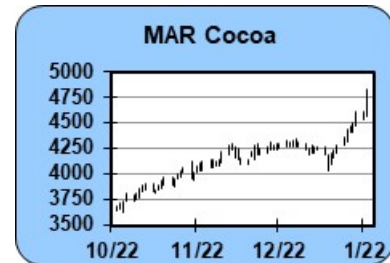




DAILY COCOA COMMENTARY
1/24/2024

Exhaustion-type rally may make bulls tentative.

It is possible that yesterday's wild action was an indicator of an exhaustion top. March cocoa closed higher, but it was \$201 below the high of the day. Earlier in the session, a \$154 rally was followed by a \$100 pullback in less than two minutes. The market was higher overnight, but it stayed inside yesterday's range. West Africa production remains far behind last season's pace, and the cocoa market is expected to see a third global production deficit in a row for the 2023/24 marketing year. Nigeria reported their December cocoa exports at 24,921 tonnes versus 36,571 in December 2022, another indicator of the disappointing crop out of West Africa. We have yet to see demand destruction emerge, despite prices reaching 46-year highs. Sales from the world's biggest chocolate market Barry Callebaut increased 0.4% from year-ago levels during September-November, as it was able to pass on higher cocoa prices to customers. Last week's 4th quarter grind numbers from Europe and North America were down from last year, but not as much as expected. Asia's grind was lower, but it came in as expected. Reports from Ivory Coast growers have been mostly positive for the mid-crop, citing adequate moisture and strong pod growth.



TODAY'S MARKET IDEAS:

Cocoa bulls may be wary of adding to their long positions after the volatile action yesterday, and the high in March cocoa at 4835 may hold for a while. RSI above 78 indicates an overbought technical condition, and stochastics are close to crossing negative from a high level. Initial resistance come in at 4740, with support at 4634 and 4565.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

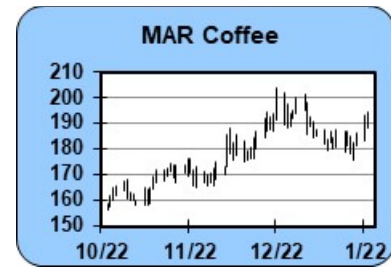
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COCOA (MAR) 01/24/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 4933. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 4766 and 4933, while 1st support hits today at 4502 and below there at 4404.

DAILY COFFEE COMMENTARY
1/24/2024

Benefits from a risk on mood and relatively tight supplies,

Coffee has extended its winning streak to five sessions with little to no help from any fresh bullish supply news except for the slowdown in the shipping of Robusta beans through the Red Sea. If global markets stay in a "risk on" mood, an improving demand outlook could help coffee maintain its upside momentum. The long-term decline in inflation can also support retail-shop and restaurant consumption. The Brazilian real rebounded from a 12-week low yesterday to close higher on the day, and that was viewed as supportive to coffee prices on ideas it would ease pressure on Brazilian farmers to market their remaining supply to foreign customers. The attacks on cargo ships in the Red Sea have continued despite counter attacks by the US and UK, and this has slowed shipment of robusta beans from Asia to Europe. ICE exchange coffee stocks increased by 1,915 bags on Tuesday, but the low approval rate of the beans being submitted for inspections is keeping the stock recovery rate low.



TODAY'S MARKET IDEAS:

ICE exchange stocks are on course for a monthly increase, but they are likely to see their third lowest month-end total this century. Out-of-home demand prospects improve with the risk on mood in the markets. Look for support in March coffee at 189.75, with resistance at 198.00.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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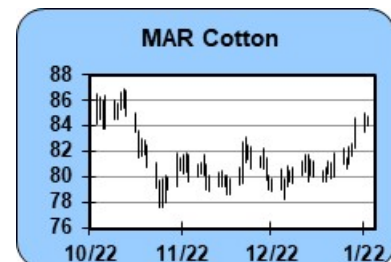
COFFEE (MAR) 01/24/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 198.15. The next area of resistance is around 195.90 and 198.15, while 1st support hits today at 190.00 and below there at 186.35.

DAILY COTTON COMMENTARY

1/24/2024

China stimulus efforts could boost demand expectations.

March cotton is finding support from a recent turnaround in demand expectations. Last week's export sales report came in strong, and traders are hoping that China will continue to be an active buyer ahead of the Lunar New Year, which starts next month. Strength in the US stock market is viewed as bullish for cotton consumption. A Bloomberg report that Chinese authorities are considering a package of measures to stabilize the slumping stock market may boost expectations China's cotton demand. Earlier this week, S&P Global forecast US all-cotton plantings for 2024 at 10.675 million acres. This would be up from the 10.23 million planted last year but below the 13.75 million in 2022. And this week Cotton Australia, an industry association, raised its production forecast to 4.4-4.5 million bales from around 4 million a few months ago. A wetter trend in the forecast for Texas could help recharge soils in areas that are still on the dry side after last year's drought. However, the Delta is too wet, and the 8-14-day forecast has above average chances of rain.



TODAY'S MARKET IDEAS:

March cotton's move last Friday above the 200-day moving average and the 50% retracement of the September-October decline was bullish technical action. This leaves the next upside target at 84.57, with support at 83.97. Overbought technical indicators could make the bulls nervous, especially if tomorrow's export sales report is disappointing.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAR) 01/24/2024: 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. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 85.31. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 85.00 and 85.31, while 1st support hits today at 84.20 and below there at 83.72.

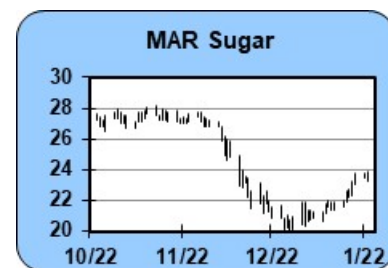
COTTON (JUL) 01/24/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 86.96. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 86.75 and 86.96, while 1st support hits today at 86.03 and below there at 85.51.

DAILY SUGAR COMMENTARY

1/24/2024

Cyclone threatening Australian cane crop.

Tropical cyclone Kirrily has formed off Australia and is expected to cross the coast into Queensland late Thursday. Heavy to intense rainfall is expected Friday and into the weekend. Queensland accounts for 95% of Australia's sugar output, and excess flooding could damage the 2024 crop that will be harvested later this year. A previous cyclone damaged flooded fields and inundated homes. The Brazilian real rebounded from a 12-week low to post a decent gain yesterday, and that was viewed as supportive to sugar on ideas it eases pressure on mills to produce sugar for export. Unica is expected to release its bimonthly report on Brazilian sugar production this week. The previous report showed Brazil's Center-South mills had devoted 49.1% of the current season's crushing activity for the first nine months of the 2023/24 season that began in April. This was up from 46% for the same period in 2022/23. During the second half of December, mills allocated 37.1% of their crushing activity to sugar production versus 47% during that same period in 2022. Traders are growing concerned that the below average rainfall in Brazil will affect the upcoming crop, but that same dry weather could have encouraged more late-season harvest activity.



TODAY'S MARKET IDEAS:

The cyclone hitting Australia's key sugar producing region could spark additional concerns about supply. March sugar climbed has above the 50-day moving average for the first time since late November, leaving 24.04, the 50% retracement of the November-December decline as the next upside objective, followed by 25.01. Look for support at 23.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAR) 01/24/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The outside day up is a positive signal. A positive setup occurred with the close over the 1st swing resistance. The next upside target is 24.28. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 24.06 and 24.28, while 1st support hits today at 23.44 and below there at 23.03.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAR) 01/24/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside objective is 319.80. The next area of resistance is around 313.00 and 319.80, while 1st support hits today at 302.95 and below there at 299.65.

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	23.75	72.06	61.90	87.68	92.86	23.47	22.61	21.88	23.25	24.29
CTAH24	84.60	77.66	69.79	82.28	89.84	83.97	82.42	81.48	80.77	80.99
CTAN24	86.39	83.27	74.00	86.39	93.62	85.48	84.03	83.19	82.17	82.42
CCAH24	4634	78.98	73.69	84.12	84.13	4560.00	4435.56	4326.94	4251.04	4169.65
OJAH24	307.90	45.16	41.68	22.24	28.84	305.43	302.05	310.39	347.74	351.88
KCAH24	192.95	61.91	58.36	37.03	57.98	187.58	184.44	186.35	183.30	179.38
MAG24	15.70	44.00	42.46	32.34	30.05	15.76	15.83	15.77	16.28	16.65

Calculations based on previous session. Data collected 01/23/2024

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	23.02	23.43	23.65	24.06	24.28
CTAH24	Cotton	83.71	84.20	84.51	85.00	85.31
CTAN24	Cotton	85.50	86.02	86.23	86.75	86.96
CCAH24	Cocoa	4403	4501	4668	4766	4933
OJAH24	Orange Juice	299.60	302.90	309.70	313.00	319.80
KCAH24	Coffee	186.35	190.00	192.25	195.90	198.15
MAG24	Milk	15.49	15.56	15.76	15.83	16.03

Calculations based on previous session. Data collected 01/23/2024

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