

## **TEA MARKET REPORT**

**Week Ending**  
**12<sup>th</sup> March 2017**

Into the last lap of the off season in North India, Assam is receiving useful showers which portend well for the First Flush. Darjeeling on the other hand continues to be very dry, however with the forecast for the next couple of weeks predicting a change in these conditions, it is possible that the grim picture thus far may well see some improvement. After a prolonged dry spell, the weather in South India is changing as well so that, with regular rains in most tea growing areas, the crop situation should see an upswing. Colombo saw no change in direction with the bulk of the offerings all heading northward with all signs pointing to the possibility that the trend may well continue. Jakarta was rather irregular with only the CTCs tending firm to dearer. While the spring season in Vietnam is around the corner, it is likely that the rather warm winter may have adversely effected the quality of the Spring teas. An answer to that question should be just around the corner now.

Mombasa had an indifferent week with only the bottom end teas trading clearly firm to dearer. This despite the fact that the published January crop figure, the lowest for the month since 2009, should have had the market swing the other way. The weather conditions though, with precipitation in tea areas increasing, are beginning to show signs of improvement. The Malawi auction wasn't as much of a seller's market as it has been over the past couple of weeks. The weather conditions here having been favourable, an upswing in auction quantities is on the cards.

With generally favourable weather conditions being reported from various origins, an improvement in the short term, on the supply side may well be expected. Whether or not this would balance out the buoyant demand one has been witnessing all this while, remains a debatable point.

### **Argentina**

Business as usual. Nothing untoward or overly exciting to report.

### **India – North**

The CTC Leaf sale had a fairly decent offering of 89K+ packages which, as before, met with good demand. This despite the fact that all the teas on offer, including the Assams and the Dooars, were irregular and tended easier closely following quality. The 20K+ packages of CTC Dust came up against better demand than the Leaf category though here too the Assams and small weight of Dooars sold at irregularly easier levels in line with quality. Between the two, the major blenders operated across all categories while the exporters concentrated primarily on larger Broken. Regional packeteers were active on the medium and plainer teas.

There was no sale of Orthodox or Darjeeling teas.

With Assam receiving good and regular rainfall, the First Flush should be in full swing shortly. On the other hand, Darjeeling continues to face dry conditions which would likely impact the First Flush in the district.

### **India – South**

Following on from weeks of a buoyant market, this week too there was strong demand. While the best were irregular and, once again, somewhat lower with quality, the good and medium types, especially



the blacker Fannings, were generally firm to dearer. Plainer sorts also followed a similar trend except the browner teas which tended to sell at lower levels. Likewise the Dusts also came up against similarly strong demand, though of a different kind since in this segment it was the best which tended generally firm to dearer while the medium and plainer teas were easier by ₹2/3. The market was well supported by the regional packeteers with fair support from the major blenders and exporters. The rest of the domestic buyers were selective.

A good market for the Orthodox as well with well made Whole Leaf, Broken and Fannings tending dearer while the stalkier types went the other way. Amongst the OR Dusts, last week's high priced BOPDs saw some withdrawals while the remainder was lower. Secondaries, across the board, were all firm to dearer.

With some continuing scattered showers bringing on an element of cheer, a lot more of the same would be required to have the estates start 'producing' again. Moot point as to whether that will happen because all one sees are thick and heavily laden clouds 'full of sound and fury, signifying nothing'. Wanted to be the first to say this but had Mr Shakespeare beat me to it.

#### **Indonesia**

Good demand for the 14K+ packages on offer. Java Orthodox Broken tended firm to marginally easier while PFs went the other way, appreciating USC10 or so. Dusts did even better moving up as much as USC15. Java CTCs across the board appreciated by varying degrees. All the Sumatra offerings recorded a northward trend with Fannings registering the maximum gains of around USC8 over last.

Regular rainfall over Java saw no let up. Following on from the reports from Java, Sumatra too is reporting heavy downpours leading to reports of flooding and landslides over the region.

#### **Kenya**

There was good demand for the 6.8+ KMT on offer. Prices tended irregular, leaving 10.45% of the offerings unsold. Amongst the BP1s all the better lines headed south, shedding as much as USC26, while the lesser categories and plainer descriptions were well absorbed, seeing gains of up to USC22. PF1s had a somewhat better run so that while the better lines eased, the drop was not as sharp with some lines shedding around USC16. Lower mediums and plainer sorts met with better interest, ranging between USC6 to USC12 dearer to easier by a similar margin.

Pakistan, Afghanistan and Egypt were more supportive while Yemen and other Middle Eastern countries were operating, though at lower levels. Russia, the CIS nations and Sudan were also active. UK and Iran were somewhat quiet. Somalia continued with its usual level of activity at the lower end of the market.

Areas west of the Rift reported warm sunny mornings followed by cloudy and fairly widespread precipitation in the afternoons. Towards the east of the Rift the rainfall was less. Consequently while Crop intakes continue to be low, there are definite signs of improvement on the horizon.

#### **Malawi**

Good demand at irregular rates for the 5.5K+ packages on offer. Off take was marginally higher than previous weeks. BP1 were steady while PF1 were well supported at firm to dearer rates. While PFs



saw good competition, tending firm to dearer, the few available PDs were taken out due to unremunerative bids. Secondaries saw an irregular level of demand in line with quality.

Mostly cloudy with some good level of precipitation being reported. Crop intakes remain healthy.

#### **Sri Lanka**

No change in the trend of this market with the 5.0 M.Kgs on offer once again seeing good demand. Amongst the BOPs, while the Nuwara Eliyas tended firm to dearer by Rs.10/20, others of the grade were mostly firm to somewhat easier. BOPFs selected invoices gained while others were irregular following quality with teas of the grade in the below best and plainer categories gaining Rs10/20 and more. The Low Grown, as is the usual norm, appreciated.

There was good demand from shippers to CIS, Turkey, Saudi Arabia, Iraq, Kuwait and Dubai.

The western and HG areas reported bright weather conditions in the early part of the week with evening showers during the latter part of the week. The Low Grown recorded some good showers. For now, while continuing to be at a low level, crop intakes are being maintained.

