



DAILY SOFTS COMMENTARY

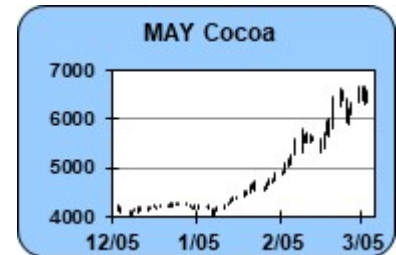
Friday March 08, 2024

DAILY COCOA COMMENTARY

3/8/2024

Nagging concerns about demand, but supply the issue.

May cocoa's failure to retest Monday's record high this week may have disappointed recent longs and left the market vulnerable to long liquidation selling. Hawkish post-ECB meeting comments may have raised concerns about European demand going forward. There were reports that Ivory Coast's Coffee and Cocoa Boards expect this year's mid-crop production to be between 450,000 and 500,000 tonnes, down from 600,000-620,000 last year. The mid-crop usually represents about 30% of the total for the year. Ivory Coast's Coffee and Cocoa council said it will not change the fixed farmgate price it pays to farmers for the upcoming mid-crop. They stated the price will remain the same because export contracts are sold a year in advance. This underscores a long-term structural issue in the market that hinders the ability of growers to get the appropriate signals from the market.



TODAY'S MARKET IDEAS:

There is no relief in sight for the tight supply setup, but traders do wonder about demand. A minor correction may be underway in May cocoa, with retracement support at 6203. A break to 5960 could present a buying opportunity.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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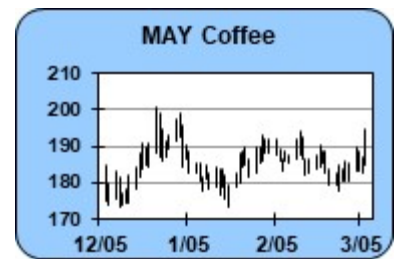
COCOA (MAY) 03/08/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a slightly negative indicator that the close was under the swing pivot. The next upside objective is 6722. The next area of resistance is around 6585 and 6722, while 1st support hits today at 6319 and below there at 6189.

DAILY COFFEE COMMENTARY

3/8/2024

Robusta rally and diminished expectations for upcoming crop.

A sharp rally in robusta coffee prices and ongoing concerns about the upcoming Brazilian crops helped lift May NY futures out of their recent consolidation zone yesterday. Key growing regions in Brazil experienced drier than normal conditions from November through the first half of February, and this has raised concerns about the 2024/25 crop, as the dry conditions hit during the flowering period. Robusta prices reached all-time highs yesterday, amid reports that Vietnamese farmers are holding back 30%-35% of their crop, waiting for higher prices. The Brazilian real reached its highest level in a week yesterday, which lent support to coffee on ideas this eases pressure on Brazilian growers to market their remaining supply. However, ICE exchange coffee stocks increased by another 18,330 bags and climbed above the 400,000-bag level for the first time since October.



TODAY'S MARKET IDEAS:

May coffee's breakout above a 2 1/2-month consolidation zone yesterday is bullish technical action that leaves the December high at 200.75 as a key target. Look for support at 187.20 and 184.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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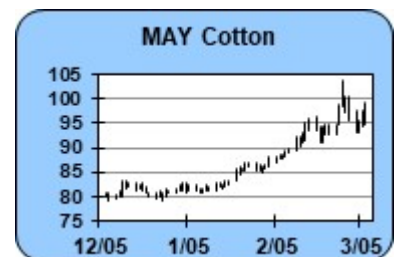
COFFEE (MAY) 03/08/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside objective is at 200.97. The next area of resistance is around 197.20 and 200.97, while 1st support hits today at 187.20 and below there at 180.98.

DAILY COTTON COMMENTARY

3/8/2024

Only minor changes expected for USDA.

May cotton extended its recovery move overnight as it continued to consolidate inside its wide range of the past couple of weeks. Yesterday's export sales report showed US cotton sales for the week ending February 29 at 52,012 bales for the 2023/24 (current) marketing year and 15,077 for 2024/25 for a total of 67,089. This was up from 53,342 the previous week but was the second lowest since October 5. Traders may have been more encouraged by the shipments number, which at 330,790 bales was the highest since January 25 and second highest since May. The strong shipment pace keeps outstanding sales low and reduces the chances of cancellations. The largest buyer last week was Bangladesh at 34,312 bales, followed by Vietnam at 24,347, and Turkey at 23,114. China canceled 30,281 bales and Pakistan 18,249. The weekly drought monitor showed 11% of the US cotton crop area was under drought, up from 10% two weeks ago but down from 46% a year ago. For the monthly USDA supply/demand report today, 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:

We could see more consolidation once we get past today's USDA report, as the focus will shift to the prospective plantings number at the end of the month. Look for resistance in May cotton at 101.50 and 103.80, with support at 94.51 and 92.89.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 03/08/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next downside target is 93.76. The next area of resistance is around 101.49 and 102.59, while 1st support hits today at 97.07 and below there at 93.76.

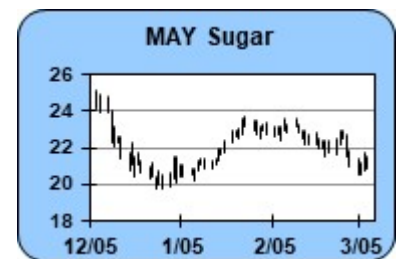
COTTON (JUL) 03/08/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. The market's close above the 2nd swing resistance number is a bullish indication. The next downside target is 92.51. The next area of resistance is around 99.93 and 101.10, while 1st support hits today at 95.63 and below there at 92.51.

DAILY SUGAR COMMENTARY

3/8/2024

Brazil's February sugar exports 3X a year ago.

Brazil's major cane growing areas have rainfall in the forecast this week, but conditions are expected to shift to mostly dry and very warm pattern next week. The trade is expecting Brazil's 2024/25 output to be down from the record levels from 2023/24 because of the dry conditions the nation has experienced over the past few months, but the rainfall does mark a slight improvement in the crop outlook. Brazil exported 3.02 million tonnes of sugar in February, three times the volume a year earlier. Indonesia's Sugar Association expects their domestic sugar production to increase 5% in 2024/25. China's agriculture ministry has trimmed its forecast to 9.5 million tonnes from 10 million, after colder weather and rains hurt cane yields in the nation's south.



TODAY'S MARKET IDEAS:

Brazil sugar exports were 3X year ago in February, and May sugar's failure to reach the 50-day moving average on its corrective rally this week could leave the market vulnerable to a move back to this week's low at 20.53. Look for resistance at 21.68 and 22.02.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/08/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next upside objective is 21.84. The next area of resistance is around 21.59 and 21.84, while 1st support hits today at 20.97 and below there at 20.61.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/08/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. The downside closing price reversal on the daily chart is somewhat negative. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 380.55. The next area of resistance is around 375.25 and 380.55, while 1st support hits today at 366.90 and below there at 363.80.

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	21.28	40.96	42.00	22.51	25.33	21.05	21.61	22.00	22.18	21.84
CTAK24	99.28	64.93	64.88	51.84	48.84	95.85	97.02	95.20	89.18	87.17
CTAN24	97.78	63.79	63.54	43.99	41.05	94.55	95.65	94.41	89.22	87.32
CCAK24	6452	63.71	66.24	81.24	83.55	6509.25	6379.89	6043.89	5185.18	4943.43
OJAK24	371.05	57.28	56.74	54.77	56.48	368.38	365.98	363.70	341.61	341.52
KCAK24	192.20	64.01	59.17	48.66	64.00	187.19	184.53	185.14	184.78	185.88
MAJ24	15.91	21.84	28.95	14.43	4.94	16.19	16.86	17.13	17.14	17.20

Calculations based on previous session. Data collected 03/07/2024

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	20.60	20.97	21.22	21.59	21.84
CTAK24	Cotton	93.75	97.07	98.17	101.49	102.59
CTAN24	Cotton	92.50	95.63	96.80	99.93	101.10
CCAK24	Cocoa	6188	6318	6455	6585	6722
OJAK24	Orange Juice	363.75	366.85	372.15	375.25	380.55
KCAK24	Coffee	180.97	187.20	190.97	197.20	200.97
MAJ24	Milk	15.72	15.79	15.95	16.02	16.18

Calculations based on previous session. Data collected 03/07/2024

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