

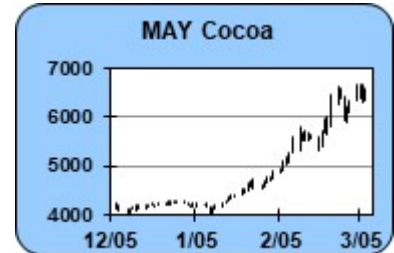


DAILY SOFTS COMMENTARY
Monday March 11, 2024

DAILY COCOA COMMENTARY
3/11/2024

Dry season may be ending but not supply tightness.

Since mid-February, cocoa prices have twice followed sharp selloffs with recoveries that have taken the market to new record highs. And with little relief in sight from West African supply problems, cocoa could be back into record territory this week. Updated weather forecasts are calling for growing areas to receive daily rainfall starting Wednesday and lasting through early next week. This should signal the end of the dry season. Consistent rainfall could benefit the region's mid-crop production, but the Ivory Coast Coffee and Cocoa Board is projecting this year's mid-crop to be at least 20% below last year. Friday's Commitments of Traders report showed managed money traders were net sellers of 363 contracts of cocoa for the week ending March 5, reducing their net long to 31,965. This is their smallest net long since March 21, 2023, and it is down from a record net long of 79,541 last September. These traders have been net sellers every week since January 23 despite a \$1893 (42%) rally. Specs have clearly backed off from this market.



TODAY'S MARKET IDEAS:

Major global chocolate markets have been able to pass along their higher cocoa beans costs to consumers, so demand concerns remain subdued for now. Technical indicators suggest a loss of momentum, but tight supply with little relief in sight has kept commercial buyers active on breaks. A move about last week's high at 6677 would leave the next upside target at 6827. Look for support at 6284 and 6196.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/27/2024 - 3/5/2024						
Softs	Non-Commercial		Commercial	Non-Reportable		
	Net Position	Weekly Net Change		Net Position	Weekly Net Change	
Cocoa	33,311	-847	-37,834	+1,810	4,524	-961

COCOA TECHNICAL OUTLOOK:

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COCOA (MAY) 03/11/2024: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 6573. The next area of resistance is around 6488 and 6573, while 1st support hits today at 6304 and below there at 6205.

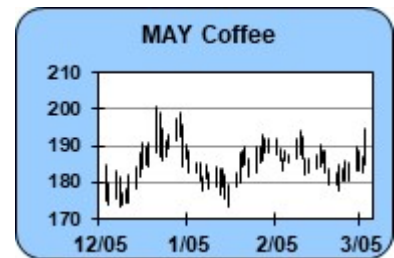
DAILY COFFEE COMMENTARY

3/11/2024

More consolidation after tech disappointment.

Coffee's failure to sustain last Thursday's upside breakout does not bode well for prices early this week, but the market has made sizable recovery moves from spike lows in mid-January and late February. The Brazilian real fell almost 1% on Friday, which puts additional pressure on Brazilian growers to sell their remaining 2023/24 supply. Vietnam's coffee exports in the first two months of the year totaled 398,819 tonnes, up 16% from the same period last year.

February exports totaled 160,584 tonnes, which was down 33% from January, but the decline may have been due to slower activity during the Tet holiday. ICE exchange coffee stocks increased by 13,875 bags on Friday to reach 424,752, the highest since October. Friday's Commitments of Traders report showed managed money traders were net buyers of 697 contracts of coffee for the week ending March 5, increasing their net long to 43,362. The net long is near the upper end of the historic range, which leaves the market vulnerable to long liquidation selling if support levels are taken out.



TODAY'S MARKET IDEAS:

May coffee's failure to capitalize on the breakout rally last week has resulted in more coiling action, leaving trendline resistance at 194.55 and support at 178.95.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/27/2024 - 3/5/2024

	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Coffee	51,421	+1,401	-53,100	-2,580	1,679	+1,179

COFFEE TECHNICAL OUTLOOK:

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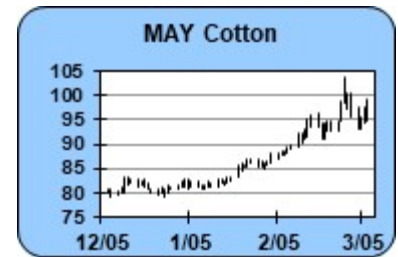
COFFEE (MAY) 03/11/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. The swing indicator gave a moderately negative reading with the close below the 1st support number. The near-term upside target is at 192.87. The next area of resistance is around 188.45 and 192.87, while 1st support hits today at 181.95 and below there at 179.88.

DAILY COTTON COMMENTARY

3/11/2024

Funds still buying cotton.

May cotton has continued its volatile action in the wake of the move to contract highs in late February. US old crop supplies are very tight, but world supplies are not, and the US may have priced itself out of the market. Friday's USDA supply/demand report showed US 2023/24 ending stocks at 2.50 million bales versus an average trade expectation of 2.72 million. This was below the low end of the expected range of 2.55 to 2.9 million and it was down from 2.8 million in the February update. It was also down from 4.25 million in 2022/23 and was lowest since 2013/14. Average US yield was reduced to 822 pounds/acre from 845 in February, and this pulled production down to 12.10 million bales from 12.43 million. Demand numbers were left unchanged. World ending stocks come in at 83.34 million bales versus 83.31 million expected. This was down from 83.70 million in February but up from 82.97 million in 2022/23 and the largest since 2019/20. India's production was increased by 0.50 million bales, but their ending stocks fell 0.20 million due to increases in domestic use and exports. China's imports increased by 0.90 million bales and their domestic usage by 0.50 million. The US Dollar Index fell to its lowest level since January 15 last week, which makes US cotton more attractively priced on the world market. Friday's Commitments of Traders report showed managed money traders were net buyers of 2,323 contracts of cotton for the week ending March 5, increasing their net long to 96,361. This is their largest net long since October 5, 2021, and is their second largest since May 2018. The fund buying was surprising considering that the March 5 close was the lowest since February 23. The large net long leaves the market vulnerable to long liquidation.



TODAY'S MARKET IDEAS:

The market's wild, choppy action and its failure to test the contract high on last week's recovery rally leaves the ball in the bears' court. A break below 92.89 in May cotton would leave a downside target at 91.35. Look for resistance at 98.85.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/27/2024 - 3/5/2024

	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
Softs							
Cotton	104,065	+506	-113,059	+1,695	8,994	-2,202	

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 03/11/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The daily closing price reversal down is a negative indicator for prices. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 90.62. The next area of resistance is around 98.39 and 103.05, while 1st support hits today at 92.17 and below there at 90.62.

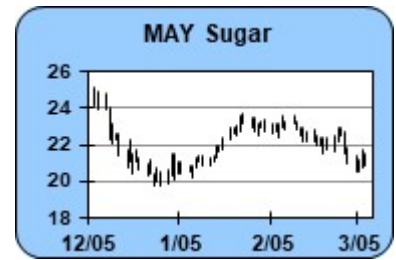
COTTON (JUL) 03/11/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The market could take on a defensive posture with the daily closing price reversal down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 89.30. The next area of resistance is around 96.95 and 101.43, while 1st support hits today at 90.89 and below there at 89.30.

DAILY SUGAR COMMENTARY

3/11/2024

Brazil's 2024/25 outlook guarded despite rain.

Updated weather forecasts calling for rain over Brazil's major cane-growing regions over the next week combined with a pullback in the Brazilian real put mild pressure on sugar late last week, but the market is still looking at lower output for 2024/25 after the dry conditions in late 2023 and the first two months of this year. Early forecasts are calling for Brazilian Center-South sugar production to come in at 40.5-41 million tonnes in 2024/25, which would be down from 42.2 million for 2023/24. Extended forecasts are calling for drier than normal conditions over the next few months. In their supply/demand report on Friday, USDA lowered the forecast for US 2023/24 sugar production to 9.243 million short tons from 9.352 previously. Mexico's production was lowered to 4.747 million metric tonnes from 4.875 million. The US stocks/use ratio came in at 13.4%, down from 14.2% in the January report and 14.3% for 2022/23. Friday's Commitments of Traders report showed managed money traders were net sellers of 25,069 contracts of sugar for the week ending March 5, reducing their net long to 45,545. This is well below the 200,000+ net long held by these traders in November, which means the market is far from overbought. However, the selling trend is short-term negative.



TODAY'S MARKET IDEAS:

A guarded outlook for the upcoming Brazilian crop could continue to lend support to the sugar market this week. Look for resistance in May sugar at 22.04, with support at 21.65.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/27/2024 - 3/5/2024						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Sugar	57,187	-27,398	-55,899	+37,378	-1,288	-9,980

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/11/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market tilt is slightly negative with the close under the pivot. The next upside objective is 21.56. The next area of resistance is around 21.34 and 21.56, while 1st support hits today at 20.96 and below there at 20.79.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/11/2024: The downside crossover of the 9 and 18 bar moving average is a negative signal. A crossover down in the daily stochastics is a bearish signal. Declining momentum studies in the neutral

zone will tend to reinforce lower price action. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 354.00. The next area of resistance is around 365.75 and 372.85, while 1st support hits today at 356.35 and below there at 354.00.

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	21.15	39.25	40.85	23.48	25.43	21.19	21.50	21.91	22.19	21.84
CTAK24	95.28	50.85	54.27	49.22	43.97	96.02	97.08	95.42	89.47	87.38
CTAN24	93.92	49.64	52.89	41.27	35.84	94.69	95.67	94.54	89.47	87.51
CCAK24	6396	61.19	64.45	81.44	81.82	6461.75	6362.00	6089.06	5233.87	4980.92
OJAK24	361.05	48.00	51.15	53.47	50.87	367.58	363.73	364.95	342.14	341.45
KCAK24	185.20	49.46	49.82	51.42	56.95	186.76	185.16	184.81	184.81	185.94
MAJ24	16.08	28.65	33.13	11.70	6.25	16.06	16.65	17.05	17.12	17.17

Calculations based on previous session. Data collected 03/08/2024

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	20.78	20.95	21.17	21.34	21.56
CTAK24	Cotton	90.61	92.17	96.83	98.39	103.05
CTAN24	Cotton	89.29	90.88	95.36	96.95	101.43
CCAK24	Cocoa	6205	6304	6389	6488	6573
OJAK24	Orange Juice	353.95	356.30	363.40	365.75	372.85
KCAK24	Coffee	179.87	181.95	186.37	188.45	192.87
MAJ24	Milk	15.72	15.90	16.07	16.25	16.42

Calculations based on previous session. Data collected 03/08/2024

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