



LANKA COMMODITY BROKERS LTD
TEA MARKET REPORT

P.O.Box.2077, Colombo, No: 780, Maradana Road, Colombo 10, Sri Lanka.
 Tel:94 11 5222300 Fax: 94 11 5377090 E-mail: lobl@lobl-sl.com Website: www.lobl-sl.com



SALE NO.21 OF 01ST/02ND JUNE, 2020

COMMENTS

The National Tea Sale Averages for May, 2020 have now been released and appear elsewhere in this report. A combined total average of Rs.702.69 (Orth. & CTC) has been achieved for May, 2020 which is a noticeable improvement of Rs.162.75 over the average of Rs.539.94 recorded during the corresponding month of 2019. The volume of 17.4 m/kgs sold during May 2020 however, is much lower than the figure of 24.6 m/kgs sold in May, 2019. When analyzing the *yt*d position of the current year, the weight of 97.4 m/kgs shows a massive drop of 28.1 m/kgs on the previous year's comparative figure of 125.5 m/kgs.

Increased crop intakes continue to be reported from across all estates but with it all estate managers will need to fully focus on a reasonable standard of green leaf being accepted for manufacture, as past experience will remind us of the dire consequences of compromising on the standard of the raw material.

Sale #21 concluded this week was held on June 1 & 2 (Mon & Tue) on account of the upcoming Poson Holiday on June 5, 2020 and, the Government's declaration of June 4 as an "All Island Curfew" to contain the spread of the deadly COVID-19 Virus. The total quantity on offer was 6.0 m/kgs and was an improvement of 0.7 m/kgs over the previous auction. Low Grown Leafy/Tippy/Premium Flowery Grades comprised of 2.7 m/kgs, whilst Main Sale High & Medium category teas totaled 0.8 m/kgs. Teas on offer in the Ex Estate catalogue amounted to 956,765 kgs.

Ex Estate market was significantly lower to last week. High Grown BOP/BOPF in the best category eased Rs.50/- to 70/- whilst below best sorts eased Rs.30/- to 40/- per kg. Uva/Uda Pussellawa BOP's declined Rs. 20/- and more while their BOPF counterparts declined a further Rs.10/- to 20/- per kg. High and Medium CTC PF1's saw price drops of Rs.20/- to 40/- but Low Grown sorts were lower up to Rs.100/-. There was more selective buying interest from China and Hong Kong whilst other markets followed quality more closely. CTC PF1's continued to attract good interest from buyers for Russia operating for the "Tea Bag" segment although prices were much lower.

Low Grown teas met with fair demand with a little more interest seen from the Middle East, although at lower levels. Well-made leafy BOP1's/OP1's were mostly easier, whilst OP/OPA's too saw prices which were Rs.20/- to 30/- easier. Pekoe descriptions were irregular and mostly lower. Select best FBOP/FBOPF1's were a little easier, but cleaner below best teas were firm. Select tippy parcels too were fully firm. Bottom level teas generally saw easier prices, and this trend is likely to continue when auction quantities increase in the next several weeks.

This week's auction comprised of **10,419** lots with a total quantity of **6,080,200** kgs.

The catalogue-wise breakdown was as follows:-

	<u>Lot</u>	<u>Qty. (Kgs)</u>
Low Grown Leafy	3,559	1,688,298
Low Grown Tippy	1,867	1,004,245
High & Medium	1,518	803,007
Off Grade/BOP1A	2,004	1,134,874
Dust	444	451,296
Premium Flowery	220	41,715
Ex-Estate	<u>807</u>	<u>956,765</u>
Total	<u>10,419</u>	<u>6,080,200</u>

In Lighter Vein

I'm Her Brother

At a girl's college dormitory, dates were permitted only on Saturday night. One young man showed up on a Tuesday evening, explaining to an older woman in the lobby of the dorm that it was imperative he see a certain young lady immediately.

"I want to surprise her. You see, I'm her brother."

"Oh, she'll be surprised all right," said the woman.

"But think of how surprised I am,

I'm her mother!"

LOW GROWNS – LEAFY

BOP1 : Select best teas declined substantially; balance were barely steady. Teas at the lower end tended irregular.

OP1 : Few select best invoices were maintained; balance declined substantially. Stalky teas held firm.

OP : Teas in the best category firm to irregularly dearer by Rs.10-20/- per kg; balance was lower by Rs.20/- per kg. Teas at the lower end too declined.

OPA : Few selected invoices were advanced by Rs.20-30/- per kg; balance was irregularly lower by Rs.10-15/- per kg. Poorer sorts were declined Rs.20-30/- per kg.

PEK/PEK1: Well made shotty invoices were barely steady; balance was maintained. Few best bold Pekoes held firm; balance was declined Rs.20-30/- and at times more. Teas at the lower end declined substantially.

Quotations (Rs./Kg)

	Best		Below Best		Others	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
BOP1	850-1000	900-1400	720-760	740-780	575-625	580-640
OP1	900-1300	1100-1700	780-820	820-880	425-500	450-550
OP	750-800	720-780	600-650	620-670	420-470	450-500
OPA	730-800	720-780	600-650	620-670	400-450	450-500
PEK/PEK1	780-900	800-950	700-750	720-760	500-540	520-580

TIPPY/SMALL LEAF

BOP/BOPSP : Select Best and best were firm, however cleaner below best and the cleaner teas at the lower end maintained; balance were lower.

BOPF/BOPFSP : Select best and best were lower; best too followed a similar trend. Balance were firm on last.

FBOP/FBOP1 : Select Best and best FBOP's were firm. Few cleaner below best and cleaner teas at the lower end maintained. Others were easier following quality. **FBOP1**'s in general were easier.

FBOPF/FBOPF1: Very tippy teas continue to attract good demand. Best and below best were firm to dearer, cleaner teas at the lower end declined; others firm on last. Select best and best FF1's were easier. However, cleaner below best and cleaner teas at the lower end were firm to dearer. Balance was irregular following quality.

FBOPFSP/EXSP : Select best invoices continued to attract good demand. Best and below best teas too were firm.

Quotations (Rs./Kg)

	Best		Below Best		Others	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
BOP/BOPSP	850-960	850-920	650-750	700-800	550-600	600-650
BOPF /BOPFSP	650-760	700-860	600-650	650-750	500-600	550-600
FBOP/FBOP1	900-1120	900-1250	700-750	750-800	650-700	700-750
FBOPF/FBOPF1	950-1350	980-1140	800-900	850-950	650-700	700-750
FBOPFSP/EXSP	3000-3850	2800-3500	2000-2500	2000-2500	800-1300	1000-1500

Cont'd... (3)

MEDIUM GROWN LEAFY/SEMI LEAFY TEAS

FBOP : Best on offer gained Rs.10-20/- whilst the others were irregularly and mostly lower.

FBOPF/FBOPF1 : Select best types declined Rs.30-40/- whilst the others were firm on last levels.

PEK/PEK1 : Shows a marked declined and lost Rs.30-40/-.

Quotations (Rs./Kg)	Best		Below Best		Others	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
FBOP	840-1120	890-1040	700-840	750-890	600-700	500-750
FBOPF/FBOPF1	800-980	850-1060	700-800	700-850	600-700	525-700
PEK/PEK1	800-880	800-940	700-800	700-800	600-700	525-700

HIGH GROWN

BOP: Best Westerns declined Rs.50/- per kg and more for select high priced teas of last week In the Below Best category few select invoices were firm and dearer following special inquiry whilst the others declined Rs.30-40/- per kg and more. Plainer clean leaf sorts were Rs.10-20/- per kg dearer, whilst the others were lower by a similar margin. Nuwara Eliyas - no offerings this week. Uva/Uda Pussellawas were up to Rs.20/- per kg lower.

BOPF: Teas in the Best and Below Best categories declined Rs.60-70/- per kg and more following quality. Plainer sorts were Rs.30-50/- per kg easier. Nuwara Eliyas - hardly any offerings. Uva/Uda Pussellawas - select high priced teas of last week substantially easier, whilst the others were Rs.20-40/- per kg lower.

Quotations (Rs./Kg)	BOP		BOPF	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Best Westerns	640-720	660-720	720-790	780-850
Below Best Westerns	600-620	630-650	690-710	740-770
Plainer Westerns	520-570	500-580	620-680	700-730
Nuwara Eliyas	N/A	820-830	650	740-750
Brighter Uda Pussellawas	530-570	560-610	600-630	610-660
Other Uda Pussellawas	480-510	530-540	550-590	580-600
Best Uva's	530-550	550-580	640-670	700-740
Other Uva's	N/A	500-530	570-620	600-680

MEDIUM GROWN TEAS

BOP : Hardly any offerings.

BOPF: Declined Rs. 50/- per kg and more.

Quotations (Rs./Kg)	BOP		BOPF	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Best Westerns	500-1000	800-1020	550-700	550-810

CTC

PF1: High & Medium Grown PF1's declined Rs.20-40/- per kg and more following quality. Low Grows were up to Rs.100/- per kg easier.

BP1: High & Medium Grown BP1's were irregular. Select Low Grown invoices were dearer following special inquiry, whilst others sold around last.

Quotations (Rs./Kg)	PF1		BP1	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
High	490-590	540-630	480-550	450-500
Medium	350-610	430-650	420-530	380-450
Low	420-720	430-820	340-630	370-570

Cont'd... (4)

OFF GRADES

Best liquoring FNGS/FNGS1 firm to lower Rs.20-30/-per kg. Clean Low Grown FNGS/FNGS1 lost Rs.20/- per kg and more. Best BPs' too held firm. Well-made BMs were firm. Poorer types too eased Rs.10/- per kg. Select best BOP1A's firm whilst lower end and the poorer sorts also lower by Rs.50/-.

QUOTATIONS (Rs/kg)	HIGH		MEDIUM		LOW	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Good Fannings (Orthodox)	420-600	450-620	290-360	310-360	290-360	300-370
Good Fannings (CTC)	370-530	400-550	350-400	400-430	330-380	400-410
Other Fannings (Orthodox)	290-320	320-410	290-330	300-320	290-310	300-310
Other Fannings (CTC)	N/A	N/A	N/A	N/A	N/A	N/A
Good BM's	430-450	430-450	420-470	420-480	420-490	420-480
Other BM's	310-390	330-410	300-390	330-410	300-390	330-410
Best BOP1As	470-530	470-530	480-540	480-540	470-650	470-650
Other BOP1As	290-330	310-360	290-330	310-350	290-330	320-350

DUST

The better High Grown D1's declined up to Rs.30/- and more whilst others were lower to a lesser extent. The top range CTC PD's were irregular and lower by Rs.10-20/- and sometimes more. Cleaner secondary D's also declined on last levels. In sharp contrast, the cleaner Low Grown D's/D1's met with sustained demand and appreciated Rs.10-20/-.

QUOTATIONS (Rs/kg)	HIGH		MEDIUM		LOW	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Good Primary Dust 1(Orthodox)	700-860	750-960	570-590	540-580	500-610	560-680
Good Primary PD (CTC)	570-620	600-640	570-590	590-630	550-660	640-810
Other Primary Dust (Orthodox)	260-270	260-270	260-280	260-280	280-300	280-300
Other Primary Dust (CTC)	N/A	N/A	260-290	260-290	260-280	260-280
Secondary Dust	240-270	240-270	240-260	240-260	240-270	240-270
Poorer Dust	230-250	230-250	180-250	180-250	190-250	190-250

World Crop Statistics (MKGS)

Country	Month	2019	2020	Difference +/-	To-date 2019	To-date 2020	Difference +/-
SRI LANKA	Apr.	23.51	20.26	-3.25	96.37	73.31	-23.06
BANGLADESH	Apr.	6.11	2.37	-3.74	8.64	4.19	-4.5
KENYA	Mar.	26.46	55.73	29.27	106.29	158.56	52.3
SOUTH INDIA	Feb.	10.16	13.29	3.1	24.38	29.30	4.92
NORTH INDIA	Feb.	4.64	1.24	-3.4	4.64	1.24	-3.4
MALAWI	Feb.	7.70	7.60	-0.1	14.70	13.90	-0.8

Country	Month	2018	2019	Difference +/-	To-date 2018	To-date 2019	Difference +/-
UGANDA	Nov.	7.42	3.45	-4.0	64.86	50.83	-14.03

MONTHLY AVERAGE – MAY, 2020

Elevation	Orthodox		CTC		Orth. & CTC Combined	
	Month	To-date	Month	To-date	Month	To-date
Uva High	604.39	561.41	-	332.65	604.39	560.83
Western High	716.61	624.09	588.95	563.69	698.44	617.02
Uva Medium	637.21	599.80	-	-	637.21	599.80
Western Medium	587.62	546.69	530.67	506.01	571.08	535.60
Low Grown	760.92	691.24	554.78	470.66	745.82	671.11
TOTAL	717.77	652.85	553.42	496.01	702.69	636.26

COLOMBO AUCTION – GROSS SALE AVERAGES

SALE NO.20 OF 27th MAY, 2020

	Weekly	2020		2019	
		Month to Date	Year to Date	Weekly	Year to Date
Uva High Grown	572.22	606.58	557.86	458.25	501.05
Western High Grown	684.26	698.85	611.10	514.97	574.56
High Grown	637.71	661.81	595.10	496.27	553.98
Uva Medium	600.03	636.99	600.42	492.00	529.59
Western Medium	551.48	570.61	535.25	448.92	491.34
Medium Grown	569.09	598.87	555.49	463.31	501.80
Low Grown (Orthodox)	710.35	760.69	691.12	574.77	616.54
Combined L.G. (Orthodox + CTC)	698.41	746.48	671.93	563.11	603.51
Total	666.86	702.92	636.12	531.63	577.43

DETAILS OF TEAS AWAITING SALES

	<u>Sale of 09th/10th June' 2020</u>		<u>Sale of 16th/17th June' 2020</u>	
	Lots	Qty. (Kgs)	Lots	Qty. (Kgs)
Low Grown Leafy	3,652	1,714,395	3,818	1,743,050
Low Grown Tippy	1,887	1,004,930	1,898	987,193
High & Medium	1,773	984,756	1,867	1,045,971
Off Grade/BOP1A	2,168	1,246,689	2,215	1,303,573
Dust	528	571,917	533	566,736
Premium Flowery	264	48,091	298	52,769
Ex-Estate	880	1,070,396	890	1,061,947
Total	<u>11,152</u>	<u>6,641,175</u>	<u>11,519</u>	<u>6,761,239</u>

Weekly Private Sale Figures (From 25.05.2020 to 30.05.2020) - 64,157.00 Kgs.
 Cumulative - 2,057,711.10 Kgs.

Cont'd.... (P7)

CATALOGUES

Sale No. 23 of 16th/ 17th June, 2020

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **28th May, 2020 at 04.30 p.m.** but sale will be closed before the scheduled date when the number of lots if reached.

Sale No. 24 of 23rd/ 24th June, 2020

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **04th June, 2020 at 04.30 p.m.** but sale will be closed before the scheduled date when the number of lots if reached.

Sale No.25 of 30th June/ 01st July, 2020

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **11th June, 2020 at 04.30 p.m.** but sale will be closed before the scheduled date when the number of lots if reached.

SALE NO.22

BROKER'S SELLING ORDER

Auction of 09th/10th June, 2020

Leafy/Tippy/BOPIA/ Premium Flowery

1. Forbes & Walker Tea Brokers (Pvt) Ltd
2. John Keells PLC
3. Eastern Brokers (Pvt) Ltd
- 4. Lanka Commodity Brokers Ltd**
5. Ceylon Tea Brokers PLC
6. Asia Siyaka Commodities PLC
7. Bartleet Produce Marketing (Pvt) Ltd
8. Mercantile Produce Brokers (Pvt) Ltd

High & Medium/Off Grades/Dust

1. Eastern Brokers (Pvt) Ltd
2. John Keells PLC
3. CeylonTea Brokers PLC
4. Bartleet Produce Marketing (Pvt) Ltd
5. Asia Siyaka Commodities PLC
- 6. Lanka Commodity Brokers Ltd**
7. Mercantile Produce Brokers (Pvt) Ltd
8. Forbes & Walker Tea Brokers (Pvt) Ltd

Ex-Estate

1. Forbes & Walker Tea Brokers (Pvt)Ltd
2. Asia Siyaka Commodities PLC
3. Mercantile Produce Brokers (Pvt) Ltd
4. Bartleet Produce Marketing (Pvt) Ltd
- 5. Lanka Commodity Brokers Ltd**
6. John Keells PLC
7. Ceylon Tea Brokers PLC
8. Eastern Brokers (Pvt) Ltd

Crop & Weather

From 25th to 31st May, 2020

Western/Nuwara Eliya Regions - Both regions reported bright mornings and evening showers at the beginning of the week, whilst bright weather was reported during the latter part of the week. The Department of Meteorology predicted rainy weather in the week ahead. **Uva/Udapussellawa Regions** - Clear weather was reported throughout the week. According to the Department of Meteorology, afternoon showers are expected in the **Uva** Region in the days ahead. **Low Growns** - The Ruhuna Region reported rain, whilst the Sabaragamuwa Region reported bright weather throughout the week.

Crop Intake - All planting regions showed an increase.

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- OTHER MARKETS -

BANGLADESH AUCTION

Sale 02 held on Monday 1st June, 2020.

CTC LEAF: 21,990 packages of Current Season Teas & 260 packages of Old Season teas on offer met with less demand at easier rates

BROKENS: Good Brokens were a lower market and prices declined by Tk.15/- to Tk.20/- whilst others eased further upto Tk.20/- per kg and occasionally more. BLF teas were also lower by Tk.10/- to Tk.20/- with quite fair withdrawals.

FANNINGS: Good liquoring Fannings were a fairly good market but prices dropped by Tk.10/- to Tk.15/-. Their Medium and plainer types eased further often by upto Tk.20/-. BLF teas met with some demand and were easier. Here again there were quite fair withdrawals.

CTC DUST: 4,053 packages of Current Season Teas on offer met with a good demand. Good liquoring Dusts particularly the CDs met with a good competition and sold around last levels. Others also sold well but at easier rates. Plain and BLF teas once again met with less demand with fair withdrawals. Blenders lent strong support with fair interest from the Loose tea buyers.

COMMENTS: This sale was held again at the Bangabandhu Conference Hall, World Trade Center, Chittagong maintaining strict social distancing. Prices were much lower this week despite participation of a few out-station buyers. Blenders were quite active whilst the Loose tea buyers showed less interest and were selective. CDs were a strong feature of the market.

Our catalogue (Sale 02): Avg: Tk 205.37, Sold 78.1% & (Sale 01) Avg: Tk 218.79, sold 75.9%.

Quotations – This Week – (In Taka)

Brokens	This Week	Last Week	Fannings	This week	Last Week	Dust	This Week	Last Week
Large	NQTA	NQTA	Best	200-225	230-235	PD	205-211	218-230
Medium	200-215	220-230	Good	205-215	225-230	RD	135-248	150-265
Small	205-220	225-235	Medium	190-200	210-220	D	145-235	215-244
Plain	175-190	200-210	Plain	175-185	195-210	CD	155-265	232-259
BLF	135-145	140-170	BLF	140-170	140-170	BLF	135-190	150

COURTESY: NATIONAL BROKERS LTD