

Market Report - Week 28 (8 - 12 July 2024)

CTC

In **Mombasa** fair general demand prevailed for the 300k pkgs on offer versus 275k pkgs last week. The all average hammer price gained 5usc to USD 2.09 /kg hammer. Absorption however, was slightly reduced with 57% remaining unsold. Flavoury KTDA EoR BP1s met improved demand at dearer rates, especially Kazak buyers were forceful, with Pakistan packers & CIS providing useful support. KTDA WoR BP1s experienced the contrary, reduced demand at reserve prices. Medium BP1s met steady demand at firm to slightly dearer rates. While plainer types met improved demand at firm to dearer rates. KTDA EoR PF1 opened firm, traded dearer but lost steam towards the close. Pakistan packers were active followed by bazar & Afghan traders. KTDA WoR PF1s traded at reserve prices with a large amount being taken out, reprints and poor invoices were neglected. Medium PF1s met irregular demand but trading at firm to dearer rates while plainer types followed a similar trend. KTDA EoR PD/D1 traded slightly dearer, WoR PD/D1 remained firm, medium PD/D1 traded dearer and plainer types met improved demand at dearer rates. Weather conditions are normal for the time of the year, regular rainfall interspersed by sunny spells, both day and night temperature have increased last week while crop remained at season's level. On the supply side, abundant amounts of tea continue to circulate through the auction. Soon a M4 auction will be introduced, teas will be offered which have been reprinted 2 or more times. On the demand side, Pakistan is experiencing hot weather conditions while Europe is in the holiday mood. Nevertheless, shipments from Mombasa are slowing down, because shipping lines fetch better prices for containers from the far East, they leave the containers from East Africa in the port of origin or in a transshipment port. The **Limbe** auction met less and selective demand. BP1s traded steady, PF1 sc remained steady. PF1 seedlings, PF& PDs were neglected while D1s traded easier. Offgrade fngs traded steady. Only 39% of the teas on offer found a home during the auction. Weather conditions are seasonally normal with sunny and warm weather during the day followed by cool nights. Crop intake is seasonally declining. While the market overflowed with large quantities of low priced tea from Mombasa, the Malawi market remains at a low level. The CTC section in the **Kolkata** auction met good demand. Well-made Assam teas traded lower whilst mediums and Doars traded sideways. Larger brokers met improved demand. The **Guwahati** auction met good demand. Well-made Assams traded irregularly easier. Mediums eased up to 10cts.

Orthodox

Sale number 27 in **Colombo** recorded an auction offering of 5.58 Mn kgs, versus 5.01 Mn kgs on offer in last week's sale. There was less demand experienced throughout the auction. Better BOPs were firm, while bottom types eased by USC 10-15. Best BOPFs declined by USC 10 and bottoms eased by USC 4-8. Nuwara Eliya BOPs were not on offer and BOPFs were unsold. Uva BOP/BOPFs maintained last week's levels. Moreover, better OP1s were lower by USC 15, while others declined by USC 10. BOP1s remained firm. Better FBOPs were firm, while the bottom-end teas maintained their prices. Better FF1s were firm, with others shedding USC 10. Better OP/OPAs declined by USC 10-15, while others were irregularly easier by USC 10-20. Furthermore, OP1s were lower by USC 10. Select best BOP1s remained firm, while others eased by USC 10. Better OP/OPAs were firm, while others eased by USC 5-10. Better PEK1s gained by USC 20-30, while others moved up by USC 20. PEKs increased in price by USC 10-20. Additionally, select best FBOPs remained firm, while others eased by USC 5-10. FF1s were firm, with FFs gaining USC 20. BOP/BOPFs remained firm, and the premiums were also firm. Also, better FGS1s remained firm, while others shed USC 6-12. Better FNGs were firm, with others gaining USC 4-8. BMs were steady to lower by USC 3-6. Best BPs were lower by USC 10-15, while others gained USC 10. Better BOP1As eased by USC 10, while others remained firm. Lastly, better high-grown dusts remained firm, while others shed USC 2-10. Secondary dusts maintained their prices. Low-grown dusts gained USC 4-8. Dull weather was reported across all planting districts, with intermittent afternoon showers in the Western, Uva, and Udupussellawa regions. The Western, Nuwara Eliya, Uva, and Udupussellawa regions experienced an increase in crop intake, while the Low Grown region showed a decline. As anticipated, the offerings have marginally increased. Tea brokers expect a similar volume of tea this week. The weather forecast at the beginning of the week predicted considerable rain on the eastern slopes. If these rains materialize, it could adversely affect the production of Uva seasonal teas in the short-term. In recent years, estates in the Uva region have struggled to produce seasonal teas due to erratic weather patterns. In **Assam**, extreme weather conditions have been reported, ranging from excessive heat in May to ongoing flooding with excessive rainfall expected to continue in the next days. India experienced a 30% drop in tea production in May, marking it as the lowest production month in a decade. Furthermore, excessive rainfall could hinder transport due to impassable roads. Similarly, Sri Lanka also experienced lower-than-usual production in May and June. Recent rainfall suggests healthy August offerings. However, escalating estate worker protests could impact output. Given the current crop situations in India and Sri Lanka, we anticipate a robust market in the mid-term. **Jakarta** experienced strong demand for 6,380 packages on offer, with 1% remaining unsold. Most Orthodox Java/Sumatra were selling at firm to dearer levels. PTPN West Java teas will not be available in next week's sale. Daily moderate to heavy rainfall has been experienced across West, Central, and East Java and hot, sunny weather with light and irregular rainfall has been reported in North, West, and South Sumatra.

"For winners, losing inspires them. For losers, losing defeats them." - Robert T. Kiyosaki



Auction qty. (pkgs)	Week 29	Week 30	Week 31
Mombasa	296,403	285,301	N/A
Blantyre	5,280	5,340	N/A
Colombo	145,949	156,632	N/A
Jakarta	6,200	4,440	N/A
Kolkata	108,005	119,031	N/A
Guwahati	156,981	143,505	N/A

Crop figures (m. kg)	March'24	March '23	Jan-March '24	Jan-March '23
Kenya	54	30	168	118
	Apr '24	Apr '23	Jan-Apr '24	Jan-Apr '23
India	75	82	173	191
Sri Lanka	21	25	80	85
	June '24	June '23	Jan-June '24	Jan-June '23
Malawi	2.2	1.6	33	31

All price movements quoted in USD per kilo

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