



DAILY SOFTS COMMENTARY

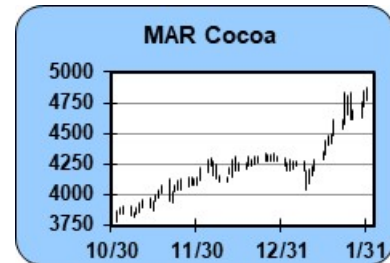
Thursday February 01, 2024

DAILY COCOA COMMENTARY

2/1/2024

Hot and dry in West Africa raises concern about mid-crop.

March cocoa traded to another new contract (and 47-year) high overnight, as the market started another new leg higher in its extended rally. The nearby contract finished January with its largest monthly gain in 47 years as well. Production issues in West Africa have continued to underpin prices. Farmgate prices in Cameroon have reached record levels. The weather in West Africa has taken a bullish turn this week, with the Harmattan winds increasing and daily highs forecast at 100 degrees Fahrenheit or higher in several areas through late next week. This is raising concerns about mid-crop production, which begins in April. Mondelez reported a year-over-year increase in quarterly sales revenue, but they noted that high prices reduced sales volume.



TODAY'S MARKET IDEAS:

March cocoa pushed through a technical target at 4880 overnight, leaving round-number resistance at 4900. Look for initial support at 4822, followed by 4775.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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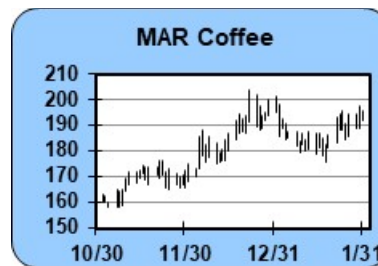
COCOA (MAR) 02/01/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 4919. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 4871 and 4919, while 1st support hits today at 4773 and below there at 4722.

DAILY COFFEE COMMENTARY

2/1/2024

Brazil 2024/25 production forecast revised downward.

March coffee was slightly lower overnight, but it stayed inside Monday's wide range. A report from Brazilian coffee exporter Comexim was a mixed bag, as it raised the estimate of 2023/24 Brazilian production but lowered the forecast for 2024/25. Total coffee production was projected at 67.15 million bags, which was down from the previous forecast of 68-69 million. The reduction was attributed to less-than-ideal rain and extreme heat during the flowering period late last year. The 2023/24 production was raised to 65.75 million bags from 64 million previously. 2024/25 Arabica production was forecast at 45.15 million bags, which would be 3.7% higher than 2023/24. ICE exchange coffee stocks fell 740 bags Wednesday to finish January at 249,829. Stocks have declined in 11 out of the past 12 months. Vietnamese coffee prices were slightly higher this week, as trade remained sluggish ahead of the Lunar New Year holiday that begins next Thursday. The stock market sold off yesterday in the wake of Fed Chair Powell's post-FOMC comments that dashed hopes for a rate cut in March, and this undermined support for commodities.



TODAY'S MARKET IDEAS:

If the risk-off mood from yesterday extends into today, March coffee could see additional pressure, down to 186.50. Look for resistance at 197.45.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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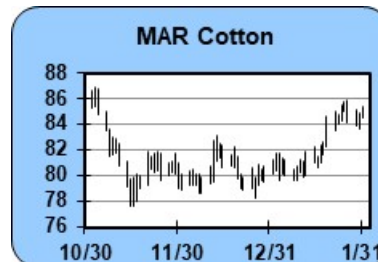
COFFEE (MAR) 02/01/2024: Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 197.42. The next area of resistance is around 195.80 and 197.42, while 1st support hits today at 192.30 and below there at 190.43.

DAILY COTTON COMMENTARY

2/1/2024

Pressure from stock market selloff and dollar strength.

March cotton was lower overnight, possibly in a delayed response to the selloff in the stock market yesterday afternoon, which came in the wake of Fed Chair Powell's comments, which dashed expectations of a rate cut in March. The cotton market finished January with its best performance since May. Traders are hoping to see an improvement in this morning's export sales report. Last week's report showed US cotton sales for the week ending January 18 at 207,044 bales, down from 438,647 the previous week. Total exports for the week came in at 142,242 bales, which was the first time they were below 200,000 since December 7. Sales to China have been strong ahead of the Lunar New Year holidays, which are expected to begin late next week, and traders are wary of a possible slowdown. The dollar was higher overnight in the wake of Powell's comments, which could undermine US export prospects. If the stock market recovers today, it could allow cotton traders to look beyond export sales.



TODAY'S MARKET IDEAS:

Look for resistance in March cotton at 85.47 and 85.86, with support at 83.97. A break below there could set the market back to 82.48.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAR) 02/01/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 84.19. The next area of resistance is around 85.60 and 85.92, while 1st support hits today at 84.74 and below there at 84.19.

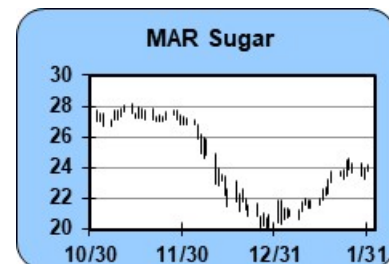
COTTON (JUL) 02/01/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 86.27. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 87.51 and 87.79, while 1st support hits today at 86.75 and below there at 86.27.

DAILY SUGAR COMMENTARY

2/1/2024

Dry conditions in Brazil raise concerns about upcoming crop.

The sugar market received a couple of bullish news items yesterday, with further verification that India's 2023/24 production is down from the previous year. India's National Federation of Cooperative Sugar Factories said their nation's sugar production totaled 18.7 million tonnes during for the first four months of the 2023/24 season (October-January), down from 19.3 million for the same period in 2022/23. The India Sugar Mills Association projected India's total 2023/24 production at 31.4 million tonnes, down from 32.82 million in 2022/23. Their domestic consumption is expected to total 28.5 million tonnes, which would allow carryover stocks to increase to 8.45 million tonnes from 5.6 million in 2022/23. Traders are starting to lower their forecasts for Brazil's 2024/25 can crop due to the drier than normal conditions over the past couple of months.

**TODAY'S MARKET IDEAS:**

The risk-off attitude in the wake of the Fed Chair's comments yesterday may put pressure on the sugar market today. Look for resistance in March sugar at 24.24 and 24.62, with support at 23.77.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAR) 02/01/2024: The market now above the 60-day moving average suggests the longer-term trend has turned up. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. 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 downside target is 23.65. The next area of resistance is around 24.33 and 24.46, while 1st support hits today at 23.93 and below there at 23.65.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAR) 02/01/2024: Momentum studies are trending higher but have entered overbought levels. 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 next upside target is 370.70. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 364.80 and 370.70, while 1st support hits today at 348.85 and below there at 338.75.

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	24.13	66.02	60.96	83.09	81.41	23.84	23.85	22.88	22.81	23.96
CTAH24	85.17	68.29	65.73	85.19	84.53	84.65	84.79	82.94	81.29	81.08
CTAN24	87.13	72.49	69.47	87.76	87.19	86.66	86.60	84.70	82.80	82.57
CCAH24	4822	74.33	71.99	85.66	88.49	4757.75	4691.44	4490.06	4338.78	4257.83
OJAH24	356.80	76.30	65.82	67.94	86.78	340.94	322.90	313.01	338.45	347.86
KCAH24	194.05	58.98	57.06	69.63	77.97	192.79	190.88	186.43	186.26	182.39
MAH24	16.91	65.85	59.39	53.81	69.01	16.86	16.40	16.35	16.68	17.00

Calculations based on previous session. Data collected 01/31/2024

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	23.64	23.92	24.05	24.33	24.46
CTAH24	Cotton	84.18	84.73	85.05	85.60	85.92
CTAN24	Cotton	86.27	86.75	87.03	87.51	87.79
CCAH24	Cocoa	4721	4772	4820	4871	4919
OJAH24	Orange Juice	338.70	348.80	354.70	364.80	370.70
KCAH24	Coffee	190.42	192.30	193.92	195.80	197.42
MAH24	Milk	16.30	16.61	16.90	17.21	17.50

Calculations based on previous session. Data collected 01/31/2024

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