

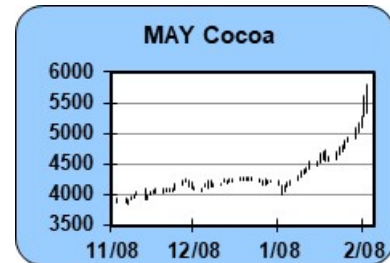


DAILY SOFTS COMMENTARY
Monday February 12, 2024

DAILY COCOA COMMENTARY
2/12/2024

Demand a nagging issue at all-time high prices.

May cocoa saw choppy action overnight near the top of Friday's range. The market reached new all-time highs again on Friday, but it also saw volatile, two-sided action that took it sharply lower at times. There has been a stream of bullish supply news over the past couple of weeks, particularly the hot and dry conditions in West Africa that have lowered expectations for the upcoming mid-crop. But there are also concerns that high prices will cut into demand, especially in the wake of lower earnings reports from Hershey, Cadbury and Mondelez. However, even if conditions in West Africa improve in the short term, upcoming crops could continue to be dragged down by the damage done to cocoa trees last summer. Disease brought on by overly wet conditions were made worse by the lack of fertilizer and pesticide usage due to high costs. Despite the volatility, there has been no technical indicator of a top. Ivory Coast cocoa deliveries totaled 40,555 tonnes for the week ending February 11, bringing the total for the marketing year that began on October 1 to 1.08 million tonnes, down from 1.73 million a year ago. Friday's Commitments of Traders report showed managed money traders were net sellers of 5,356 contracts of cocoa for the week ending February 6, reducing their net long to 58,753. The net long is hovering around record highs, but that has not been a discouragement for the bulls.



TODAY'S MARKET IDEAS:

Open interest fell from a high of 333,699 on January 23 to 304,841 as of Thursday, a 9% decline during a time when the May futures rallied 21% from \$4557 to \$5535. If May cocoa views Friday's high as a near term top, retracement support levels would come in at \$5112, \$4900, and \$4689.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/30/2024 - 2/6/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Softs						
Cocoa	57,469	-6,765	-62,275	+5,860	4,807	+906

COCOA TECHNICAL OUTLOOK:

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COCOA (MAY) 02/12/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The close above the 9-day moving average is a positive short-term indicator for trend. With the close

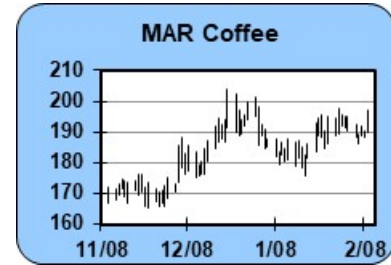
higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is 5099. With a reading over 90, the 9-day RSI indicates the market is extremely overbought. The next area of resistance is around 5839 and 6058, while 1st support hits today at 5359 and below there at 5099.

DAILY COFFEE COMMENTARY

2/12/2024

Tight robusta supplies support Arabica prices as well.

May coffee was lower overnight but held inside Friday's big range up. The market's breakout to the upside of a coiling pattern on Friday has put it in position to resume its uptrend and possibly test the December highs. Extremely tight robusta supplies are lending support to the Arabica market, and the Houthi attacks on vessels in the Red Sea have European buyers looking to Brazil instead of Asia. The rally on Friday was impressive given that it followed some bearish supply news. Cecafo reported on Friday that Brazil exported 3.96 million bags of coffee during January, up 39% from a year ago. Arabica exports totaled 3.21 million bags and robusta 457,787. Cecafo also said that 85% of shipments out of the Port of Santos were rescheduled or delayed in January. ICE exchange Arabica coffee stocks increased to 297,795 bags on Friday, up 8,243 from Thursday and a 2 3/4 month high. There are 37,359 bags pending review. Robusta stocks fell to a record low 2,514 lots. Little or no rain is in the forecast for Minas Gerais, Brazil until late Thursday, but there is a 56% or greater chance of rain in each of the following nine days, with varying intensity. Last Wednesday, the International Coffee Organization said global coffee exports in December were up 13.6% from the previous year and that October-December exports were 6.8% higher. Friday's Commitments of Traders report showed managed money traders were net sellers of 430 contracts of coffee for the week ending February 6, reducing their net long to 48,180. The record net long is 60,133 from February 2022, so there is room for more fund buying.



TODAY'S MARKET IDEAS:

Friday's breakout rally suggests May coffee could test the December high of 200.75. Initial resistance comes in at 193.20, followed by 195.40. Look for support at 188.65 and 184.80.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/30/2024 - 2/6/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Softs						
Coffee	54,790	-918	-55,969	+1,470	1,180	-551

COFFEE TECHNICAL OUTLOOK:

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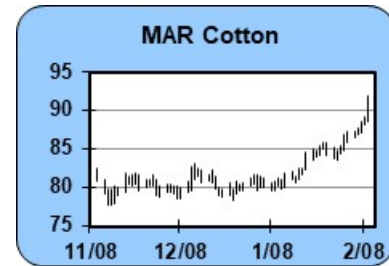
COFFEE (MAY) 02/12/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close above the 2nd swing resistance number is a bullish indication. The next downside target is 184.87. The next area of resistance is around 194.27 and 195.96, while 1st support hits today at 188.73 and below there at 184.87.

DAILY COTTON COMMENTARY

2/12/2024

Strong US exports, tight supply, drought in Delta.

Friday's blowout rally appeared to be tech buying. Cotton tends to make big moves, and Friday's rally may have been the culmination of stronger than expected US exports over the past several weeks. The strong export pace has also fueled reports that a larger than normal portion of the US crop is already sold. The Red Sea attacks have raised shipping costs, especially for Brazilian cotton to Bangladesh and Pakistan, and this has kept interest in US cotton strong. The reduction in US and world ending stocks in Thursday's supply/demand report was also helpful. However, the world numbers were still ample, even if they were revised down from the January report. US exports (not just sales) have picked up in recent weeks, which has eased concerns about cancellations and possible loss of business to South America or Australia. Last week, a US court nullified the government's latest approvals of dicamba-based weedkillers (Roundup), which could throw US production for a loop. The weekly US Drought Monitor showed 19% of US cotton production was in an area experiencing drought, most notably the Delta, which could also raise concerns about upcoming plantings. Friday's Commitments of Traders report showed managed money traders were net buyers of 17,697 contracts of cotton for the week ending February 6, increasing their net long to 46,344. This is their largest net long since October 10 but well short of the record 108,778 from January 2018, which means there is plenty of buying fuel.



TODAY'S MARKET IDEAS:

The next resistance level for May cotton comes in at the August 2022 high at 93.50, with near term resistance at Friday's high of 92.38. Look for support at 90.44 and 90.00.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/30/2024 - 2/6/2024						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Cotton	61,808	+16,020	-68,946	-18,315	7,138	+2,295

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 02/12/2024: 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's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 94.66. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 93.79 and 94.66, while 1st support hits today at 90.64 and below there at 88.35.

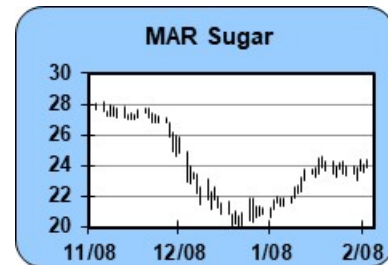
COTTON (JUL) 02/12/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 94.37. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 93.62 and 94.37, while 1st support hits today at 90.82 and below there at 88.76.

DAILY SUGAR COMMENTARY

2/12/2024

Too dry in Brazil, but some rain could be coming.

May sugar edged lower overnight but held inside the recent sideways pattern. The bulls may be disappointed that the marker has not broken to the upside after a couple of attempts last week. Brazil's record 2023/24 production has helped offset shortfalls in India and Thailand, but there are concerns that the extended dry period in Brazil will cause problems with the upcoming crop. Last week, Safras and Mercado lowered its forecast for Brazil's 2024/25 center-south cane processing to 650 million tonnes, down from a December forecast of 660 million. However, their sugar production estimate was 42 million tonnes, up from 41 million the previous season. Rainfall in the center-south region has been 13%-17% below average since December, but there is a chance of showers or thunderstorms every day for the next two weeks, with only two days being below a 60% probability. The rains may not be widespread or particularly heavy, but this pattern could help improve soil moisture. Friday's Commitments of Traders report showed managed money traders were net buyers of 11,263 contracts of sugar for the week ending February 6, increasing their net long to 55,060.



TODAY'S MARKET IDEAS:

May sugar is in a choppy, sideways pattern bounded by 24.62 and 23.02. An upside breakout would leave key resistance at the 200-day moving average, currently at 23.66, which has held the market since December 6. Look for support at 22.70.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/30/2024 - 2/6/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Sugar	68,746	+5,894	-89,120	-3,820	20,374	-2,074

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 02/12/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's short-term trend is positive on the close above the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The next downside objective is 22.91. The next area of resistance is around 23.52 and 23.79, while 1st support hits today at 23.08 and below there at 22.91.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAR) 02/12/2024: 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. It is a slightly negative indicator that the close was

under the swing pivot. The next downside target is now at 366.50. The next area of resistance is around 378.40 and 385.55, while 1st support hits today at 368.90 and below there at 366.50.

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										
SBAK24	23.30	62.50	59.27	68.97	67.38	23.14	23.05	22.92	21.81	22.75
CTAK24	92.22	89.79	83.92	93.97	95.76	89.90	88.43	86.85	83.60	82.95
CTAN24	92.22	89.42	83.79	94.99	96.66	90.15	88.89	87.38	84.15	83.50
CCAK24	5599	92.98	88.65	92.15	89.85	5370.50	5093.89	4818.33	4450.60	4360.97
OJAH24	373.65	63.56	62.25	87.03	82.05	382.30	373.47	341.47	337.63	350.67
KCAK24	191.50	59.97	57.46	69.49	68.56	187.58	188.68	186.28	185.45	182.17
MAH24	16.98	50.78	52.39	71.25	64.29	17.24	17.27	16.75	16.68	16.93

Calculations based on previous session. Data collected 02/09/2024

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						
SBAK24	Sugar	22.91	23.08	23.35	23.52	23.79
CTAK24	Cotton	88.35	90.63	91.51	93.79	94.66
CTAN24	Cotton	88.75	90.81	91.56	93.62	94.37
CCAK24	Cocoa	5098	5359	5578	5839	6058
OJAH24	Orange Juice	366.45	368.85	376.00	378.40	385.55
KCAK24	Coffee	184.86	188.72	190.41	194.27	195.96
MAH24	Milk	16.70	16.79	17.07	17.16	17.44

Calculations based on previous session. Data collected 02/09/2024

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