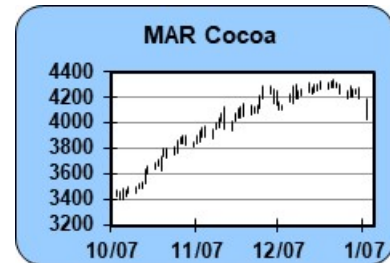




DAILY COCOA COMMENTARY
1/9/2024

Weakness in key outside markets eroding near-term demand outlook

After threatening for several weeks, cocoa prices broke out of their December/January consolidation zone to the downside on Monday. With global risk sentiment taking a negative shift early in today's trading, cocoa may be vulnerable to further downside action. While West Africa is well into its "dry" season, there was significant rainfall across many of the region's cocoa-growing areas last week. This was the catalyst for a wave of profit-taking and additional long liquidation putting pressure on the cocoa market. Outside markets have been under pressure early in today's action, however, and their continued weakness could erode cocoa's near-term demand outlook fairly quickly.



TODAY'S MARKET IDEAS:

It may take a day or two to know if cocoa prices have found their footing and if Monday's spike low will turn into longer-term support for the market. With key outside markets and global risk sentiment taking a negative shift early today, cocoa prices could fall under pressure later in the session. Near-term resistance for March cocoa is at 4160 while support is down at 4085.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

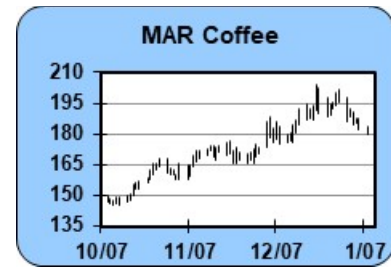
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COCOA (MAR) 01/09/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 3944. The next area of resistance is around 4174 and 4264, while 1st support hits today at 4014 and below there at 3944.

DAILY COFFEE COMMENTARY
1/9/2024

Robusta supply issues providing support this week

Even if global risk sentiment remains volatile, coffee prices should be able to maintain upside momentum over the rest of this week. March coffee fell to a 4-week low yesterday, but it rallied back to unchanged levels before finishing Monday with a moderate loss and has followed through with sizable early gains this morning. Brazil, Colombia and Honduras are all expecting to have an increase in their Arabica production this season, and that continues to be a source of pressure on prices. There was below normal rainfall over Brazil's major Arabica growing region last week which is likely to negatively impact their upcoming 2024/25 crop, however, and that provided support to the market this week. In addition, Robusta growing areas in Vietnam, Brazil and Indonesia are having supply issues that have provided support. Starbucks plans to double the number of stores they have in India over the next four years, which is evidence of increasing demand both in Asia and globally. ICE exchange coffee stocks fell by 498 bags on Monday to 252,646 bags. This was the first daily decline since December 1st. There are now 23,166 bags waiting to be graded, which indicates that ICE exchange coffee stocks will continue to rise during January.



TODAY'S MARKET IDEAS:

After falling 16.60 cents over the previous 6 sessions (down 8.4%), coffee prices have lifted clear of Monday's spike low. If a "risk on" mood can redevelop through global markets, coffee may be able to extend a recovery move over the rest of this week. Near-term support for March coffee is at 180.75 while resistance is up at 187.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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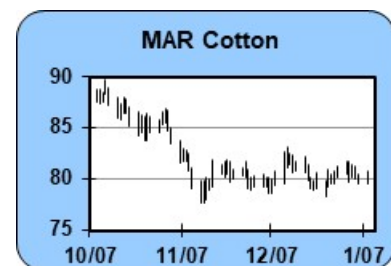
COFFEE (MAR) 01/09/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. The downside crossover of the 9 and 18 bar moving average is a negative signal. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside target is 177.30. The next area of resistance is around 183.50 and 185.70, while 1st support hits today at 179.30 and below there at 177.30.

DAILY COTTON COMMENTARY

1/9/2024

Rebound in Chinese equities can help to soothe global demand concerns

Although global risk sentiment has taken a negative shift early today, cotton prices should be able to maintain upside momentum. March cotton rallied late to finish Monday with a mild gain, and it has shaken off choppy overnight action to have moderate gains coming into this morning's action. The Shanghai Composite broke a 3-session losing streak with a modest gain today, and that may help to offset early weakness in European and US equities as stronger Chinese stocks markets can help to soothe Chinese near-term demand concerns. A rebound in the Dollar early today may pressure the cotton market as that can make US cotton less competitive



with Brazilian and Australian cotton, but the Dollar continues to hold well below last Friday's 4-week high.

TODAY'S MARKET IDEAS:

The rebound in Chinese equities can help to further soothe global demand concerns and has helped cotton overcome lukewarm global risk sentiment this morning. In addition, a potential close above the 50-day moving average can lead to fresh technically based buying support late in today's action. Near-term support for March cotton is at 80.20 while resistance is up at 81.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAR) 01/09/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 81.52. The next area of resistance is around 81.02 and 81.52, while 1st support hits today at 79.82 and below there at 79.11.

COTTON (JUL) 01/09/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal up is a positive indicator that could support higher prices. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 83.11. The next area of resistance is around 82.76 and 83.11, while 1st support hits today at 81.82 and below there at 81.22.

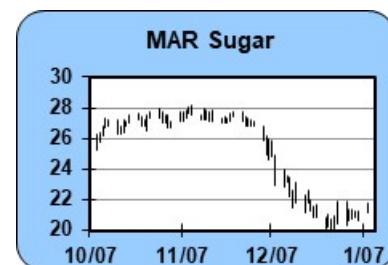
DAILY SUGAR COMMENTARY

1/9/2024

Shift in focus towards south Asian supply problems have provided support to market

The sugar market appears to have regained upside momentum and is closing in on a 3-week high despite critical Brazilian supply data coming out at midweek. There are reports of severe flooding in Australia's key cane-growing area in northern Queensland following Tropical Cyclone Jasper, with some farmers reporting a loss of 60% of the cane crop.

This will reduce Australia's upcoming sugar production and should underpin prices. Production issues in Thailand and India continue to underpin sugar prices as they will offset a large portion of Brazil's production increase this season. The latest Unica bimonthly supply report will come out later this week which will cover Center-South activity during the second half of December. This period is usually of little importance to the market as harvesting and crushing operations are normally finished or are winding down. The previous Unica report showed Center-South first-half December cane crush at 19.083 million tonnes, or 244% above the 5.543 million in 2022. The same report had sugar production at 925,000 tonnes or 205% of the 303,000 in 2022. It is very likely the high first-half crush and sugar production pace will have carried through to the second half of December. Second-half December 2022 crush was 2.631 million tonnes and sugar production 165,000 tonnes. Early forecasts for Brazil's upcoming 2024/25 Center-South cane crush call for a mild reduction from this season's total.



TODAY'S MARKET IDEAS:

While the late finish to this season's Center-South operations has weighed on prices, market focus is shifting towards Thailand's sharp output decline, India's ongoing export embargo and Australian flooding. Even with the Unica report coming out later this week, sugar can maintain its recovery move during today's trading. Near-term support for March sugar is at 21.50 while resistance is up at 22.45.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAR) 01/09/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 22.27. The next area of resistance is around 22.08 and 22.27, while 1st support hits today at 21.40 and below there at 20.92.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAR) 01/09/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is 302.95. The next area of resistance is around 315.05 and 322.30, while 1st support hits today at 305.35 and below there at 302.95.

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	21.74	51.74	44.40	31.81	45.40	21.20	21.02	21.24	24.36	25.07
CTAH24	80.42	51.10	49.47	50.24	54.41	80.42	80.46	80.21	80.33	81.61
CTAN24	82.29	54.41	52.15	63.22	66.32	82.34	82.25	81.72	81.72	82.98
CCAH24	4094	32.09	40.51	40.58	26.81	4199.00	4231.78	4253.06	4152.07	4046.60
OJAH24	310.15	31.09	33.55	15.74	13.58	323.70	320.69	337.96	360.35	361.93
KCAH24	181.40	38.28	45.49	33.12	17.66	184.00	189.39	190.49	180.34	175.22
MAG24	15.74	43.37	38.42	14.24	17.99	15.61	15.68	15.84	16.68	17.07

Calculations based on previous session. Data collected 01/08/2024

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	20.91	21.40	21.59	22.08	22.27
CTAH24	Cotton	79.10	79.81	80.31	81.02	81.52
CTAN24	Cotton	81.21	81.81	82.16	82.76	83.11

CCAH24	Cocoa	3944	4014	4104	4174	4264
OJAH24	Orange Juice	302.90	305.30	312.60	315.05	322.30
KCAH24	Coffee	177.30	179.30	181.50	183.50	185.70
MAG24	Milk	15.40	15.59	15.68	15.87	15.96

Calculations based on previous session. Data collected 01/08/2024

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