



LANKA COMMODITY BROKERS LTD TEA MARKET REPORT

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SALE NO.12 OF 07TH/08TH APRIL, 2020

C O M M E N T S

Sale #12 which was originally scheduled for March 24 and 25, 2020 was postponed in view of the curfew imposed to contain the spread of the deadly COVID-19. The sale was not safe to be conducted in the traditional form of an out-cry system of bidding at the weekly Tea Auctions that take place at the Ceylon Chamber of Commerce. The only other alternative appeared to be for the auction to take place on an Electronic Platform, and, for the first time in the history of the Colombo Tea Auctions which goes back to 1883, the already delayed Sale # 12 took place on an electronic bidding system on April 4th to 8th. Brokers conducted the on-line auctions from their respective offices, whilst buyers too operated from their own offices following these temporary measures taken by the Colombo Tea Traders' Association.

This week's sale comprised of a total quantity of 4.5 m/kgs; down by over 0.5 m/kgs over the previously conducted auction. Low Grown Leafy/Tippy/Premium Flowery Grades comprised of 1.6 m/kgs, whilst Main Sale High & Medium category teas totaled approximately 0.6 m/kgs. Teas on offer in the Ex Estate catalogue amounted to almost 722,852 kgs. Meanwhile, the Monthly National Averages for March appear elsewhere in this report for your urgent attention.

The first catalogue to be concluded was the Ex Estate sale and there was robust demand from a cross section of markets which resulted in prices gaining sharply. One reason for the stronger demand would have been the lack of a sale for over two weeks whilst another would have been the recent rapid de-valuation of the SLR against the USD. Japan, Hong Kong and some selected Far Eastern markets were active. There was also better demand from Russia for a wider selection of teas suitable for the "Tea Bag" segment.

In keeping with the market trend, all Low Grown teas too met with strong demand. Leafy BOP1's and OP1's as well as the best OP's/OPA's appreciated substantially, often by up to Rs. 100/- per kg whilst others gained to a lesser extent. Pekoes/Pekoe1 grades also saw sharp price increases. Select best FBOP's/FBOPF1's saw improved demand and appreciated up to Rs. 100/- per kg. Very Tippy Teas continued to attract useful demand resulting in stronger prices.

Off Grade and Dust category teas also met with very strong demand and consequently saw teas selling substantially over Broker's valuations. "Tea Bag" sector was active for most liquoring Off Grade FGS/FGS1/PF grades whilst blenders showed interest in a cross section of teas. As expected, the Bazaar buyers were very active for the primary D1 and PD grades amidst a fair degree of competition from the Exporters.

In Lighter Vein

An Old Canadian in Paris

An elderly Canadian gentleman of 83 arrived in Paris by plane.

At the French customs desk, the man took a few minutes to locate his passport in his carry-on bag.

"You have been to France before, monsieur?" the customs officer asked, sarcastically. The elderly gentleman admitted he had been to France previously.

"Then you should know enough to have your passport ready."

The Canadian said, "The last time I was here, I didn't have to show it."

"Impossible, Canadians always have to show your passports on arrival in France!"

The Canadian senior gave the Frenchman a long hard look, then he quietly explained, "Well, when I came ashore at Juno Beach on D Day in 1944 to help liberate this country, I couldn't find a single Frenchmen to show it to."

MONTHLY AVERAGE - MARCH, 2020

Elevation	Orthodox		CTC		Orth. & CTC Combined	
	Month	To-date	Month	To-date	Month	To-date
Uva High	523.98	499.92	304.41	325.54	522.09	499.23
Western High	591.95	585.24	530.12	536.99	585.88	580.62
Uva Medium	565.72	534.89	-	-	565.72	534.89
Western Medium	528.47	520.71	509.30	488.82	523.37	512.31
Low Grown	647.07	647.46	427.26	442.72	626.77	629.21
TOTAL	613.04	611.92	468.02	469.86	597.70	597.24

8th April 2020

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