



DAILY SOFTS COMMENTARY

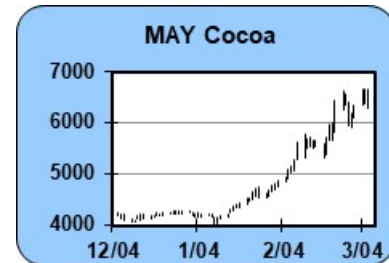
Thursday March 07, 2024

DAILY COCOA COMMENTARY

3/7/2024

No short-term cure for tight supply.

May cocoa has been consolidating near contract (and record) highs this week, and it could be biding time for another breakout move. There is a growing consensus that there will be a fourth straight global production deficit in 2024/25, and this at times had some analysts calling for prices to eventually reach \$7000-\$10,000. On the other hand, high prices could cut off demand, and this possibility has at times sparked brief corrections. There were reports this week that farmers in Ghana were hoarding beans in anticipation of higher prices, which could further tighten the near-term supply outlook. Dealers noted that the forecast rains in Ivory Coast may aid the mid-crop, which begins next month, but they remained dubious.



TODAY'S MARKET IDEAS:

The consolidation near the recent contract highs suggests May cocoa may be building for another breakout rally, with an initial upside objective of 6832. Traders wonder how "high is high," but there seems to be no short-term cure for tight supply, except for a dramatic change in the weather. Look for support at 6306 and 6196.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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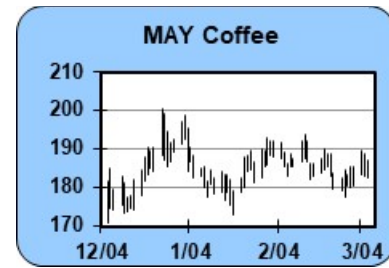
COCOA (MAY) 03/07/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. The upside closing price reversal on the daily chart is somewhat bullish. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 6870. The next area of resistance is around 6726 and 6870, while 1st support hits today at 6372 and below there at 6162.

DAILY COFFEE COMMENTARY

3/7/2024

Coffee exports strong but limited by logistics.

The coffee market's consolidation pattern continues, as ample old crop Arabica supplies are balanced by concerns about the upcoming crop. Robusta traded to new 16-year highs yesterday amid reports of higher premiums in major Asian producers Indonesia and Vietnam due to strong demand and depleted stocks. Brazil's trade ministry reported yesterday that the nation exported 3.61 million bags in February, 77% more than the same period in 2023. The exporting group Cecafe said the exports would have been bigger if not for the shipping bottlenecks resulting from late arrivals of container ships. The ICO says world coffee exports rose to 12.62 million bags in January, up from 9.54 million in January 2023. Arabica exports increased 23.2% and robusta by 45.4%. October-January exports were up 13.1% from the same period a year ago. ICE exchange coffee stocks increased by 11,840 bags on Wednesday, and they have increased by more than 38,000 bags for the month so far. There are more than 161,000 bags waiting to be graded. Dry weather in Brazil this year has lowered expectations for the upcoming crop. The robusta harvest is expected to begin in April and Arabica in May or June.



TODAY'S MARKET IDEAS:

The coiling action in May coffee could be setting the market up for a dramatic breakout move, and it may draw support from the rally in robusta prices. Look for support at 183.55, followed by 182.70, with resistance at 188.65 and 190.90.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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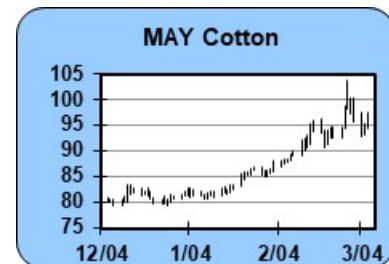
COFFEE (MAY) 03/07/2024: The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. The daily closing price reversal up is a positive indicator that could support higher prices. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 190.12. The next area of resistance is around 188.55 and 190.12, while 1st support hits today at 184.05 and below there at 181.13.

DAILY COTTON COMMENTARY

3/7/2024

Looking for export sales to bounce back.

May cotton is attempting to recover from last week's selloff and consolidate the recent gains. The Dollar Index was sharply lower yesterday, which lent support to cotton on ideas it makes US exports more competitive on the world market. Traders will be looking to today's export sales report to see if there is any improvement over the disappointing numbers in recent weeks. The low numbers suggested that the sharp rally last month had priced US cotton out of the market. Traders are also hoping China will jump back into the market after a slowdown during their New Year holidays. Last week's report showed



net sales of 53,342 bales for the week ending February 22, down from 188,576 the previous week and the lowest since October 5. Cumulative sales for 2023/24 had reached 90.6% of the USDA forecast for versus a five-year average of 90.8% for that point in the season. For the monthly USDA supply/demand forecast on Friday, a Bloomberg survey has an average trade expectation for US 2023/24 ending stocks at 2.72 million bales, with a range of expectations from 2.55 to 2.9 million. This would be down from 2.8 million in the February report and down from 4.25 million in 2022/23. World ending stocks are expected to come in around 83.31 million bales (range 82.34-84.00), down from 83.7 million in February but up from 82.97 million in 2022/23.

TODAY'S MARKET IDEAS:

If the export sales come in strong this week, this could support a rally back to 99.59. A break below support at 94.29 could initiate a move back to 91.35.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 03/07/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 92.37. The next area of resistance is around 96.93 and 98.96, while 1st support hits today at 93.63 and below there at 92.37.

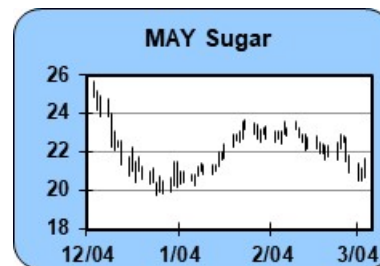
COTTON (JUL) 03/07/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next downside objective is now at 91.31. The next area of resistance is around 95.53 and 97.48, while 1st support hits today at 92.45 and below there at 91.31.

DAILY SUGAR COMMENTARY

3/7/2024

More reductions in 2024/25 Brazil forecasts.

The sugar market has received bullish supply news almost daily from this week's sugar conference in Dubai. The Brazilian analytics firm Datagro estimated Brazil's 2024/25 Center-South sugar production at 40.45 million tonnes, down from 42.50 million in 2023/24, due to drier than normal weather since November. This follows lower forecasts from BP Bunge Bioenergia and from Sucden. BP Bunge also forecasted a global production deficit of 1.6 million tonnes for 2024/25. An official from an Indian trade organization projected a decline in 2024/25 cane planted area as well. However, Indonesia's white sugar production is seen increasing 5% this year, according to the Indonesian Sugar Association, and EU sugar beet area is expected to increase as much a 3% next season, according to Terios. Brazil's February sugar exports came in at 3.02 million tonnes, up from 1.15 million from the same period last year.



TODAY'S MARKET IDEAS:

News out of the Dubai sugar conference has been mostly bullish for the upcoming crop, particularly the lower forecasts for Brazil and the possibility of a global deficit in 2024/25. This has helped lift the market off its two-month lows. Stochastics are close to crossing positive from low levels, which is technically supportive. Key

resistance for May sugar comes in at 22.00 with support at 20.53.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/07/2024: A bullish signal was given with an upside crossover of the daily stochastics. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A negative signal for trend short-term was given on a close under the 9-bar moving average. Market positioning is positive with the close over the 1st swing resistance. The near-term upside objective is at 22.28. The next area of resistance is around 21.93 and 22.28, while 1st support hits today at 20.97 and below there at 20.37.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/07/2024: A bullish signal was given with an upside crossover of the daily stochastics. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close above the 9-day moving average is a positive short-term indicator for trend. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 383.30. The next area of resistance is around 378.50 and 383.30, while 1st support hits today at 366.25 and below there at 358.75.

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										
SBAK24	21.45	43.15	43.49	21.10	22.39	21.00	21.67	22.11	22.17	21.86
CTAK24	95.28	53.49	57.09	53.34	40.68	94.92	96.38	94.80	88.78	86.88
CTAN24	93.99	51.80	55.34	45.46	32.39	93.55	95.07	94.10	88.87	87.07
CCAK24	6549	68.03	69.33	80.09	83.67	6478.00	6358.11	5996.50	5135.98	4906.08
OJAK24	372.40	58.64	57.52	53.91	54.51	365.21	366.88	363.00	340.54	341.27
KCAK24	186.30	53.83	52.14	40.98	50.90	184.96	183.21	185.10	184.68	185.60
MAJ24	16.00	22.86	29.87	19.17	7.52	16.40	17.08	17.21	17.17	17.23

Calculations based on previous session. Data collected 03/06/2024

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	20.36	20.97	21.32	21.93	22.28
CTAK24	Cotton	92.36	93.63	95.66	96.93	98.96
CTAN24	Cotton	91.30	92.44	94.39	95.53	97.48
CCAK24	Cocoa	6162	6372	6516	6726	6870
OJAK24	Orange Juice	358.70	366.20	371.00	378.50	383.30
KCAK24	Coffee	181.12	184.05	185.62	188.55	190.12
MAJ24	Milk	15.67	15.81	16.04	16.18	16.41

Calculations based on previous session. Data collected 03/06/2024

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