



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: lcb1@lcb1-sl.com Website: www.lcb1-sl.com



SALE NO.36 OF 15TH/16TH SEPTEMBER, 2020.

C O M M E N T S

Crop harvests continue to be on the low side amidst dull and rainy weather experienced throughout the week. The high grown areas have received heavy precipitation with all major reservoirs almost at spill level. The Department of Meteorology forecasts showers accompanied by strong winds in the week ahead as well, and a recovery in crop intakes would be possible only after the present weather clears up. Last month too (August) the crop harvests were much reduced owing to these inclement weather conditions, and, although the August, 2020 National Tea Production has not yet been announced, all indications are that it might eventually be sharply lower when compared to the corresponding month in 2019 which will further increase the year-to-date deficit of – 28.4 m/kgs as at end July, 2020.

This week's auction (Sale # 36) was conducted on September 15 & 16 (Tue/Wed) and the offer quantity was down to 5.8 m/kgs which was 0.4 m/kgs lower when compared to the previous sale. The Low Grown Leafy/ Semi Leafy/ Tippy & Small Leaf/ Premium Flowery catalogues totaled 2.7 m/kgs, whilst Main Sale High & Medium category amounted to 0.6 m/kgs. The Ex Estate catalogue had 0.7 m/kgs; a further drop over the earlier auction.

Ex Estate teas met with Good demand. Select best western BOP's/BOPF's were firm to irregularly dearer while below-best BOP's were a little easier and their corresponding BOPF's in sharp contrast, were Rs. 10/- to 20/- dearer. Nuwara Eliya BOP's were sharply dearer, but there were zero BOPF on offer. A small range of selected Uva's was much dearer with buyers closely following quality. CTC PF1's again saw subdued interest at mostly lower prices, whilst BPI/BPS grades too were easier. There was fair demand from Hong Kong and China, whilst Japan and Europe were active though selective. "Tea Bag" buyers for Russia were more active.

Low grown leafy teas met with fair demand. Stylish OP1's were irregular, but cleaner below-best teas ruled firm to dearer. Better made OP/OPA's received strong enquiry and consequently were fully firm to dearer. In the "Semi Leafy" segment, the very best BOP1's were a little irregular although others were firm to dearer. Best Pek/Pek1's were about firm with balance sorts ruling fully firm to dearer. In the Tippy Catalogue, select best FBOP's met with good demand and were mostly dearer whilst cleaner below-best teas too were dearer. Better FBOPF1's were irregular but bottom level teas were dearer. There was strong demand from Germany for well twisted leafy BOP1's and selected OP1's along with the usual demand from Saudi Arabia for leafy teas. Other Middle Eastern buyers from Iran, Syria, Jordon and the U. A. E. were also active together with Russia, the C.I.S and Turkey.

This week's auction comprised of **10,597** lots with a total quantity of **5,860,118** kgs.

The catalogue-wise breakdown was as follows:-

	<u>Lot</u>	<u>Qty. (Kgs)</u>
Low Grown Leafy	2,041	887,007
Low Grown Semi Leafy	1,598	785,684
Low Grown Tippy	1,867	1,013,043
High & Medium	1,410	676,840
Off Grade/BOP1A	2,195	1,235,744
Dust	469	455,908
Premium Flowery	383	74,942
Ex-Estate	634	730,950
Total	<u>10,597</u>	<u>5,860,118</u>

In Lighter Vein

The Priest and the Candle

Mrs. Rosy Jones was going to the market in New York where she happened to meet Father Patrick....

Father: "Hey, you are Rosy right? I got you married in New Jersey, when I was posted there".

"Yes Father" Says Rosy.

"How is your husband and the little ones?"

"Husband is fine but so far, no children".

Father Patrick: "Don't worry, child. I'm going to Rome next week. I will light a candle for you there."

"Thank you, Father Patrick."

After some years, Father Patrick happens to meet Rosy again.

"Hello Rosy, how's everything? Did you have any kids?"

"Yes Father. I have three sets of twins and two singles. Total 8 kids".

"Wow! Where is your husband?"

"Oh, he's gone to Rome all of a sudden... Said something about blowing off some candle.

LOW GROWNS - LEAFY

- BOP1** : Select best teas firm on last week levels; balance were irregular. Teas at the lower end were maintained.
- OP1** : Select best and best invoices declined substantially; balance were maintained whilst Stalky invoices were irregularly lower.
- OP** : Teas in the select best category declined by Rs.10-15/- per kg; balance was fully firm on last levels. Teas at the lower end were barely steady.
- OPA** : Select best teas held firm; balance was declined by Rs.20/- per kg and at times more. Poorer sorts too declined Rs.20/- per kg.
- PEK/PEK1**: Well made shotty PEK's irregularly lower by Rs.20-30/- per kg; balance however appreciated Rs.20/- per kg. Best bold PEK's held firm; balance were maintained. Teas at the lower end tended irregular.

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	900-1900	1000-2000	630-700	630-720	530-580	550-600
OP1	1000-2400	1100-2300	720-780	720-800	400-430	400-430
OP	750-830	760-850	580-610	580-630	350-400	370-410
OPA	740-870	750-880	560-610	570-620	340-370	350-380
PEK/PEK1	900-1100	920-1200	680-750	700-750	520-550	520-550

TIPPY/SMALL LEAF

- BOP/BOPSP** : Select best BOP's which commenced firm, appreciated as the sale progressed. Below best maintained. Cleaner teas at the lower end too were firm; others were irregular.
- BOPF/BOPFSP** : Few best BOPF on offer maintained; others tended irregular following quality.
- FBOP/FBOP1** : Select Best FBOP's dearer. Best and well made cleaner teas in the Below Best too appreciated, particularly for the bolder varieties. Cleaner teas at the lower end too gained; others maintained.
- FBOPF/FBOPF1** : Best and Below Best firm; others irregular. Well made FF1's sold on last levels. Best and Below Best were lower. Cleaner teas at the lower end maintained; others eased.
- FBOPFSP/EXSP** : Well made teas with a good show of tip were firm to dearer, particularly the leafier types. Best and below best declined. Cleaner teas at the lower end maintained; others eased.

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	950-1160	900-1350	650-680	650-680	450-500	470-520
BOPF /BOPFSP	800-830	750-850	650-580	650-680	450-500	470-520
FBOP/FBOP1	900-1160	900-1250	700-750	680-770	600-650	650-700
FBOPF/FBOPF1	800-1250	800-1180	700-800	700-800	550-600	550-600
FBOPFSP/EXSP	1500-4050	2000-3450	900-1300	1000-1500	650-750	700-750

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MEDIUM GROWN LEAFY/SEMI LEAFY TEAS

FBOP : A few select well made FBOPs were firm. Secondary and the poor sorts lost Rs.10-20/- and more towards the close.

FBOPF/FBOPF1 : Well made FBOPF1s and FBOPFs tended irregular. The below and the poor sorts lost Rs.20-30/- and more as the sale progressed.

PEK/PEK1 : Well made PEKOE1s and bold PEKOE types met with fair demand. Mixed secondaries and poor sorts were irregularly lower.

<u>Quotations (Rs./Kg)</u>	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	800-850	800-900	680-800	700-800	570-680	580-700
FBOPF/FBOPF1	725-860	720-800	600-725	620-720	560-600	580-620
PEK/PEK1	820-890	800-920	700-820	720-800	570-700	580-720

HIGH GROWN

BOP: Best Westerns were irregular - select invoices gained Rs.10-20/- per kg and more following special inquiry whilst the others were lower by a similar margin. In the Below Best category teas were irregular and mostly easier. Plainer sorts were firm. Nuwara Eliyas were substantially dearer. Uda Pussellawas were firm and Rs.10/- per kg dearer. Uvas - select invoices were substantially dearer, whilst the others sold around last week s levels.

BOPF: Best Westerns were irregular - select invoices were firm and dearer following special inquiry whilst the others were Rs.10-20/- per kg easier. Teas in the Below Best category were Rs.10/-20/- per kg dearer. Plainer neat leaf types were up to Rs.20/- per kg dearer, whilst the others were firm. Nuwara Eliyas - hardly any offerings. Uda Pussellawas were firm and Rs.10/- per kg dearer. Uvas - select invoices gained substantially, whilst the others were firm.

<u>Quotations (Rs./Kg)</u>	BOP		BOPF	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Best Westerns	640-770	620-750	640-710	620-700
Below Best Westerns	600-620	570-610	600-630	580-610
Plainer Westerns	520-580	500-550	530-590	530-570
Nuwara Eliyas	740	610	550	520-770
Brighter Uda Pussellawas	520-580	510-570	500-600	520-580
Other Uda Pussellawas	490-500	480-500	450-480	490-500
Best Uva's.	600-660	560-620	620-850	590-620
Other Uva's	530-570	510-550	520-580	500-570

MEDIUM GROWN TEAS

BOP : Firm and up to Rs.20/- per kg dearer.

BOPF : Firm and Rs.10-20/- per kg dearer.

<u>Quotations (Rs./Kg)</u>	BOP		BOPF	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Best Westerns	670-850	610-780	460-530	440-550

CTC

PF1: High & Medium Bright/Clean leaf types were firm to Rs.10-20/- per kg dearer whilst others held firm. Low Grown PF1's initially commenced Rs.10-20/- dearer and appreciated as the sale progressed and gained by up to Rs.50/- by the closing levels.

BP1: High & Medium BP1's declined Rs.20/- and more particularly towards the latter part of the sale whilst Low Grown BP1's continued to sell well around last week levels.

<u>Quotations (Rs./Kg)</u>	PF1		BP1	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
High	420-590	450-560	440-540	440-560
Medium	420-610	430-550	460-530	370-540
Low	410-980	410-960	450-690	400-700

OFF GRADES

Liquoring FNGS/FNGS1 firm on last week levels. Clean Low Grown FNGS/FNGS1s followed a similar trend. Best BP's firm to irregularly easier by Rs.10-20/- per kg. Well-made BMs tended irregular whilst poorer types declined Rs.10-20/- per kg. Select best BOP1A's held firm. Best BOP1A's advanced Rs.25-50/- whilst at the lower end the poor sorts held firm to easier.

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)	320-500	320-500	320-380	320-380	310-390	310-400
Good Fannings (CTC)	330-460	330-430	320-370	320-370	320-370	320-370
Other Fannings (Orthodox)	250-320	250-320	300-320	300-320	300-320	300-320
Other Fannings (CTC)	N/A	N/A	N/A	N/A	N/A	N/A
Good BM's	320-340	320-340	410-460	410-460	410-480	410-480
Other BM's	300-330	320-350	300-320	320-340	300-320	310-340
Best BOP1As	450-520	450-520	460-600	460-570	480-730	480-740
Other BOP1As	320-350	320-350	320-350	320-350	320-350	320-350

DUST

Select best liquoring High Grown D1's advanced by Rs.30/- whilst the secondary and below best types maintained last levels. Poor varieties too held firm on last levels. Low Grown Clean Dust met with good demand and dearer by Rs.10-20/- per kg and at times more. PD's from High & Low Grown elevations met with good demand whilst Medium Grown PD's also followed a similar trend.

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)	670-920	670-830	500-580	500-580	510-650	510-630
Good Primary PD (CTC)	600-720	600-680	520-590	520-570	580-660	580-630
Secondary Dust	300-350	300-350	300-330	300-330	300-330	300-330

World Crop Statistics (MKGS)

Country	Month	2019	2020	Difference +/-	To-date 2019	To-date 2020	Difference +/-
SRI LANKA	July	25.97	26.27	0.30	184.82	156.38	-28.44
BANGLADESH	July	11.10	12.18	1.08	39.05	33.99	-5.1
KENYA	July	31.45	36.55	5.10	244.06	337.23	93.2
SOUTH INDIA	July	21.7	20.3	-1.4	122.2	118.7	-3.50
NORTH INDIA	July	154.5	140.7	-13.8	527.0	390.5	-136.5
MALAWI	June	1.61	1.39	-0.2	34.65	31.28	-3.4

COLOMBO AUCTION - GROSS SALE AVERAGES
SALE NO.35 OF 09TH SEPTEMBER, 2020

	2020			2019	
	Weekly	Month to Date	Year to Date	Weekly	Year to Date
Uva High Grown	529.82	533.71	542.26	445.77	463.59
Western High Grown	569.21	562.38	587.87	476.10	525.37
High Grown	555.89	552.66	573.94	468.18	507.78
Uva Medium	563.71	561.85	583.42	460.79	492.45
Western Medium	516.94	512.61	528.49	428.12	458.30
Medium Grown	532.83	529.12	545.75	436.27	467.73
Low Grown (Orthodox)	669.61	663.65	684.33	545.76	586.55
Combined L.G. (Orthodox + CTC)	659.68	653.03	667.92	536.83	575.30
Total	618.09	612.11	626.87	508.87	544.36

DETAILS OF TEAS AWAITING SALES

	<u>Sale of 22nd/23rd Sept, 2020</u>		<u>Sale of 29th/30th Sept, 2020</u>	
	Lots	Qty. (Kgs)	Lots	Qty. (Kgs)
Low Grown Leafy	1,901	828,790	1,962	828,497
Low Grown Semi Leafy	1,519	767,789	1,547	764,554
Low Grown Tippy	1,690	924,995	1,703	910,527
High & Medium	1,285	635,488	1,356	650,119
Off Grade/BOP1A	1,991	1,141,361	1,896	1,075,462
Dust	449	445,694	402	387,006
Premium Flowery	368	63,148	411	74,700
Ex-Estate	<u>607</u>	<u>706,184</u>	<u>588</u>	<u>680,398</u>
Total	<u>9,810</u>	<u>5,513,449</u>	<u>9,865</u>	<u>5,371,263</u>

Private Sale Figures (07/09/2020 - 12/09/2020) - 103,090.25 Kgs.

Cumulative - 3,297,518.85 Kgs.

CATALOGUES

Sale No.38 of 29th/30th September, 2020

The Main Sale & Ex-Estate Sale catalogues closed on **10th September, 2020 at 04.30 p.m.**

Sale No.39 of 06th/07th October, 2020

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **17th September, 2020 at 04.30 p.m.** but sale may close before the scheduled date when the number of lots if reached.

Sale No.40 of 13th/14th October, 2020

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **24th September, 2020 at 04.30 p.m.** but sale may close before the scheduled date when the number of lots if reached.

SALE NO.37

BROKER'S SELLING ORDER

Auction of 22nd/23rd September, 2020

Leafy/Tippy/BOP1A/ Premium Flowery

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

High & Medium/Off Grades/Dust

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

Ex-Estate

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

Crop & Weather

For the period 07 - 13 September 2020

Western/Nuwara Eliya Regions: The Western and Nuwara Eliya regions reported dull and rainy weather throughout the week. Isolated showers and strong winds are expected in both regions during the week ahead according to the Department of Meteorology. **Uva/Udapussellawa Regions:** Both Regions reported gloomy weather conditions with isolated showers, whilst a few sub-districts in both regions experienced bright weather. **Low Grown:** Dull and rainy weather was reported in the Low Grown Region. The Department of Meteorology forecasts isolated showers in the **Sabaragamuwa and Ruhuna regions** in the week ahead.

Crop Intake: The Western Region showed a decrease in the crop intake, whilst the Nuwara Eliya, Uva and Udapussellawa regions maintained. The Low Grown Region experienced a slight increase in the crop intake.

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- OTHER MARKETS -

BANGLADESH AUCTION

Sale 16 held on Monday, 14th September, 2020

CTC LEAF: 45,850 packages of Current Season teas on offer met with a good demand at around last levels.

BROKENS: Well made good liquoring BOPs were a fairly good market and were mostly firm to slightly easier. Their FBOPs were also a good market and sold at around last levels. Medium varieties met with a slightly better demand and tended dearer. Demand for Plain and BLF types were very selective with quite a lot of withdrawals.

FANNINGS: Well made good liquoring Fannings were a fairly good market and sold mostly at around last levels. Their Mediums met with a little more demand and were firm to slightly dearer. Demand for Plain and BLF types were again selective and withdrawals were quite heavy in this category.

CTC DUST: 11,647 packages of Current Season teas on offer met with quite a good demand. Select few lines of good liquoring Ds and CDs met with good competition and advanced by Tk.5/- to Tk.8/-. Other good and better Medium varieties were fully firm to slightly dearer. Plain and BLF teas saw a decline in price by Tk.3/- to Tk.5/- with fair withdrawals. Blenders lent strong support with fair interest from the Loose tea buyers.

COMMENTS: Demand was a little less this week with less competition which resulted in a slightly irregular market with more withdrawals. Major Blenders continued to be active whilst Loose tea buyers again were selective. Dusts sold well.

Our catalogue (Sale 16): Avg: Tk 205.16, Sold 79.0% & (Sale 15) Avg: Tk 202.47, sold 87.0%.

Quotations – This Week – (In Taka)

Brokens	This Week	Last Week	Fannings	This week	Last Week	Dust	This Week	Last Week
Large	175-190	175-195	Large	212-218	215-220	PD	183-249	182-262
Medium	180-210	180-210	Medium	205-210	205-210	RD	155-298	171-298
Small	190-220	190-220	Small	185-195	185-195	D	180-300	138-300
Plain	170-180	170-180	Plain	170-180	170-180	CD	195-335	209-336
BLF	170-180	165-175	BLF	170-180	165-175	BLF	195	171-210

COURTESY: NATIONAL BROKERS LTD

16th September, 2020.

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