, with the cyclones and wet weather prevailing. Winter is round the corner and we could see some lower volumes coming under the hammer. The quality is also deteriorating due to the wet conditions.

"A mind that is stretched by a new experience can never go back to its old dimensions" - Oliver Wendell Holmes



Auction qty. (pkgs)	week 51	week 52	week 1
Mombasa	183,555	No auction	191,560
Blantyre	4,980	No auction	N/A
Colombo	140,971	No auction	131,662
Jakarta	10,560	8,080	N/A
Kolkata	206,135	203,454	N/A
Guwahati	161,539	N/A	N/A

Crop figures (m. kg)	September '21	September '20	Jan-September '21	Jan-September '20
Kenya	43.1	43.4	386	419
	October '21	October '20	Jan-October '21	Jan-October '20
India	189	176	1145	1035
Malawi	2.93	2.13	45.4	38.5
Sri Lanka	24	24	259	225
	October '21	October '20	Jan-October '21	Jan-October '20
Malawi	1.4	1.1	46.8	39.9

All price movements quoted in USD per kilo

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