

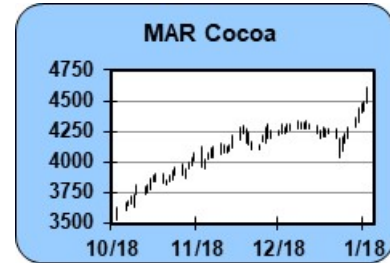


**DAILY SOFTS COMMENTARY**  
Monday January 22, 2024

**DAILY COCOA COMMENTARY**  
1/22/2024

**Ivory Coast arrivals running 36% behind last year.**

Last week's fourth-quarter grind totals for Europe, Asia, and North America were all down from year ago levels, yet the cocoa market responded with a rally to new 46-year highs. The 2.5% year-over-year decline for European grindings was near the low end of expectations calling for a decline of 2-5%. North America saw a 2.95% decline versus expectations calling for declines of 6%-10%. The rebound in global consumer sentiment and a move to new all-time highs for the S&P 500 are viewed as supportive to demand. European and US equity markets were higher again overnight. Ivory Coast port arrivals totaled 41,000 tonnes for the week ending January 21, down from 64,000 a year ago. Total arrivals since the season began on October 1 have reached 995,000 tonnes, down 36% from last year. Friday's Commitments of Traders report showed managed money traders were net buyers of 4,585 contracts of cocoa for the week ending January 16, increasing their net long to 63,701. The record net long is 79,541 from September. This leaves the market vulnerable to heavy selling if support levels are taken out.



**TODAY'S MARKET IDEAS:**

Once again, March cocoa is making new highs despite being technically overbought and vulnerable to a setback. The RSI has climbed above 70 for the first time since early December, and stochastics have risen above the 90 level for the first time since mid-September. However, the long-term uptrend remains intact, with no top indicated. The market peaked at \$5500 in the mid-1970s. Look for support at \$4555 and \$4508.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 1/9/2024 - 1/16/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
<b>Softs</b>						
<b>Cocoa</b>	63,735	+6,040	-65,374	-9,544	1,639	+3,504

**COCOA TECHNICAL OUTLOOK:**

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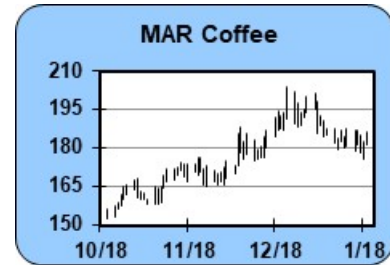
COCOA (MAR) 01/22/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next upside target is 4691. The market is becoming somewhat overbought now that the RSI is

over 70. The next area of resistance is around 4647 and 4691, while 1st support hits today at 4519 and below there at 4435.

**DAILY COFFEE COMMENTARY**  
**1/22/2024**

**Tight Robusta supplies lift Arabica prices.**

The NY coffee market has drawn support from tight Robusta supplies as well as strong economic data, specifically in the US, which is viewed as bullish for demand. The Houthi attacks on cargo ships in the Red Sea have slowed shipments of Vietnamese Robusta beans to Europe, forcing European buyers to look to Brazil and other areas, and this has lent support to the Arabica market as well. Colombia's fourth quarter output surge brought their 2023 production to 11.347 million bags, was their largest 12-month running total since November 2022. However, output remains well below their annualized pace from 2015 through 2021. ICE exchange coffee stocks fell 10,702 bags on Friday to only 1,882 bags above the December month-end level. Of the 9,920 that went through the grading process on Friday, 4,480 failed approval. Friday's Commitments of Traders report showed managed money traders were net buyers of 585 contracts of coffee report for the week ending January 16, increasing their net long to 42,728. This is their largest net long since August 2022 and is near the upper end of the historic range. The record is 60,133 from February 2022. This leaves the market vulnerable to long liquidation if support levels are taken out.



**TODAY'S MARKET IDEAS:**

March coffee followed through on Thursday's reversal from a six-week low with strong gains in Friday and overnight, lifting the market to just shy of 189.70, the 50% retracement of the December-January selloff. A move through there would project to 193.05. Look for support at 186.40.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 1/9/2024 - 1/16/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Softs</b>						
<b>Coffee</b>	50,645	+3,228	-52,053	-2,835	1,409	-392

**COFFEE TECHNICAL OUTLOOK:**

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COFFEE (MAR) 01/22/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. The crossover up in the daily stochastics is a bullish signal. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The close above the 9-day moving average is a positive short-term indicator for trend. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 189.02. Daily studies suggest buying dips today. The next area of resistance is around 187.40 and 189.02, while 1st support hits today at 182.90 and below there at 180.03.

# DAILY COTTON COMMENTARY

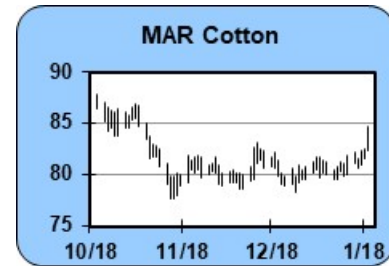
1/22/2024

## Strong export report was just what the bulls needed.

Cotton bulls had been hoping to see increased business ahead of the lunar new year, and they got it. March cotton rallied sharply on Friday in the wake of a bullish export sales report and traded to its highest level since October 30. US cotton export sales for the week ending January 11 came in at 437,647 bales (current and new crop combined), up from 284,478 the previous week and the highest since November 2.

Cumulative sales for 2023/24 have reached 9.306 million bales, up from 9.068 million a year ago but below the five-year average of 11.046 million for this point in the marketing year. Sales have recently crossed

above year-ago levels for the first time this marketing year. Shipments are also strong, reaching 257,695 bales last week, the highest weekly total since June 29. Shipments have been running above 200,000 bales per week for the past five weeks and have been above year-ago and five-year average levels for several weeks. The largest buyer last week was China at 227,708 bales, followed by Vietnam at 38,914. China has the most commitments for 2023/24 at 3.762 million bales, followed by Pakistan at 1.380 million. Friday's Commitments of Traders report showed managed money traders were net buyers of 4,856 contracts of cotton for the week ending January 16, reducing their net short to 2,016. The buying trend is short-term positive. The weather outlook is mixed. West Texas could receive some rain in the coming week, which could help recharge some areas that are still abnormally dry. The Delta is too wet. Australia, especially Queensland, is expected to receive significant rain this week due to the latest cyclone, but Argentina is not expected to get much rain for a while, which could lead to crop stress. The S&P 500 reached new all-time highs last week and saw further gains overnight, which is supportive to cotton.



### TODAY'S MARKET IDEAS:

March cotton traded up through the 50% retracement of the September-November selloff on Friday and closed right at that level at 83.95, which could be key bull/bear line today. The market also closed above the 200-day moving average for the first time since October 30. The next upside retracement target is 85.47, with support at 82.48.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### Commitment of Traders - Futures and Options - 1/9/2024 - 1/16/2024

	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
Softs							
Cotton	14,394	+5,502	-14,260	-5,218	-134	-284	

### COTTON TECHNICAL OUTLOOK:

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COTTON (MAR) 01/22/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 86.14. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 85.15 and 86.14, while 1st support hits today at 82.75 and below there at 81.33.

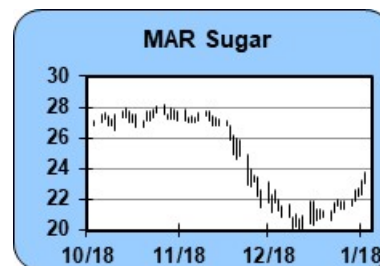
COTTON (JUL) 01/22/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The market's close above the 2nd swing resistance number is a bullish indication. The next upside target is 87.05. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 86.31 and 87.05, while 1st support hits today at 84.33 and below there at 83.08.

## DAILY SUGAR COMMENTARY

1/22/2024

### Mexican sugar production down 15% from last year.

Czarnikow is forecasting Mexico's 2023/24 sugar production to come at 4.7 million tonnes, down 15% from 2022/23 and their lowest in 10 years. They are blaming poor cane development this year due to insufficient rain as well as poor yields during processing. Mexico is the largest source of US sugar imports, with the USDA projecting 836,000 metric tonnes to be shipped to the US during the 2023/24 season. This suggests that Mexico will have to import from Central America to fulfill its export quota to the US. Last year they imported heavily from India, but India's drop in production this year is expected to keep them out of the export market. India's 2023/24 production was 7% behind the previous season's pace as of last Monday. Another cyclone is expected to hit Australian cane-growing areas this week after a previous one brought flooding to some areas. Traders are expressing concern that the dry weather in Brazil will hurt upcoming cane production. Friday's Commitments of Traders showed managed money traders were net sellers of 1,104 contracts of sugar for the week ending January 16, reducing their net long to 14,788. This was their smallest net long since September 2022 and was practically flat when compared to the record of 286,000 from 2016. As recently as November 7, these traders were net long 200,824 contracts. This suggests there is more room for fund buying.



Back-to-back gains on Thursday and Friday have taken March sugar to its highest level since early December. Initial resistance today comes in at the 50-day moving average at 23.82, followed by 24.08, the 50% retracement of the selloff from the November high to the December low. Look for support at 23.13.

### TODAY'S MARKET IDEAS:

Back-to-back gains on Thursday and Friday have taken March sugar to its highest level since early December. Initial resistance today comes in at the 50-day moving average at 23.82, followed by 24.08, the 50% retracement of the selloff from the November high to the December low. Look for support at 23.13.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/9/2024 - 1/16/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Softs						
Sugar	37,912	-2,297	-60,967	-6,591	23,055	+8,887

### SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAR) 01/22/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 24.19. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 23.92 and 24.19, while 1st support hits today at 23.22 and below there at 22.78.

## OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAR) 01/22/2024: The daily stochastics have crossed over up which is a bullish indication. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close above the 9-day moving average is a positive short-term indicator for trend. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside target is at 315.75. The next area of resistance is around 313.05 and 315.75, while 1st support hits today at 302.35 and below there at 294.25.

## 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	23.57	71.24	60.84	82.10	90.52	22.87	22.19	21.54	23.41	24.42
CTAH24	83.95	77.76	68.58	73.75	81.50	82.37	81.50	80.94	80.61	81.01
CTAN24	85.32	78.94	69.85	79.02	84.97	83.90	83.16	82.64	81.99	82.42
CCAH24	4583	78.51	72.75	80.39	90.88	4479.50	4330.78	4293.33	4223.87	4141.93
OJAH24	307.65	44.90	41.47	15.67	20.14	298.78	301.72	312.06	350.89	354.01
KCAH24	185.15	51.46	51.27	18.32	23.48	182.39	182.25	186.46	182.45	178.45
MAG24	15.79	47.52	44.09	33.26	29.58	15.72	15.84	15.75	16.37	16.73

Calculations based on previous session. Data collected 01/19/2024

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	22.77	23.21	23.48	23.92	24.19
CTAH24	Cotton	81.32	82.74	83.73	85.15	86.14
CTAN24	Cotton	83.07	84.32	85.06	86.31	87.05
CCAH24	Cocoa	4435	4519	4563	4647	4691
OJAH24	Orange Juice	294.20	302.30	305.00	313.05	315.75
KCAH24	Coffee	180.02	182.90	184.52	187.40	189.02
MAG24	Milk	15.54	15.67	15.78	15.91	16.02

Calculations based on previous session. Data collected 01/19/2024

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