

TEA MARKET REPORT

Week Ending
02nd April 2017

The sale in North India was confined to Guwahati and Siliguri (Dooars) where the few new season CTC teas were well received and met with keen competition. How the market will mature is to be seen once the initial trickle comes into full flow in the next couple of weeks. The south, which is back in the midst of a dry spell, saw good demand for the Orthodox and Dusts while the rest tended irregular. No let up in Colombo where the demand, especially for the Low Grown, shows no signs of abating. All signs for now appear to indicate that, regardless of crop increasing in the next couple of months as it must, demand will simply keep pace. Indonesia has been at the receiving end of some extreme weather and has reported high temperatures, heavy rainfall and some damaging hail. The market however is strong with bulk of the offerings selling at attractive levels.

Mombasa had an irregular run with prices all over the place though most teas sold readily with less than 10% remaining unsold. Malawi has been at the receiving end of some very useful rainfall which, while it is likely to have a positive impact on the crop, may at the same time adversely effect the quality. Reports from other central African origins is on the positive side with production figures from Mozambique, Zimbabwe and Tanzania all making interesting reading.

For now, on a global scale, with North India, China and Vietnam waiting in the wings to enter the arena, there appears to be plenty of tea available to service the equally strong demand which, for now, shows no signs of flagging. Generally happiness all around!

Argentina

No change in the happy, well balanced conditions prevailing.

India – North

The off season having finally caught up with North India, this week saw no auction in Kolkata. Guwahati and Siliguri, however, saw a trickle of new season teas which were well received and met with some good competition. Portends well for the large volumes which would shortly be coming into the supply chain.

VERY heavy rainfall has been reported from the Assam valley. While always welcome, how the excessive precipitation would affect the quality of the First Flush remains a tossup.

India – South

Another week of good demand for the CTC Leaf, with the good liquoring varieties tending somewhat dearer. The mediums followed a similar trend with the smaller grades appreciating ₹2 or more. The plainer sorts went the other way and were lower by as much while also seeing fair withdrawals. Dusts also saw good demand following a similar trend though in this catalogue the plainer teas tended to be generally steady. With the major packeteers and exporters being somewhat selective, this was offset by fair demand from the domestic trade.

The Orthodox sale too saw good demand with levels being dearer for all categories. Primary BOPDs were in line with their last levels while the secondaries tended steady to occasionally dearer.



Dry and bright, though accompanied by strong winds. Crop intakes having risen, for the same to be sustained more rainfall would be required, however, there is no signs of that around the corner. For now an 'almost heat wave' is very likely to have a serious impact on the crop going forward.

Indonesia

The 14.62K+ packages on offer met fair demand following quality. Most of the Java Orthodox, barring the PFs which recorded some gains, were firm to USC8 easier. Dusts weakened by USC4/8. Amongst the CTCs the PF1s and D2s appreciated considerably by as much as USC15. Sumatra CTCs saw a somewhat similar trend with the PFs and Dusts tending firm to dearer, while other grades were discounted by USC3/5.

Java has reported very hot conditions mixed with heavy rains accompanied by some hail in some parts of Jakarta. Sumatra has been a mix of sunny days with some afternoon rains.

Kenya

A good level of demand continued for the 6.96+ KMT up for sale. 8.64% of the offerings remained unsold. Amongst the BP1s, while brighter types were irregular, the general trend was easier, the plainer varieties which also came up against irregular enquiry, saw a generally upward trend with some line appreciating as much as USC24. PF1s too met with irregular demand though here, the best held value while lower mediums shed up to USC21. Plainer sorts were well competed for. In a similar vein, Dusts and PDs went much the same way with some lines tending as much as USC30 dearer, while others eased by as much. In the Secondary catalogue BPs appreciated while PFs were steady. Clean well sorted coloury Fannings gained while similar Dusts were dearer.

Pakistan while active operated at lower levels, well supported by Yemen, other Middle Eastern countries, Egypt, Sudan, the CIS and Iran. UK along with Russia maintained the usual level of interest while Afghanistan was restrained. Somalia continued with its usual level of activity at the lower end of the market.

Areas west of the Rift reported warm sunny conditions with most areas also receiving some light precipitation. Some areas, however, recorded a heavy deluge. East of the Rift across the area, the rainfall was more evenly spread. Crop intakes continue to be low.

Malawi

Strong demand, at dearer rates were seen for the 5.06K packages on offer. While the BP1s on offer eased marginally, PF1s were firm to USC20 up on last with the bright and coloury PFs seeing strong competition. The few available coloury PDs and secondary teas were firm on last.

Cloudy and overcast with some daily rainfall being reported. With low temperatures being recorded in many areas, crop intakes have been on a decline.

Sri Lanka

The market saw fair demand for the 5.9+ KMT on offer. While the better Western BOPs saw a declining trend, plainer sorts tended Rs10/20 dearer. Nuwara Eliyas were firm. Amongst the BOPFs too the better lines went south while HGs, especially the Nuwara Eliyas appreciated as much as Rs50 and even more. No change in the persisting trend in the Low Grows, which were once again dearer. The market saw good activity and good demand from shippers to Iraq, CIS, Turkey, Saudi Arabia, Dubai, Libya and Kuwait.



Generally bright weather though some high grown marks around Nuwara Eliya reported humid conditions and late in the season frost. The Low Grown reported dry conditions throughout the week. Crop intakes while low, are reported as showing a moderate increase.

