



DAILY SOFTS COMMENTARY

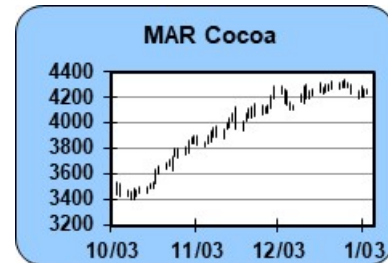
Friday January 05, 2024

DAILY COCOA COMMENTARY

1/5/2024

Post US jobs data rebound in risk appetites can improve near-term demand outlook

Cocoa's coiling price action to start out 2024 has held the market above last Friday's 3-week low and on course for a positive weekly result. While global risk sentiment has had a sluggish start to the year, cocoa has the bullish supply setup for prices to hold their ground going into the weekend. West African supply problems continue to underpin cocoa prices at the top end of their 15-month uptrend as they have been a key factor for the market expecting a sizable global production deficit this season. Of the world's 8 largest cocoa producing nations, we expect that only Brazil will see larger output during the 2023/24 season.



TODAY'S MARKET IDEAS:

A higher than expected US non-farm payrolls reading could lead to carryover pressure on cocoa prices from weakness in the Euro, Pound, European and US equities. West African supply problems are not going away anytime soon, however, so cocoa should remain well supported on a near-term pullback. Near-term support for March cocoa is at 4195 while resistance is up at 4310.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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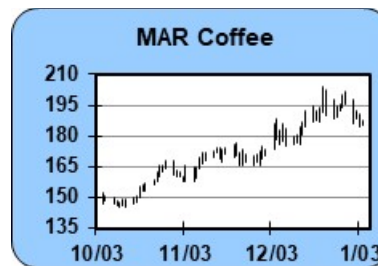
COCOA (MAR) 01/05/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is 4220. The next area of resistance is around 4277 and 4289, while 1st support hits today at 4243 and below there at 4220.

DAILY COFFEE COMMENTARY

1/5/2024

Uncertain out-of-home demand outlook continues to pressure

March coffee continues to hold above Wednesday's low as it posted a mild loss Thursday while having mild early gains this morning. Rain in the forecast for Brazil's major Arabica growing areas early next week should benefit their upcoming crop and is weighing on prices. Honduran fourth quarter 2023 coffee exports came in at 347,222 bags, 20% above Q4 2022. Costa Rican fourth quarter coffee exports were 76,681 bags, 21.8% over fourth quarter 2022. Both signal the improvement in Central American production this season and is pressuring prices. ICE exchange coffee stocks were unchanged on Thursday at 253,144 bags after no grading activity took place. There are now over 12,000 bags waiting to go through the grading process.



TODAY'S MARKET IDEAS:

It may be difficult for coffee to sustain a recovery move unless a "risk on" mood redevelops in global markets, but it is showing early signs that it is closing in on a near-term low. If risk appetites can improve following today's economic numbers, coffee should find late support and close higher on the week. Near-term support for March coffee is at 183.00 while resistance is up at 188.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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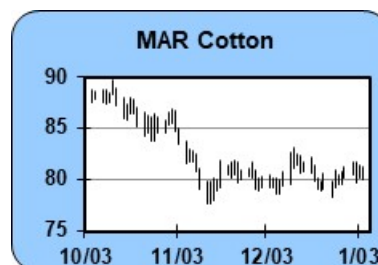
COFFEE (MAR) 01/05/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 183.39. The next area of resistance is around 186.82 and 188.48, while 1st support hits today at 184.28 and below there at 183.39.

DAILY COTTON COMMENTARY

1/5/2024

US jobs data could impact first quarter domestic demand

Cotton prices have stayed within a tight range early in today's action in contrast to the wide-sweeping ranges of Wednesday and Thursday. Growing areas in the southeast US will receive significant rainfall today and several days next week, and that will boost soil moisture levels for upcoming planting and is pressuring prices. There was carryover pressure from weakness in US equities and grains. Today's US export sales report is expected to have a sizable decline from last week due to the slowdown in end-of-year/holiday business. The Dollar reached a new 3-week high early today, which has weighed on cotton prices as that will make US cotton exports less competitive.



TODAY'S MARKET IDEAS:

Today's US jobs data will have a significant impact on sentiment for many commodity markets and can also benefit (or hurt) domestic clothing demand during the first quarter. If global markets can regain and hold a positive tone after US jobs data, cotton prices should be able to lift well clear of the weekly low seen Tuesday. Near-term

support for March cotton is at 79.60 while resistance is up at 80.85.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAR) 01/05/2024: The major trend has turned down with the cross over back below the 40-day moving average. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The near-term upside target is at 81.56. The next area of resistance is around 80.70 and 81.56, while 1st support hits today at 79.54 and below there at 79.23.

COTTON (JUL) 01/05/2024: The upside crossover of the 9 and 18 bar moving average is a positive signal. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market setup is somewhat negative with the close under the 1st swing support. The near-term upside target is at 83.37. The next area of resistance is around 82.64 and 83.37, while 1st support hits today at 81.60 and below there at 81.30.

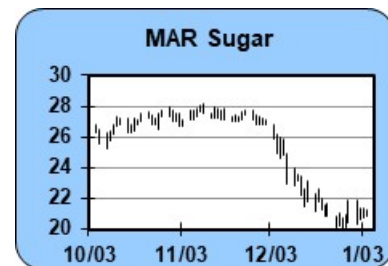
DAILY SUGAR COMMENTARY

1/5/2024

Thailand production this season will be 25% below last season

The sugar market started out 2024 with three sessions trading well inside of last Friday's selloff and have begun today's action just below the midpoint of last week's trading range. With south Asian supply issues providing support, sugar remains on-track to break a 2-week losing streak. India's sugar production during the fourth quarter was 11.2 million tonnes, 7.6% below last season's total of 12.135 million, and is likely to keep them out of the global export market this season.

Thailand's Sugar & Cane Board forecast their nation's 2023/24 sugar production between 8.0 to 8.5 million tonnes which is 25% below last season's output, but their production decline has been widely expected by the market. The China Sugar Association estimates their 2023/24 sugar production at 3.2 million tonnes which would be 60,000 lower than their 2022/23 output. The analytics group Czarnikow forecasts global sugar production surplus of 1.6 million tonnes for 2023/24 due in large part to record high Brazil production. They also expect to see Thailand's output improve from better rainfall during the second and third quarters of 2024.



TODAY'S MARKET IDEAS:

If global markets can find a "risk on" mood following this morning's US jobs data, sugar prices should be able to regain a positive tone and extend their weekly gain. Near-term support for March sugar is at 20.60 while resistance is up at 21.55.

NEW RECOMMENDATIONS:

* Buy a March Sugar 21.00/23.00 bull call spread at 0.55 or better with an objective of 1.70. Risk the spread to 0.15. *

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAR) 01/05/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's short-term trend is positive on the close above the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 21.45. The next area of resistance is around 21.27 and 21.45, while 1st support hits today at 20.89 and below there at 20.68.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAR) 01/05/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's short-term trend is positive on the close above the 9-day moving average. The downside closing price reversal on the daily chart is somewhat negative. The market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 344.20. The next area of resistance is around 334.00 and 344.20, while 1st support hits today at 320.45 and below there at 317.05.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
SOFTS MARKETS COMPLEX										
SBAH24	21.08	41.78	37.68	21.65	27.61	20.85	20.80	21.41	24.62	25.25
CTAH24	80.12	47.86	47.53	46.55	50.01	80.50	80.27	80.37	80.43	81.83
CTAN24	82.12	52.60	51.01	59.81	65.98	82.40	81.92	81.77	81.81	83.17
CCAH24	4260	52.77	55.74	54.20	46.22	4242.25	4265.22	4263.28	4138.18	4024.17
OJAH24	327.15	40.20	39.70	15.21	22.33	324.88	324.82	343.79	362.72	363.06
KCAH24	185.55	44.17	49.69	49.74	32.67	187.56	191.86	190.33	179.44	174.11
MAG24	15.62	33.73	32.16	12.93	12.61	15.64	15.66	15.96	16.78	17.15

Calculations based on previous session. Data collected 01/04/2024

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
SOFTS MARKETS COMPLEX						
SBAH24	Sugar	20.67	20.88	21.06	21.27	21.45
CTAH24	Cotton	79.22	79.53	80.39	80.70	81.56
CTAN24	Cotton	81.29	81.60	82.33	82.64	83.37
CCAH24	Cocoa	4219	4242	4254	4277	4289
OJAH24	Orange Juice	317.00	320.40	330.60	334.00	344.20
KCAH24	Coffee	183.38	184.27	185.93	186.82	188.48
MAG24	Milk	15.43	15.51	15.65	15.73	15.87

Calculations based on previous session. Data collected 01/04/2024

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