

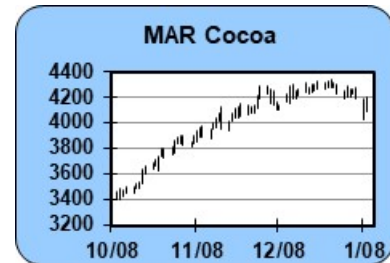


DAILY COCOA COMMENTARY

1/10/2024

Weakness in key outside markets eroding near-term demand outlook

While cocoa was able to make a quick turnaround from Monday's downdraft, it has not traded above last Friday's closing price and it is on track for a weekly loss. With key outside markets and global risk sentiment unable to sustain a positive tone, cocoa remains vulnerable to further profit-taking and additional long liquidation. Global cocoa demand has remained resilient as prices remain relatively close to their 46-year high in December. A group of major Ivory Coast cocoa processors said that their December grindings came in at 62,682 tonnes which was 7% above last year's 58,554 tonnes. This put their fourth quarter grinding total at 169,953 tonnes, which was 1.5% below last year's total of 172,605 tonnes. However, keep in mind that Ivory Coast has had a sharp drop in production so far during the 2023/24 season. The negative shift in risk appetites could negatively impact near-term demand outlook for discretionary items such as chocolate, and that could become an additional source of headwinds for the cocoa prices.



TODAY'S MARKET IDEAS:

After a huge price gain for 2023 and a strong fourth quarter performance, cocoa is now on track for a second negative monthly result in a row. If global risk sentiment remains subdued, many longs will look to take their profits and head to the sidelines. Near-term resistance for March cocoa is at 4215 while support is down at 4110.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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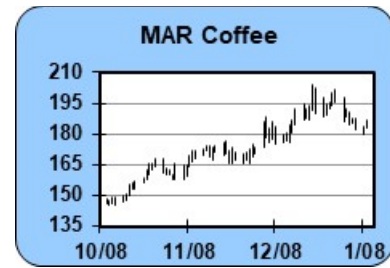
COCOA (MAR) 01/10/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is 4045. The next area of resistance is around 4217 and 4264, while 1st support hits today at 4107 and below there at 4045.

DAILY COFFEE COMMENTARY

1/10/2024

Starbucks expansion in India evidence of stronger Asian demand outlook

Coffee prices have had a mixed supply outlook as bearish developments from major Arabica growing regions have been balanced against bullish news from major Robusta growing areas. The market is starting to receive positive demand news, however, and that may help coffee prices move higher. News that Starbucks will double the number of stores they have in India (from roughly 500 to around 1,000) during the next four years is further evidence of an improving Asian demand outlook. Costa Rica's coffee institute said that their 2023/24 coffee production will come in around 1.3 million bags, which compares to 1.485 million bags during the 2022/23 season and is due in large part to irregular rains and a lack of labor. Vietnam's 2023 coffee exports came in at 26.767 million bags (9.6% below their 2022 total), which shows tightening near-term global Robusta supply which has given an additional boost to coffee prices. ICE exchange coffee stocks increased by 3,734 bags on Tuesday to 256,380 bags and are now 5,156 bags above their December month-end total. There were 3,010 rejected of the 6,744 bags that were graded on Tuesday, a 44% rejection rate. There are now 37,379 bags waiting to go through grading. The 44% rejection rate is unlikely to stay that high for the rest of January. However, this month's early activity has projected that ICE exchange stocks are unlikely to have a sizable monthly increase in January.



TODAY'S MARKET IDEAS:

With Robusta supply issues providing support, coffee prices can regain upside momentum this week. Near-term support for March coffee is at 179.75 while resistance is up at 185.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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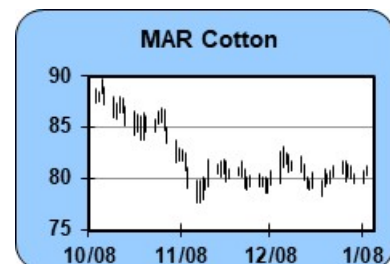
COFFEE (MAR) 01/10/2024: The market now above the 40-day moving average suggests the longer-term trend has turned up. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is now at 180.43. The next area of resistance is around 186.10 and 188.42, while 1st support hits today at 182.10 and below there at 180.43.

DAILY COTTON COMMENTARY

1/10/2024

Climbing above 50-day moving average for the first time since mid-October

Cotton finally closed above the 50-Day moving average yesterday, the first time since mid-October, and is holding above there so far this morning. The Shanghai Composite broke a 3-session losing streak with a mild gain on Tuesday and a potential for a continued rebound in Chinese equity markets could give a boost to US cotton export sales to China in front of their Lunar New Year holiday. Brazil's cotton exports during the first 4 working days of January were 47,330 tonnes which is 109.9% above the 22,560 tonnes exported during the comparable



period last year.

TODAY'S MARKET IDEAS:

Cotton is on a 3-session winning streak, and a potential second close above the 50-day moving average today can bring in fresh technically-based buying. If a rebound in global risk sentiment can improve the near-term demand outlook, cotton should be able to extend this recovery move. Near-term support for March cotton is at 80.30 while resistance is up at 81.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAR) 01/10/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 81.67. The next area of resistance is around 81.19 and 81.67, while 1st support hits today at 80.27 and below there at 79.82.

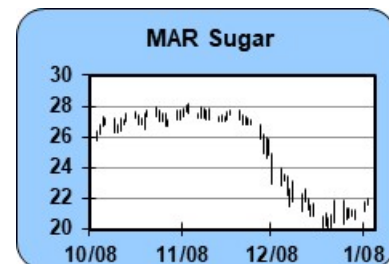
COTTON (JUL) 01/10/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 83.41. The next area of resistance is around 82.98 and 83.41, while 1st support hits today at 82.16 and below there at 81.76.

DAILY SUGAR COMMENTARY

1/10/2024

India court decision could boost ethanol production and reduce sugar production

While sugar lost upside momentum on Tuesday, the market remains on course for a weekly gain. Futures have bounced back from early pressure and are posting moderate gains this morning. Flooding in Queensland, Australia, their major cane-growing region, following a tropical cyclone should result in lower Australian sugar production and exports during their upcoming 2024/25 season.



There is a court case challenging the Indian government's decision to ban the use of cane juice for ethanol production. Although this was relaxed to allow 1.7 million tonnes of sugar production to be diverted to ethanol production this season, that amount could increase significantly if the Bombay High Court decides against the government and in favor of a Maharashtra-based factory.

Hedgepoint Global Advisors have cut their forecast for Brazil's 2024/25 Center-South cane crop from 640 million down to 620 million tonnes due to lower-than-expected rainfall and higher temperatures last month. This would still result in 2024/25 Center-South sugar production coming in at 41.7 million tonnes, their second highest output on record. The record is 42.2 million tonnes set this season.

TODAY'S MARKET IDEAS:

While it may take some time for the Indian court to make a decision, it does open the door to increased ethanol

production and lower sugar production. With supply issues in Thailand and Australia providing support, sugar can maintain upside momentum during today's trading. Near-term support for March sugar is at 21.40 while resistance is at 22.30.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAR) 01/10/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is positive on the close above the 9-day moving average. The market could take on a defensive posture with the daily closing price reversal down. The close over the pivot swing is a somewhat positive setup. The next upside objective is 22.14. The next area of resistance is around 21.91 and 22.14, while 1st support hits today at 21.49 and below there at 21.31.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAR) 01/10/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 288.95. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 310.90 and 320.00, while 1st support hits today at 295.40 and below there at 288.95.

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	21.70	51.14	44.09	40.00	56.36	21.41	21.15	21.20	24.23	24.99
CTAH24	80.73	54.47	51.51	53.30	59.41	80.37	80.53	80.19	80.29	81.51
CTAN24	82.57	57.47	54.06	65.33	69.53	82.28	82.36	81.74	81.70	82.89
CCAH24	4162	42.82	47.05	38.06	33.02	4180.00	4218.33	4249.00	4157.98	4057.37
OJAH24	303.15	27.99	31.32	14.23	11.23	315.19	318.74	334.69	359.36	361.07
KCAH24	184.10	44.16	48.68	28.11	18.08	183.46	188.26	190.43	180.79	175.79
MAG24	15.98	54.03	45.98	21.04	34.65	15.72	15.71	15.81	16.64	17.04

Calculations based on previous session. Data collected 01/09/2024

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	21.30	21.49	21.72	21.91	22.14
CTAH24	Cotton	79.81	80.26	80.74	81.19	81.67
CTAN24	Cotton	81.75	82.15	82.58	82.98	83.41
CCAH24	Cocoa	4044	4107	4154	4217	4264
OJAH24	Orange Juice	288.90	295.35	304.45	310.90	320.00
KCAH24	Coffee	180.42	182.10	184.42	186.10	188.42

MAG24	Milk	15.60	15.82	15.91	16.13	16.22
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