



DAILY COCOA COMMENTARY
3/5/2024

Above average rain in Ivory Coast last week.

In just six sessions, May cocoa fell \$738 (11%) and then rallied \$767 back to new all-time highs. The global supply setup remains extremely tight. The International Cocoa Organization is forecasting a 374,000-tonne global production deficit for 2023/24, the largest on record. The second largest was 279,000 tonnes from 2006/07 and the third largest 276,000 tonnes from 2012/13. This year will be the third straight deficit, and there are expectations for fourth one in 2024/25. Last week's Ivory Coast port arrivals were higher than year ago levels, but their full-season total remains 29% behind last year. Rainfall was above-average in most of Ivory Coast's cocoa growing regions last week, raising hopes for the mid-crop outlook after weeks of dry weather. The dry season runs from mid-November to March. The market remains extremely volatile, and the improvement in rainfall could spark more bouts of profit taking, but the market has defied any attempts to pick a top. Supplies are tight, and the jury is still out on demand.



TODAY'S MARKET IDEAS:

The next upside target for May cocoa comes in at 6862, with support at 6327.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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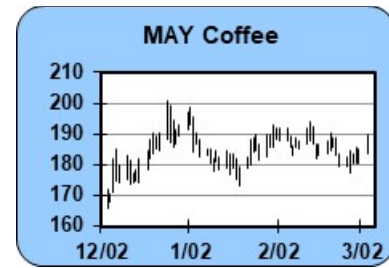
COCOA (MAY) 03/05/2024: A bullish signal was given with an upside crossover of the daily stochastics. Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside target is at 6876. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 6749 and 6876, while 1st support hits today at 6423 and below there at 6223.

DAILY COFFEE COMMENTARY
3/5/2024

Brazil rainfall 50% of normal.

The coffee market has received mildly bullish supply news this week. Somar Meteorologia reported Monday that Brazil's Minas Gerais region received 29.4 mm of rain last week, which is only 50% of the historical average. This has added to concerns about 2024/25 crop. Tight robusta supplies continue to be a source of strength for the NY Arabica market. Last week, Vietnam's General Statistics Office reported that the nation's coffee exports in February fell 20% year on year to 160,000 tonnes.

There were more reports yesterday that Vietnamese growers were reluctant to sell as they were waiting for higher prices. ICE exchange coffee stocks increased by 10,560 bags yesterday to 371,107, their highest level in three months. Although Honduran exports last month were well above year-ago level, their exports for 2023/24 are running 1% behind last season's pace. Costa Rican exports are 5% behind last season's pace.



TODAY'S MARKET IDEAS:

Lower than normal rainfall in Brazil's key coffee growing region means reduced expectations for the 2024/25 crop. Trendline resistance in May coffee comes in at 191.25, with support at 183.30.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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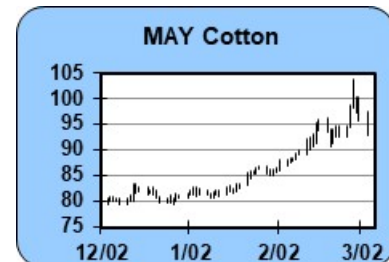
COFFEE (MAY) 03/05/2024: The major trend could be turning up with the close back above the 60-day moving average. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 192.86. The next area of resistance is around 189.97 and 192.86, while 1st support hits today at 183.83 and below there at 180.57.

DAILY COTTON COMMENTARY

3/5/2024

Good rain in Australia boosts crop expectations.

The selloff in May cotton had a brief respite yesterday as apparently the lower prices attracted some buyers, but the market still closed sharply lower and held near the bottom of yesterday's range overnight. Bullish cotton traders may have been hoping for strong stimulus measures to be announced at China's National People's Congress this week, and instead they only got a reiteration of a 5% growth target and no big-ticket stimulus plan. The Australian agriculture ministry has raised its estimate for the country's 2023/24 cotton production to 1 million tonnes from a previous estimate of 925,000, as summer rains and a fading El Nino have improved the outlook for their crops.



TODAY'S MARKET IDEAS:

Tight old-crop US supplies may provide support once spec liquidation has corrected the overbought condition. The USDA report this week may show some mild revisions, but the trade's focus could quickly shift to 2024

planting prospects. Drought lingers in some parts of Texas and the Delta, but conditions are much better than last year. Retracement support for May cotton comes in at 91.35, with resistance around 99.10.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 03/05/2024: 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 market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 90.12. The next area of resistance is around 96.99 and 99.77, while 1st support hits today at 92.17 and below there at 90.12.

COTTON (JUL) 03/05/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 89.17. The next area of resistance is around 95.65 and 98.29, while 1st support hits today at 91.09 and below there at 89.17.

DAILY SUGAR COMMENTARY

3/5/2024

Lower 2024/25 Brazil production expectations baked-in?

Sugar prices have been unable to find their footing, and they are approaching a retest of their December lows. Dry weather in Brazil's Center-South region this winter leaves the nation hard-pressed to repeat the record output from 2023/24. At the Dubai Sugar Conference, the Bunge CEO said his company expected a 1.6 million-tonne global production deficit for 2024/25. They expect Center-South Brazil sugar production to fall 4.4% on the year to 40.8 million tonnes. Cane production is expected to fall 9.6% to 598 million tonnes, but the impact would be partially offset by an increase in the sugar mix of cane crushing to 51.4%, up from 48.8% in 2023/24. Hedgepoint Global Markets cut its estimate for the Center-South cane crop to 615 million tonnes from 620 million previously. The India Sugar Mills Association (ISMA) said that India's October-February sugar production was 25.54 million tonnes, 1.2% behind last season's pace. There were 466 mills still in operation at the end of February versus 447 last year. With limits in place for how much cane crushing can be diverted to ethanol production, this suggests India to see higher sugar production this season than previously thought.



TODAY'S MARKET IDEAS:

May sugar has been under heavy pressure in the wake of heavy deliveries against the March contract, which suggests supplies are more ample than previously thought. Look for support at 20.22 and 19.74. After three sharply lower sessions, the market could be due for a bounce.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/05/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The close below the 1st swing support could weigh on the market. The next downside target is now at 19.92. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 21.04 and 21.67, while 1st support hits today at 20.16 and below there at 19.92.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/05/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. The outside day up is somewhat positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is 343.85. The next area of resistance is around 373.15 and 379.50, while 1st support hits today at 355.35 and below there at 343.85.

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
SOFTS MARKETS COMPLEX										
SBAK24	20.60	26.30	32.65	23.64	14.15	21.52	21.91	22.34	22.15	21.90
CTAK24	94.58	50.90	55.61	67.55	52.76	97.70	96.18	94.22	88.21	86.45
CTAN24	93.37	49.19	53.83	60.19	44.34	96.16	95.01	93.68	88.38	86.69
CCAK24	6586	71.66	72.17	77.30	78.85	6239.00	6216.11	5873.00	5033.40	4826.93
OJAK24	364.25	52.74	53.99	55.21	50.88	358.01	366.48	363.49	338.09	340.78
KCAK24	186.90	55.77	53.14	32.58	41.63	184.08	183.39	185.32	184.95	185.26
MAJ24	16.58	30.59	36.52	32.48	16.95	17.01	17.37	17.37	17.21	17.29

Calculations based on previous session. Data collected 03/04/2024

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	19.91	20.16	20.79	21.04	21.67
CTAK24	Cotton	90.11	92.16	94.94	96.99	99.77
CTAN24	Cotton	89.17	91.09	93.73	95.65	98.29
CCAK24	Cocoa	6222	6422	6549	6749	6876
OJAK24	Orange Juice	343.80	355.30	361.65	373.15	379.50
KCAK24	Coffee	180.56	183.82	186.71	189.97	192.86
MAJ24	Milk	16.37	16.44	16.64	16.71	16.91

Calculations based on previous session. Data collected 03/04/2024

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