

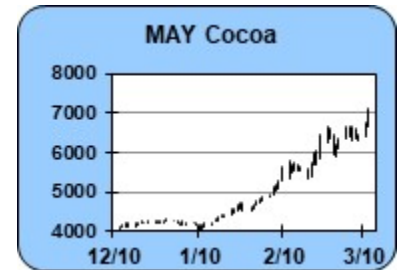


DAILY SOFTS COMMENTARY Wednesday March 13, 2024

DAILY COCOA COMMENTARY 3/13/2024

Another new all-time high; commercial buyers scrambling?

There will be a point where high prices will stifle demand, but cocoa still appears to be below that level. Low expectations for the West African mid-crop have reportedly left commercial buyers scrambling. May cocoa broke above \$7000 yesterday and extended those gains overnight. Ivory Coast's market regulator warned exporters against paying above the mandated price for beans delivered to facilities at the country's ports, threatening offenders with fines and the loss of their licenses. The regulator is also warning cooperatives and up-country buyers against holding onto beans, saying they are required to sell their stocks to exporters within 21 day of acquiring them. A European exporter told Reuters that multinationals are paying up to 1500 CFA francs (\$2.51) per kilo whereas they are authorized to pay 1095 CFA francs. This highlights the potential for hoarding and for wild price swings.



TODAY'S MARKET IDEAS:

Another breakout rally keeps the uptrend intact, with no top in sight. Look for support in May cocoa at 7000 and 6800, with resistance at the overnight high of 7221.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

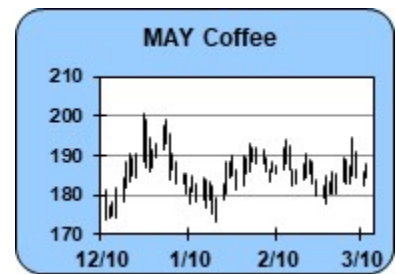
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COCOA (MAY) 03/13/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 7397. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 7265 and 7397, while 1st support hits today at 6833 and below there at 6532.

DAILY COFFEE COMMENTARY 3/13/2024

Choppy action; tight robusta supplies vs. ample Arabica.

The coffee market has had trouble sustaining upside momentum since the start of the year. Each of its three recovery moves has posted a higher high, but the market is defined by its December high and its January low. The CPI report yesterday showed that consumer inflation has remained subdued, which could help support the out-of-home demand outlook for coffee. Above-normal rainfall over Brazil's major Arabica growing region last week is viewed as beneficial to their upcoming crop, and this may have kept further gains in check. ICE



exchange coffee stocks have climbed back above the 450,000-bag level for the first time since October, and they are up 199,000 bags since the start of the year. The arabica market continues to draw support from strong robusta prices, which reached new 19-year highs last week. Vietnamese (robusta) supplies remain tight, and there has been strong buying interest in Brazilian robusta beans. Brazil's harvest is set to begin next month. The Agricultural price research firm Cepea-Esaiq said prices for robusta beans in Brazil were very close to those for Arabica and were the highest since they started tracking the data. Brazil is coming off a strong off-year crop in 2023/24, and dry weather has raised concerns that the upcoming on-year crop will be underwhelming.

TODAY'S MARKET IDEAS:

May coffee is in a mild uptrend, but the market has been range-bound since December, defined by the December 19 high at 200.75 and the January 18 low at 173.10. Interim support comes in at 182.25, with resistance at 192.20.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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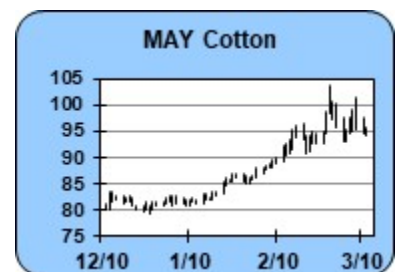
COFFEE (MAY) 03/13/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is positive on the close above the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 182.40. The next area of resistance is around 187.70 and 189.60, while 1st support hits today at 184.10 and below there at 182.40.

DAILY COTTON COMMENTARY

3/13/2024

Australian crop looking better.

The industry trade group Cotton Australia raised its estimate for Australian production to at least 4.5 million bales, up from previous expectations of below 4 million. This comes after plentiful rains fell in the eastern and southern parts of the nation following a long dry period last year, and it could put a negative spin on the market today. May cotton is still consolidating after its move to contract highs late last month. The USDA supply/demand report last week showed the US cotton supply getting even tighter, but global supplies were still ample. There



were reports yesterday that traders may have turned a bit more optimistic about global demand after USDA raised its forecast for China's 2023/24 consumption by 500,000 bales and India's by 300,000. The fund net long has reached extremely high levels, which has left the market vulnerable to long liquidation selling. US soil moisture levels have improved over last year, which could boost cotton plantings. At their Outlook Forum earlier this year,

USDA forecast US cotton planted area for 2024/25 spring at 11 million acres, up from 10.23 million in 2023/24. The next update will be the Prospective Plantings report on March 28.

TODAY'S MARKET IDEAS:

Tight near-term US supply provides underlying support, but the high in late February looks like a major top. Look for support in May cotton at 92.89, with resistance at 98.65.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 03/13/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. 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 is a positive indicator that could support higher prices. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 93.35. The next area of resistance is around 96.08 and 96.79, while 1st support hits today at 94.37 and below there at 93.35.

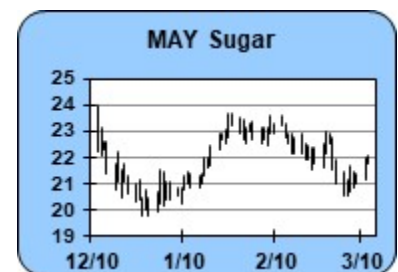
COTTON (JUL) 03/13/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up on the daily chart is somewhat positive. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 92.89. The next area of resistance is around 95.35 and 95.94, while 1st support hits today at 93.83 and below there at 92.89.

DAILY SUGAR COMMENTARY

3/13/2024

India 2023/24 production revised slightly higher.

The Indian Sugar & Bio-Energy Manufacturers Association (ISMA) is forecasting India's 2023/24 sugar production at 34 million tonnes, which is up from a previous forecast of 33.05 million. However, this is likely not enough to turn India into an exporter this year. We suspect the market is more focused on the prospects for the upcoming Brazilian cane crop after the dry conditions of the past several months. Recent rainfall has offered some chance of improvement. The Unica supply report yesterday had little impact on the market, as it showed crushing operations in Brazil's center-south region all but ended for the season, with only 16,000 tonnes of sugar produced in the second half of February. This is up from zero tonnes from the same period last year but compares to bi-weekly numbers of 2-4 million at the peak of harvest. Cumulative production for the marketing year that began last April has been holding at 26% above year-ago levels for four weeks. Cumulative cane crushing has been 19% above year-ago for five straight weeks. The new harvest is expected to begin next month.



TODAY'S MARKET IDEAS:

With India essentially out of the export market and lower Thai exports this season, the potential for lower Brazilian production this season could continue to underpin prices. Trendline resistance for May sugar comes in at 22.22 today, with a retracement objective of 22.45. Look for support at 21.68 and 21.01.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/13/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 22.24. The next area of resistance is around 22.05 and 22.24, while 1st support hits today at 21.73 and below there at 21.59.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/13/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 343.70. The next area of resistance is around 360.20 and 365.55, while 1st support hits today at 349.30 and below there at 343.70.

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	21.89	51.89	49.34	32.98	43.20	21.57	21.33	21.82	22.25	21.85
CTAK24	95.23	50.75	54.11	42.32	34.91	96.21	96.01	95.63	90.09	87.82
CTAN24	94.59	51.82	54.36	36.18	31.19	95.16	94.73	94.67	90.02	87.92
CCAK24	7049	74.98	73.70	85.20	89.78	6656.25	6509.56	6230.22	5353.47	5071.20
OJAK24	354.75	43.34	48.02	45.27	36.55	360.19	362.19	365.63	343.50	341.45
KCAK24	185.90	50.90	50.73	51.45	50.98	187.08	185.83	184.81	184.95	185.99
MAJ24	15.77	24.08	29.58	7.21	3.03	15.92	16.27	16.87	17.07	17.11

Calculations based on previous session. Data collected 03/12/2024

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	21.58	21.72	21.91	22.05	22.24
CTAK24	Cotton	93.35	94.36	95.07	96.08	96.79
CTAN24	Cotton	92.88	93.82	94.41	95.35	95.94
CCAK24	Cocoa	6531	6832	6964	7265	7397
OJAK24	Orange Juice	343.65	349.25	354.60	360.20	365.55
KCAK24	Coffee	182.40	184.10	186.00	187.70	189.60
MAJ24	Milk	15.62	15.67	15.81	15.86	16.00

Calculations based on previous session. Data collected 03/12/2024

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