



## DAILY SOFTS COMMENTARY

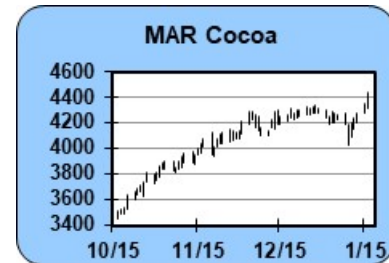
Wednesday January 17, 2024

### DAILY COCOA COMMENTARY

1/17/2024

#### Demand appears resilient, grind data will be a test.

The cocoa market could be pressured as demand concerns increase, and this can be magnified by the fact the prices have doubled since September 2022, but evidence that demand has stayed resilient despite high prices has helped the market maintain upside momentum. Major chocolate retailer Lindt and Spruengli reported a 10% increase in sales during 2023 from the previous year. A portion of the increase was due to higher prices they received, but the news also suggests that consumers have been willing to pay up for their chocolates. March cocoa traded to a new contract high yesterday and came close to taking out the 46-year high on the nearby chart. Commercial buying reportedly emerged on the sharp break into January 8, and the market has made higher highs every session since. Above-average rainfall in West African growing areas for a second week during the region's typical dry season could improve the prospects for the mid-crop, which usually begins to be harvested in April. North American and European grinding stats are due to be released on Thursday, and traders could grow cautious ahead of the numbers.



#### TODAY'S MARKET IDEAS:

Cocoa demand expectations could be put to the test with Thursday's North American and European grind stats. A move through resistance in March cocoa at 4478 would leave the next upside target at 4589. Look for support at 4294.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### COCOA TECHNICAL OUTLOOK:

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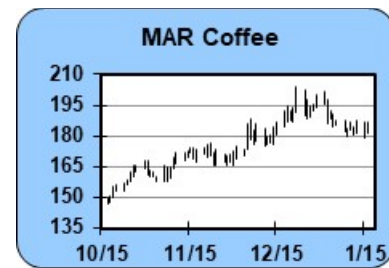
COCOA (MAR) 01/17/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside objective is at 4533. The next area of resistance is around 4492 and 4533, while 1st support hits today at 4366 and below there at 4280.

### DAILY COFFEE COMMENTARY

1/17/2024

## Robusta prices 28-year highs but NY prices stall.

Since stopping a four-session losing streak last Tuesday, coffee prices have seen wide-sweeping coiling action. March coffee fell back to the 50-day moving average on Friday but bounced off it, and that line could be a key support level today. Recent missile and drone attacks on ships traveling through the Red Sea have disrupted Robusta shipments from Vietnam and Indonesia to Europe, with reports of delays up to three weeks, and this has brought nearby London prices to their highest level since 1994. However, NY (Arabica) prices have stalled. There have also been reports of Vietnamese farmers "hoarding" beans, waiting for higher prices. The Brazilian trade group Cecafe said that their nation's Arabica exports totaled 3.26 million bags in December, up 14.8% from year-ago levels. They also said that logistical issues prevented them from exporting an additional 2 million bags last year. ICE exchange coffee stocks fell 2,256 bags on Tuesday. Stocks are still 7,966 bags above where they were at the end of December, and there are 53,180 bags pending review. ICE announced it was increasing the premium for coffee deliveries from Colombia, Kenya, and Nicaragua to attract more supply into exchange stocks.



### TODAY'S MARKET IDEAS:

The rally in London (Robusta) coffee has offered only limited support to the New York (Arabica) contract. Look for key support in March (NY) Coffee at 180.60, the 50-day moving average. A break below there would leave the next downside target at 174.45. Look for resistance at 189.00.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### COFFEE TECHNICAL OUTLOOK:

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COFFEE (MAR) 01/17/2024: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. Momentum studies are declining, but have fallen to oversold levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is now at 179.24. The next area of resistance is around 188.02 and 190.33, while 1st support hits today at 182.48 and below there at 179.24.

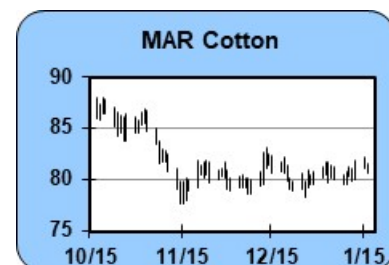
## DAILY COTTON COMMENTARY

1/17/2024

### Upside limited until demand picture improves.

March cotton prices were resilient overnight against a turn lower in the stock market and a stronger dollar. The market has been trading in a sideways pattern since early November, after the US harvest was mostly completed and the focus shifted to global demand. The dollar gapped higher on Tuesday and traded to its highest level since December 13, after Fed member comments seemed to suggest that there would be fewer rate cuts in 2024 than the market was hoping for.

The move higher in the dollar starts a second leg higher off the December low and indicates an uptrend is intact. This could be worrisome to those hoping to see stronger US cotton exports. The USDA lowered its global consumption forecast on Friday, which was a disappointment for those hoping for stronger demand, but the market appears to have



absorbed that news and appears to be on its way to test Friday's high.

**TODAY'S MARKET IDEAS:**

March cotton broke above the 21-day and 50-day moving averages last Thursday and those lines (80.30-80.40) could be key support this week. Look for resistance at 82.22 and 83.13.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**COTTON TECHNICAL OUTLOOK:**

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COTTON (MAR) 01/17/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The upside closing price reversal on the daily chart is somewhat bullish. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside objective is at 82.05. The next area of resistance is around 81.75 and 82.05, while 1st support hits today at 80.91 and below there at 80.38.

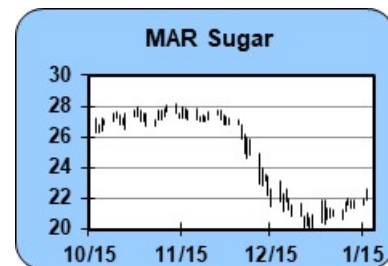
COTTON (JUL) 01/17/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The near-term upside target is at 83.53. The next area of resistance is around 83.28 and 83.53, while 1st support hits today at 82.62 and below there at 82.22.

**DAILY SUGAR COMMENTARY**

1/17/2024

**A shift in focus to tight global supply.**

March sugar broke through key round number resistance at 22.00 yesterday, leaving it in a position to mount a more significant, corrective rally off the December lows. India has announced a 50% export duty on molasses that is extracted from sugar refining this week, as they try to maintain adequate sugar supply for domestic consumption while also supporting ethanol production by promoting the use of molasses for that purpose. This would seem to reduce the chance that their export embargo of raw sugar would be lifted in the foreseeable future. Indian mills produced 14.87 million tonnes of sugar between October 1 and January 15, a 7% decline from year-ago, the National Federation of Cooperative Sugar Factories reported. They attributed the decline to lower output in the key producing states of Maharashtra and Karnataka. There are indications that Brazilian Center-South cane harvesting and crushing activity will finish for the season by the end of the month, which is about two months later than normal. There are also concerns that another cyclone may inflict further damage to Australia's cane crop following the severe damage from Cyclone Jasper in December.



**TODAY'S MARKET IDEAS:**

The breakout above 22.00 in March sugar builds on the technical support from last week's move above the 21-day moving average and helps confirm that the market put in a significant low in December. Brazil production this season was strong, but that is countered by lower output in India and Thailand and new concerns about Australia. The next upside objective comes in at 23.13, followed by 24.08. Look for support at 22.00 and 21.22.

**NEW RECOMMENDATIONS:**

None.

## PREVIOUS RECOMMENDATIONS:

None.

## SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAR) 01/17/2024: Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 23.17. The next area of resistance is around 22.91 and 23.17, while 1st support hits today at 22.13 and below there at 21.60.

## OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAR) 01/17/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 1st swing support could weigh on the market. The next upside objective is 307.05. The next area of resistance is around 302.55 and 307.05, while 1st support hits today at 295.60 and below there at 293.10.

## 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
<b>SOFTS MARKETS COMPLEX</b>										
SBAH24	22.52	62.22	52.91	67.72	81.80	21.83	21.53	21.19	23.72	24.63
CTAH24	81.33	59.22	54.99	63.50	67.31	81.05	80.73	80.37	80.38	81.14
CTAN24	82.95	60.25	56.21	71.77	74.32	82.74	82.54	82.04	81.77	82.54
CCAH24	4429	69.45	65.47	61.18	79.07	4308.00	4243.33	4259.83	4191.89	4103.48
OJAH24	299.05	31.17	32.95	14.74	16.37	301.53	311.56	320.86	355.07	357.41
KCAH24	185.25	49.68	50.75	18.12	17.66	182.61	183.39	188.81	181.86	177.56
MAG24	15.73	43.49	41.41	40.58	39.81	15.93	15.79	15.75	16.48	16.87

Calculations based on previous session. Data collected 01/16/2024

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

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>SOFTS MARKETS COMPLEX</b>						
SBAH24	Sugar	21.59	22.12	22.38	22.91	23.17
CTAH24	Cotton	80.37	80.91	81.21	81.75	82.05
CTAN24	Cotton	82.21	82.62	82.87	83.28	83.53
CCAH24	Cocoa	4279	4365	4406	4492	4533
OJAH24	Orange Juice	293.05	295.55	300.05	302.55	307.05
KCAH24	Coffee	179.23	182.47	184.78	188.02	190.33
MAG24	Milk	15.35	15.50	15.80	15.95	16.25

Calculations based on previous session. Data collected 01/16/2024

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