



# MARKET REPORT



P.T.C  
AGRO (PVT) LTD

Summer 2022, Issue 02

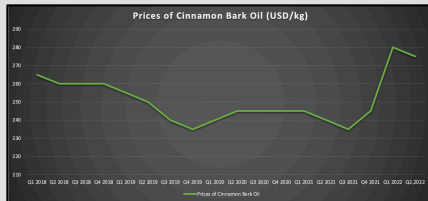
- *Cinnamon harvesting is in peak season, with nutmeg and citronella having minor midyear crops, while clove is in off-season.*
- *The Sri Lankan rupee value remains low compared to the USD which is supportive of export industries.*
- *The economic, and political turmoil and instability should be seriously factored by buyers when planning sourcing from Sri Lanka.*

*Financial, Political and Social crisis entered a breaking point in early May leading to eruption by early July. Disruptions to production, logistics and off the chart inflation continue to affect prices and availability of natural ingredients exported from Sri Lanka.*

## Cinnamon Bark Oil



Cinnamon is in mid harvest period, hence easing of raw material price was observed. Abundance of raw material and depreciation of the Sri Lankan rupee against USD helped to ease the prices over the quarter. However, the impact of ongoing crisis influenced prices to settle at a higher than usual during off season in previous quarter. Fresh raw material will remain available till October, thus no hike in price is expected till end of the year. Cinnamon bark oil trades locally around 255USD/kg in the local market.

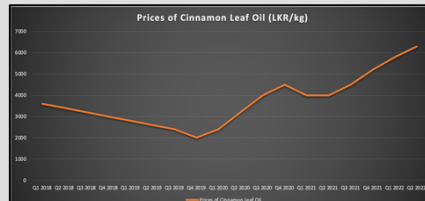


## Cinnamon Leaf Oil



Cinnamon leaf oil prices usually start to ease from end of Q1. However, given the significant devaluation of the Sri Lankan Rupee, tripling of fuel prices and all other negative impacts of the ongoing crisis, prices have continued to strengthen.

Cinnamon leaf oil trades locally around 22.50 – 24.00USD/kg in the local market.

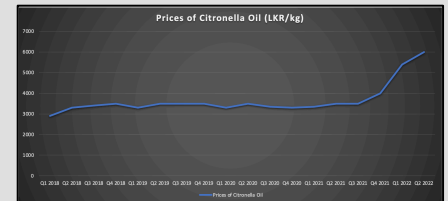


## Citronella Oil

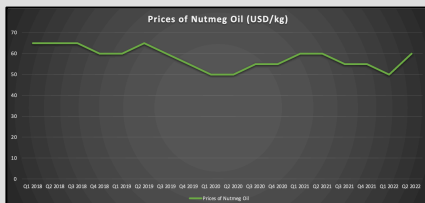


Increasing price trend has continued, which has continued to push prices up further.

Given positive demand combined with the inflationary pressures and crisis lead supply limitations, Ceylon citronella oil locally trades around 30USD/kg.

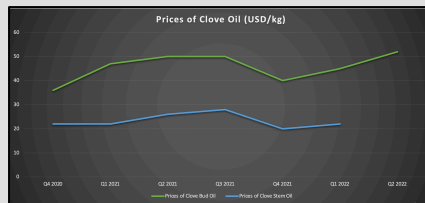


## Nutmeg Oil



Smaller mid-year (Yala) crop is available from May to August. Oil prices locally trade around 65 – 70USD/kg, which is above the historical average prices for the period.

## Clove Bud and Stem Oil



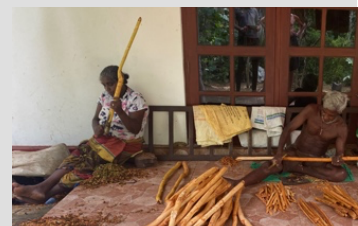
Clove bud oil trades locally around 52USD/kg and stem oil at around 28USD/kg, which is expected to remain unchanged due to no fresh crop expectation till December 2022.

The higher price for clove bud oil has indicated the preference for high Eugenyl Acetate clove bud oil (pure material) in the global market.



## Sources:

1. Central Bank of Sri Lanka - <https://www.cbsl.gov.lk/>
2. Department of Meteorology - <http://www.meteo.gov.lk/>



Monday, 25 July 2022