

TEA MARKET REPORT

Week Ending
07th May 2017

With the new season First Flush and Banjhi spell teas on offer, North India saw a generally steady to easier sale. With healthy crop outturns being maintained, the trend for now is fair to good demand, though at generally easier rates. In the normal course of events, with improved quality pre-second flush teas likely to be entering the supply chain very shortly, it may be logically expected that the market would also see an upward swing. South India, in the midst of almost optimum conditions, with useful rains, warm days and cool nights is facing problems of plenty. A shortage of workers to pluck the leaf is adding up to a still further drop in quality. For the present, the markets met fair to good demand, at mostly easier rates. Barring the better High Growns, Colombo saw a firm to dearer market. That origin continues to baffle since, regardless of the continual rise in prices, especially for the Low Growns, demand shows no signs of flagging. Jakarta, on the back of a substantial increase in volume, and despite an improvement in quality, came up against an easier market. Warmer weather in Vietnam portends well for the main season which is now just around the corner. In the interim, prices remain high.

Mombasa opened with a lower level of activity with momentum picking up as the sale progressed. With the market opening steady to easier, some lines firmed towards the close. Increased rains across Kenya should result in crop intakes continuing to rise so that at least part of the to date shortfall of 49.5 KMT should get made up. Weekly offerings in Malawi, despite the off season and pruning operations underway, are continuing to be healthy. The weather continues to be tea-friendly, a welcome change following last year's drought.

With one third of the year behind us, it is for now 'all systems go'

Argentina

No report.

India – North

The 37K+ packages of CTC Leaf saw a general decline in levels. While the best and good liquoring Assams met with fair demand and sold barely steady, the remainder tended irregularly easier. Teas which showed a seasonal decline in quality met with limited interest with several invoices being withdrawn. Liquoring and clean, well-made Dooars were barely steady while the others were irregularly easier. Likewise, the 10K+ packages of CTC Dust also met with a subdued market so that while brighter liquoring teas met with limited interest, selling irregularly easier, demand for others was very restricted with large weights withdrawn due to want of bids. The domestic segments were the mainstay of the markets with only select interest on good liquoring teas while the blenders showed some interest on good liquoring teas in both sales. There was limited export enquiry on select larger Broken.

On the other hand, the 21K+ packages of Orthodox met with good demand. While well styled Whole Leaf sold in line with quality, the plainer W/L was at firm levels. Broken were barely steady, with Fannings being a firm market. Exporters being the mainstay, there was heightened interest from the Continent on select W/L and some Fannings.



With sporadic showers continuing over almost all planting districts and with crop intakes being maintained, conditions are looking good for the Second Flush.

India – South

A slight improvement from the previous week, with the market seeing a better level of demand. While the best and cleaner medium varieties sold around last levels, tending dearer with quality the lesser teas went the other way tending lower by ₹3/5. The Dust sale was a carry on from the previous with the best and good liquoring varieties easier by ₹4/7 while the plainer teas were generally lower by ₹2/4. Exporters were active while all the other sections were selective.

In the Orthodox section, there was generally good demand. While well made teas sold firm, the remainder tended lower with quality. Amongst the OR Dusts, primary BOPDs were lower while the secondaries were irregular around last with a few lines easing.

Parts of South India have received some very useful rainfall which portends the onset of the SW monsoon. Other areas, however, still await the rains. Areas which have received the rainfall are struggling with the volume of leaf, while the others are waiting for the flush. Conditions as strange as they could possibly be.

Indonesia

A lower level of demand at irregular rates following quality. All grades of Java Orthodox recorded a drop varying between USC5/9. CTC BP1s from the region held fully firm while PF1/PD gained by USC2/5. The better Dusts shed as much as USC15. Amongst the Sumatra's, better lines of Broken's appreciated by USC3/5 while mediums were marginally the other way. PFs tended firm to marginally easier.

Java has reported bright, warm and sunny mornings followed by thunderstorms, strong winds and heavy showers. Sumatra remained partly cloudy with moderate rainfall being reported.

Kenya

There was good but irregular demand for the 8.61KMT up for sale. 11.20% of the offerings were neglected. While the best BP1s tended firm with brighter varieties irregular, mediums saw irregular interest fluctuating between firm to USC14 dearer to easier by similar margins. Poorer teas of the grade eased with quality, losing value. PF1s went much the same way with prices all over the place with all varieties swinging both ways. PDs had a somewhat better run in the market with brighter types gaining as much as USC9. Dusts came up against similar buying interest with no real discernible pattern. Amongst the secondaries there was much more stability so that BPs were firm while PFs appreciated. Well sorted coloury Fannings and Dusts were all steady and were readily absorbed.

Yemen and other Middle Eastern countries provided useful support with good activity from UK and Iran. Afghanistan and Egypt operated with good interest at lower levels. Pakistan, Russia, the CIS states and Sudan did not flag in their activity. Somalia was, as usual, busy at the lower end of the market.

Areas west of the Rift reported relatively warmer conditions during the day followed by cloudy and wet afternoons. To the east of the Rift heavier precipitation was recorded. Crop intakes are being maintained.



Malawi

There was improved demand at generally firm to dearer rates following quality for the 6.1K packages on offer. BP1s were firm with the few available lines of PF1 and PDs tended firm to marginally easier. D1 and secondary PF1s met improved demand at firm to USC8. Other secondary teas continued firm on last.

Partly cloudy with light rainfall during the day but cold nights and fog in the early mornings. Conditions under which crops are on a decline.

Sri Lanka

Fair demand at somewhat easier rates for the 6.5 KMT on offer. BOPs across the board shed Rs20 and more. Amongst the BOPFs, barring the Nuwara Eliyas which went northward, all other categories eased by as much as Rs40. No change in the Low Grown which continued to be firm to dearer. The market was kept active with good demand from shippers to CIS, Turkey, Dubai, Iraq, Libya, Kuwait and Saudi Arabia.

Almost across the Island the reports were of bright and dry weather with some scattered showers. Nuwara Eliya region experienced cold and misty nights. In the Low Grown, there was bright weather beginning of the week with showers during the latter part. Crop intakes showed a marginal decrease.

