

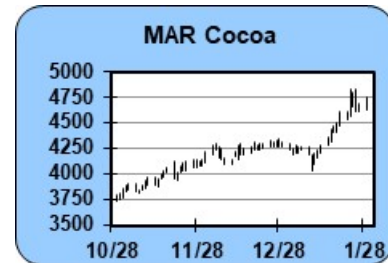


## DAILY SOFTS COMMENTARY Tuesday January 30, 2024

### DAILY COCOA COMMENTARY 1/30/2024

#### Harmattan winds return to Ivory Coast.

Cocoa prices continue to find support from bullish supply developments and an improving demand outlook, and the market appears to be heading to a test of last week's 46 1/2 year high. The market had a sweeping reversal top day last Thursday, but it has been working higher since, as weather reports out of West Africa have recently turned bullish. There are reports that Harmattan winds in Nigeria have been particularly harsh this season, which could negatively impact their 2023/24 production. The Harmattan has also returned to Ivory Coast, raising concerns that it could damage developing cocoa pods for the mid-crop, which begins in April. Just last week, farmers were reporting on how favorable the weather had been and how well the crop looked. The dry season runs through March. Ivory Coast port arrivals remain far behind last season's pace after nearly four months of main crop production. The stock market rally and low inflation trends point to stronger demand, and the recent grind data was not as low as expected.



#### TODAY'S MARKET IDEAS:

The one-day selloff last week eased a short-term overbought condition, which may allow March cocoa to resume its uptrend. Look for resistance at 4840, with 4610 as support.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### COCOA TECHNICAL OUTLOOK:

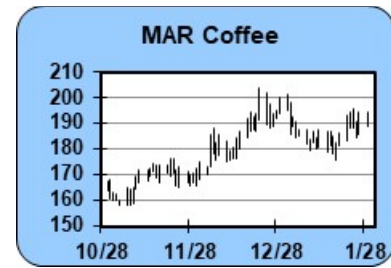
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COCOA (MAR) 01/30/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. A positive setup occurred with the close over the 1st swing resistance. The next downside target is now at 4590. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 4793 and 4835, while 1st support hits today at 4671 and below there at 4590.

### DAILY COFFEE COMMENTARY 1/30/2024

## Vietnam export surge but Brazil weather a concern.

Coffee prices continue to see coiling action while holding above their 50-day moving average. March coffee was higher overnight, but it was confined to yesterday's range. Traders are watching the weather in Brazil to see if the current rain event will be enough to ease concerns about the dry conditions there. Vietnam's General Statistics Bureau reported that it expects that nation's January coffee exports to reach 210,000 tonnes, which would be up 47.6% from the same period last year. Vietnam is the world's largest Robusta growing nation, and their production last year was down sharply. The recent surge in exports is expected to help loosen global supplies. The market has been supported recently on reports that the attacks on ships in the Red Sea have interrupted movement of robusta coffee from Asia to Europe. Data from the European Coffee Federation indicate that European supplies are the lowest in seven years. ICE exchange coffee stocks fell 5,741 bags on Monday and are now 7,759 bags, taking them below where they were at the end of December. This is a change from recent expectations that stocks would increase this month. A pullback in the Brazilian currency yesterday may encourage producers to sell. Volcafe reduced its forecast of Brazil's 2024/25 Arabica production from 50.4 million bags to 44.8 million.



### TODAY'S MARKET IDEAS:

Vietnam's export surge may pressure the coffee market this week, but traders are also watching the weather in Brazil to see if the current rainfall can stem concerns about the upcoming crop. March coffee is in a consolidation pattern with 195.75 as resistance and 184.35 as support. The bulls appear to have the edge, provided equities hold firm.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### COFFEE TECHNICAL OUTLOOK:

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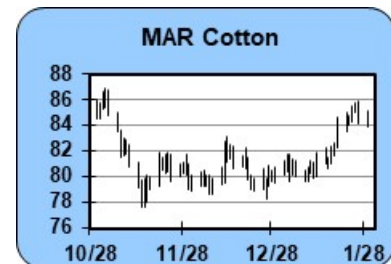
COFFEE (MAR) 01/30/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside objective is 196.07. The next area of resistance is around 192.10 and 196.07, while 1st support hits today at 186.40 and below there at 184.68.

## DAILY COTTON COMMENTARY

1/30/2024

### Exports slowdown feared.

March cotton is under the bearish influence of a reversal lower on Friday that came in response to a disappointing export sales report last week. After five weeks of strong export sales and shipments, they fell back last week, and this sparked some concern that US prices had gotten too high to be competitive on the world market. There are also concerns that exports to China may slow ahead of Lunar New Year, which is set to begin around February 10. The funds are starting to build a bet long position, and it is small enough to leave room for additional buying. Cotton has also drawn support from the stock market rally,



which could leave it vulnerable to heavy selling if stocks correct.

**TODAY'S MARKET IDEAS:**

Look for support in March cotton at the 200-day moving average at 83.00. Retracement support of rally off the November low comes in at 82.73, followed by 81.76.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**COTTON TECHNICAL OUTLOOK:**

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COTTON (MAR) 01/30/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 83.05. The next area of resistance is around 84.93 and 85.74, while 1st support hits today at 83.59 and below there at 83.05.

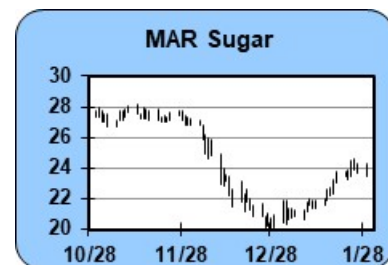
COTTON (JUL) 01/30/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 85.25. The next area of resistance is around 86.93 and 87.58, while 1st support hits today at 85.77 and below there at 85.25.

**DAILY SUGAR COMMENTARY**

**1/30/2024**

**Record Brazilian crop vs. tight Asian supply.**

Brazil's 2023/24 season may be in its final stages, but its record output could continue to limit gains. Their Center-South sugar production this season was 25.5% ahead of last season as of mid-January. Exports have been slowed by port congestion and a lack of containers, but they are expected to reach a record as well. Monday's pullback in the Brazilian real may encourage mills to shift some of their crushing back to sugar production after a significant move towards ethanol since mid-December. Cyclone Kirrily, which struck Australia's Queensland state last week, did not significantly damage sugar crops or farm infrastructure, according to the industry group Canegrowers. An earlier Cyclone did cause damage. In commentary yesterday, dealers cited possible fresh demand from China and Indonesia. The Bangladesh government is considering a move to cut import taxes for sugar. This underscores the tight supply in Asia after the disappointing Thai and Indian crops last year. India continues its export ban, and Thailand's production may fall 25% below last season.



**TODAY'S MARKET IDEAS:**

March sugar has fallen right to the 50-day moving average, and break below there could a bigger correction of the rally off the December low. Initial retracement support comes in at 22.87, followed by 22.32. Look for resistance at 24.48.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**SUGAR TECHNICAL OUTLOOK:**

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SUGAR (MAR) 01/30/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is 22.82. The next area of resistance is around 23.97 and 24.57, while 1st support hits today at 23.09 and below there at 22.82.

**OJ TECHNICAL OUTLOOK:**

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ORANGE JUICE (MAR) 01/30/2024: The major trend could be turning up with the close back above the 40-day moving average. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's short-term trend is positive on the close above the 9-day moving average. The gap up on the day session chart gave a bullish indicator and more follow through could be seen this session. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside target is at 350.10. The next area of resistance is around 345.80 and 350.10, while 1st support hits today at 328.70 and below there at 315.85.

**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	23.53	58.99	56.23	86.10	80.12	23.95	23.56	22.54	22.94	24.08
CTAH24	84.26	62.06	61.63	86.94	83.15	84.95	84.15	82.44	81.11	80.98
CTAN24	86.35	67.39	66.00	89.28	85.54	86.87	85.86	84.20	82.58	82.45
CCAH24	4732	70.14	68.88	83.15	82.70	4703.50	4611.33	4427.33	4306.47	4226.08
OJAH24	337.25	68.37	58.60	47.19	68.55	318.21	309.47	310.51	340.53	347.90
KCAH24	189.25	52.74	52.89	60.93	69.31	189.88	187.67	185.53	185.13	181.30
MAG24	16.46	68.74	60.81	41.34	59.07	15.99	15.86	15.82	16.14	16.51

Calculations based on previous session. Data collected 01/29/2024

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	22.81	23.09	23.69	23.97	24.57
CTAH24	Cotton	83.04	83.58	84.39	84.93	85.74
CTAN24	Cotton	85.24	85.76	86.41	86.93	87.58
CCAH24	Cocoa	4589	4670	4712	4793	4835
OJAH24	Orange Juice	315.80	328.65	332.95	345.80	350.10
KCAH24	Coffee	184.67	186.40	190.37	192.10	196.07
MAG24	Milk	15.98	16.26	16.37	16.65	16.76

Calculations based on previous session. Data collected 01/29/2024

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