

## **TEA MARKET REPORT**

**Week Ending**

**23<sup>rd</sup> April 2017**

The first offerings of new season teas in North India met with an excellent level of demand. While the bulk of the new crop were mainly Dooars CTCs which were readily absorbed, the few Assams on offer also had a good run. In South India some most welcome though scattered showers have resulted in a slight increase in crop intakes which has immediately resulted in an expectedly weakening of the market leading to a general steady to easier trend, especially for the CTCs. No such change in the market in Colombo which continues to remain firm to dearer with only BOP1s and bolder Pekoes tending somewhat easier. Jakarta, while experiencing a lively sale, tended irregular with prices going both ways. Vietnam, at the receiving end of some unfriendly weather brought on by cold nights, is all geared up for the new season with factories awaiting the new season harvest with teas expected to flow into the supply chain by early May.

Kenya having received some useful rainfall is faced with the question that has the precipitation been enough to compensate for the prolonged drought which has preceded the rain. For the present with the rains continuing crop intakes are on the rise. On the market front, with most buyers fully active, the trend was generally firm to dearer with a lower percentage of tea remaining unsold. Malawi, on account of the Easter break, was a no sale week so that next week's offerings would be that much more. In the field, with pruning operations continuing, the season is slowly coming to and end.

For the present, the demand/supply equation is delicately and very nicely balanced out with only Colombo proving to be the joker in the pack, constantly on an upward trajectory and simply cocking a snook against established economic norms. At this point of time with China, Vietnam and North India marching into the market place, it would be interesting to see how that effects the global market. Exciting times ahead.

### **Argentina**

No change in the happy, well balanced conditions prevailing.

### **India – North**

Amongst the 24K+ packages of CTC Leaf, the small weight of good liquoring and well-made Assams sold well in line with quality. Dooars invoices which showed a decline in quality were irregularly easier while the brighter liquoring and clean invoices were around last levels. The small offering of 2.6K+ packages of CTC Dust saw the nominal weight of new season Assams selling fairly well in line with quality. Dooars tended barely steady. Other Dooars were irregular around last levels. While the domestic segments operated on the new season Assams and Dooars with interest on the brighter liquoring descriptions, the major blenders operated on the plainer categories. Additionally there was some interest from export accounts on plainer Dooars Fannings.

Within the tiny offering of 3.9K packages of Orthodox, the small weight of new season teas met with good demand at irregular levels following quality. There was some interest from the Continent on select premium varieties with the remainder being absorbed by other exporters.

Continuing favourable weather conditions auger well for the ongoing First Flush. Crop intakes are healthy and on par.



### **India – South**

With crop intake on the rise, demand for the CTC Leaf has become somewhat selective. While the best and good liquoring teas tended irregular and followed a southerly trajectory, the medium and plainer varieties were generally lower by ₹4/6. CTC Dusts met with fair though selective demand. As in the Leaf sale, while the best tended lower, the medium and plainer sorts were easier by ₹3/6. With the major blenders continuing to be active, well supported by the regional packeteers, the exporters were selective.

The Orthodox sale went the other way meeting with strong demand so that all sorts, including the OR Dusts, tended dearer following quality.

Since my last report, a fortnight ago, the weather has taken a turn for the better with some very useful, though scattered, rainfall. Bushes are looking much healthier and flushing vigorously. Which lands the producers to another major headache, a severe shortage of workers to pluck the leaf off the bushes.

### **Indonesia**

There was fair demand at irregular levels for the 11.74K packages on offer. Amongst the Java Orthodox, while the better lots of BOP/BOPF appreciated as much as USC17, mediums shed USC10 or so. PFs fluctuated up and down between a narrow band of USC5 up and down. Dusts weakened by USC5/10. Java CTC were generally firm to marginally easier. Sumatra's, barring the PFs which were somewhat firm, saw all grades strengthening by USC5-16. Dusts went the other way, shedding USC2/8 below last.

Java reported bright and sunny mornings with the occasional shower in most of the planting districts. Sumatra reported cloudy and moderate rainfall over the region.

### **Kenya**

The market met with good general demand for the 8.4+ KMT on offer with prices closely following quality. 11.80% of the offerings remained unsold. Amongst the BP1s, the brighter varieties appreciated as much as USC18 with mediums following suit. Lesser and plainer teas of the grade tended barely steady leaning towards USC6 below previous levels. PF1s had a better run with all sorts, barring the very plain lines which were a weak feature, seeing improved demand and tending dearer as much as USC20. PDs, while more irregular than other grades, saw much the same trend. Dusts, on the other hand, tended generally dearer with even the plainer varieties tending firm to USC10 dearer. In the Secondary Catalogue the BPs held value while PFs were steady. Clean well sorted Fannings and Dusts tended dearer.

Yemen, other Middle Eastern countries and Pakistan lent useful support with increased activity from Afghanistan and Iran. While Sudan, Russia and the CIS maintained interest, UK was less active. Egypt operated selectively at lower levels while Somalia continued to be active at the lower end of the market.

Areas west of the Rift reported generally warm weather with clear skies with very little precipitation being recorded. Areas to the east of the Rift had a little more rainfall. Crop intakes are reported to be improving.



**Malawi**

No sale. Hence no report.

**Sri Lanka**

There was fair general demand at slightly easier rates for the 6.0 KMT on offer. Best Western BOPs declined Rs20 while the below best were Rs10-20 dearer. The other sorts, while irregular, tended generally firm. Amongst the BOPFs, those where quality was maintained were firm and Rs10-20 dearer while others tended firm to recording a decline of Rs10. The Low Grown were generally irregularly dearer.

The market saw good demand from shippers to Turkey, Dubai, Iraq, Syria, Kuwait, CIS and Saudi Arabia.

Barring some of the Low Grown areas which reported the occasional shower, generally across the Island conditions have been bright and dry. Crop intakes are on the up.

