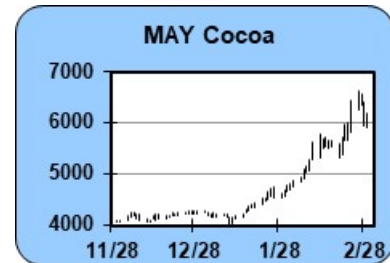




**DAILY COCOA COMMENTARY**  
3/1/2024

**ICCO confirms tight supply expectations.**

The International Cocoa Organization (ICCO) released its first official forecast for the 2023/24 marketing year yesterday, and it offered few surprises. The forecast called for a global supply deficit of 374,000 tonnes versus a 74,000-tonne deficit in 2022/23. This would be the third annual deficit in a row and the largest since ICCO records began in 1960. Global production was projected at 4.45 million tonnes, down 10.9% from 2022/23, with grindings at 4.78 million tonnes. Ivory Coast production was estimated at 1.80 million tonnes, an 8-year low, and Ghana's at 580,000, a 21-year low. The global stocks/usage ratio was projected at 29.2%, which would be the lowest since 1978/79, when it fell to 27.7%. This report followed a forecast from Barry Callebaut this week calling for a global deficit of 500,000 tonnes in 2023/24. Rainfall chances seem to be improving in parts of Ivory Coast, but daily highs are still in the upper 90s.



**TODAY'S MARKET IDEAS:**

The subdued response to the ICCO numbers shows the market is focusing on whether prices have moved high enough to price in the tight supply, and this may be up in the air until the mid-crop harvest starts to come in. The sharp decline in open interest since January is not bullish, but commercials may still be anxious to cover their needs on breaks. Look for support in May cocoa at 5910 and 5833, with resistance at 6223 and 6311.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**COCOA TECHNICAL OUTLOOK:**

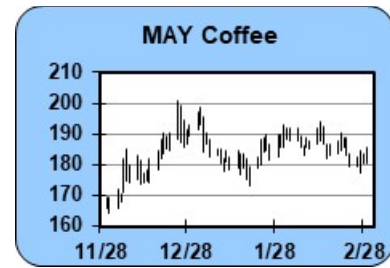
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COCOA (MAY) 03/01/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The upside closing price reversal on the daily chart is somewhat bullish. The market tilt is slightly negative with the close under the pivot. The next downside target is 5760. The next area of resistance is around 6195 and 6345, while 1st support hits today at 5903 and below there at 5760.

**DAILY COFFEE COMMENTARY**  
3/1/2024

## Tight robusta supply provides underlying support.

Low Vietnamese robusta coffee exports in February illustrate the tight global supply that could prevent coffee prices from pressing too much lower until the market gets a better handle on upcoming crops. Vietnam's General Statistics office estimated that nation's February coffee exports at 160,000 tonnes, 20% below a year ago. A Reuters poll had a median forecast for a global production surplus of 3 million bags in 2024/25 versus a surplus of 600,000 in 2023/24. Brazil is entering the "on-year" in its biennial cycle, but the dry conditions of the past several months are expected to limit the amount of improvement over last year. The key growing region of Minas Gerais has seen an improvement recently, and the forecast shows regular chances of rain over the next 14 days, which could improve the outlook. ICE exchange coffee stocks rose by 10,890 bags on Thursday to finish February at 353,606. This is up 103,777 on January 31 and the largest month-end total since October.



### TODAY'S MARKET IDEAS:

May coffee is pressing against resistance at the 50-day moving average around 186.10, and a move above there would leave the next upside target at 190.00. Look for support at 182.00 and 180.25.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### COFFEE TECHNICAL OUTLOOK:

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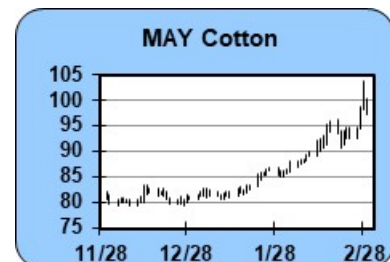
COFFEE (MAY) 03/01/2024: The crossover up in the daily stochastics is a bullish signal. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market's short-term trend is positive on the close above the 9-day moving average. A positive signal was given by the outside day up. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 189.11. Daily studies suggest buying dips today. The next area of resistance is around 187.07 and 189.11, while 1st support hits today at 181.63 and below there at 178.22.

## DAILY COTTON COMMENTARY

3/1/2024

### US supply tight but world supply not.

May cotton left a spike at its contract high on Wednesday, which could leave spec longs anxious to take profits. The weekly export sales report yesterday was a disappointment, but the market was under pressure before the numbers were released. The report showed US cotton export sales for the week ending February 22 at 39,966 bales for the 2023/24 (current) marketing year and 13,376 for 2024/25 for a total of 53,342. This was down from 188,576 the previous week and was the lowest since October 5. The old crop number was the lowest since August 17. Sales have reached 91% of the USDA forecast for the marketing year, which is right on the five-year average. The largest buyer this week was Turkey at 19,460 bales, followed by Ecuador at 10,565. China bought 1,777 bales, and Pakistan cancelled 7,804. Perhaps the rally of the past two months has priced US cotton out of the market. Recent USDA supply/demand data showed US supplies are tight but global supplies are not. Wildfires in Texas have brought fears of planting problems. The weekly US Drought



Monitor showed drier than normal conditions persisting in parts of the Texas panhandle and drylands as well as parts of the Delta, including northern Alabama and central Louisiana. The report said much warmer-than-normal temperatures in Texas accompanying the dryness has drawn moisture out of the soil. It may be a bit early in the season for traders to get too concerned about upcoming crop, but the dry conditions could provide underlying support on breaks. Australia could be experiencing its third-warmest summer on record.

**TODAY'S MARKET IDEAS:**

Last week's Commitments of Traders report showed the fund net long had reached 86,000 contracts as of February 20, the highest in over two years after a net gain of 88,000 in the previous month. This leaves the market vulnerable to heavy selling as support levels are taken out. Look for support at 96.42 and 92.59, with resistance at 101.08.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**COTTON TECHNICAL OUTLOOK:**

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COTTON (MAY) 03/01/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 95.98. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 101.19 and 102.47, while 1st support hits today at 97.95 and below there at 95.98.

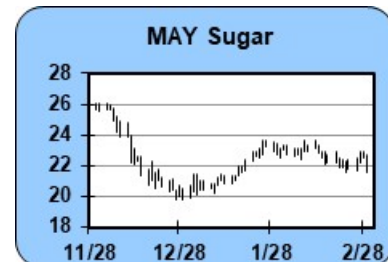
COTTON (JUL) 03/01/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 94.37. The next area of resistance is around 99.38 and 100.82, while 1st support hits today at 96.16 and below there at 94.37.

**DAILY SUGAR COMMENTARY**

**3/1/2024**

**Rains in Brazil, less tight India supply.**

Sugar prices finished February with an abrupt change in fortune, and they start the month of March on the verge of a downside breakout move. A lack of upside follow-through after the International Sugar Organization doubled its global production deficit forecast for this season may have fueled profit-taking. The ISO forecast was described as a "small" deficit of 689,000 tonnes. Private surveys of analysts have called for a global surplus of 500,000 tonnes based on ideas that India's production will be slightly larger than previously thought. The March contract had roughly 1.3 million tonnes delivered against it (around 25,761 contracts), which was the second largest delivery for a March contract on record. Rain in the forecast for Brazil's Center-South cane-growing regions put further pressure on prices as that can improve the yield outlook for the 2024/25 crop.



**TODAY'S MARKET IDEAS:**

May sugar extended yesterday's selloff overnight with a move below last Thursday's four-week low. This leaves the next support level at 21.28. Look for resistance at 22.19.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**SUGAR TECHNICAL OUTLOOK:**

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SUGAR (MAY) 03/01/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. A bearish signal was triggered on a crossover down in the daily stochastics. Daily stochastics are trending lower but have declined into oversold territory. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is now at 20.73. The next area of resistance is around 22.28 and 23.10, while 1st support hits today at 21.10 and below there at 20.73.

**OJ TECHNICAL OUTLOOK:**

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ORANGE JUICE (MAY) 03/01/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up on the daily chart is somewhat positive. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is now at 335.85. The next area of resistance is around 368.00 and 375.15, while 1st support hits today at 348.35 and below there at 335.85.

**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>										
SBAK24	21.69	37.16	41.26	32.10	29.84	22.31	22.25	22.56	22.13	22.02
CTAK24	99.57	71.54	71.72	80.03	78.50	98.56	95.73	93.46	87.60	85.94
CTAN24	97.77	67.13	68.07	74.03	71.98	97.21	94.88	93.14	87.86	86.25
CCAK24	6049	60.24	64.25	78.90	69.92	6263.75	6000.22	5721.22	4934.98	4748.52
OJAK24	358.15	48.31	51.36	61.31	52.81	365.48	368.57	363.93	336.31	340.66
KCAK24	184.35	49.62	49.36	26.35	29.59	182.19	183.69	185.41	185.33	185.07
MAJ24	17.17	41.81	45.30	46.85	39.83	17.56	17.46	17.50	17.24	17.33

Calculations based on previous session. Data collected 02/29/2024

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>						
SBAK24	Sugar	20.72	21.09	21.91	22.28	23.10
CTAK24	Cotton	95.97	97.94	99.22	101.19	102.47
CTAN24	Cotton	94.36	96.15	97.59	99.38	100.82
CCAK24	Cocoa	5759	5902	6052	6195	6345
OJAK24	Orange Juice	335.80	348.30	355.50	368.00	375.15
KCAK24	Coffee	178.21	181.62	183.66	187.07	189.11

MAJ24	Milk	16.81	16.94	17.27	17.40	17.73
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**Calculations based on previous session. Data collected 02/29/2024**

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