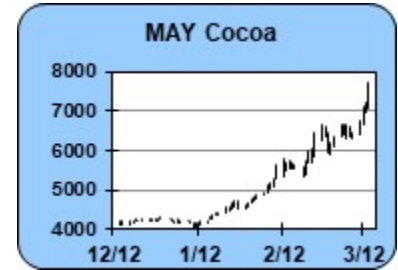




DAILY COCOA COMMENTARY
3/15/2024

West African growers are reluctant sellers.

Demand destruction should eventually bring an end to the unprecedented rally in cocoa, but the market is showing no signs of that happening yet. There were reports yesterday that west African producers were starting to hoard their newly harvested beans, leading to a slowdown in grinding activity in Ivory Coast and Ghana. There are also reports the candy manufacturers are being confronted with having to raise prices, reduce the size of their chocolate bars, and reduce the amount of cocoa in their products but that this takes time to implement. The US Climate Prediction Center said there is an 83% chance that El Niño will end during the April/June timeframe and a 62% chance of a La Niña event developing during the June/August timeframe. La Niña normally brings wetter than normal conditions to interior West African regions, and that could provide relief to cocoa trees in front of the 2024/25 main crop harvest, provided it doesn't bring too much rain. West Africa also faces long-term structural issues, with aging trees and the high cost of fertilizer and pesticides. High cocoa prices have a difficult time making it back to the producers, which reduces incentives to expand or modernize. The EU's new regulations against buying products from deforested lands also complicate things.



TODAY'S MARKET IDEAS:

No indication of a top, but we could see some choppy action after the rally this week. Near-term resistance for May cocoa is at 7715, with support 7000 and 6677.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

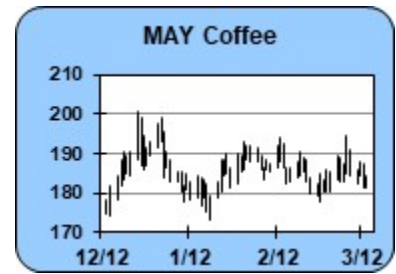
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COCOA (MAY) 03/15/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next downside objective is 6745. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 7731 and 8049, while 1st support hits today at 7079 and below there at 6745.

DAILY COFFEE COMMENTARY
3/15/2024

Brazilian farmers reluctant to sell.

The coffee market felt some pressure yesterday by Rabobank's forecast for a 4.5 million-bag global surplus in 2024/25, which would be up from a 500,000-bag surplus in 2023/24. However, a slow start to new crop sales, recent dry weather in Brazil, and the prospect of a harsh winter in Brazil provide underlying support. Yesterday, Safras & Mercado reported that Brazilian farmers had sold 14% of the 2024/25 Arabica crop as of Tuesday versus an average of 30% for that date. One analyst said that the small difference between outright prices and deferred prices has farmers holding back from selling as they wait for higher prices. A La Nina weather pattern is forecast to start in June-August, which could result in a harsh winter for Brazil, and this may also be keeping farmers from committing their new crop. The lack of rainfall in Brazil has also raised concerns about the upcoming crop, but some rain is in the forecast for next week. ICE exchange coffee stocks increased by 9,718 bags yesterday to reach a new high for the year. The amount of coffee waiting to be graded fell 10,348 bags.



TODAY'S MARKET IDEAS:

May coffee remains in a sideways pattern, supported by tight robusta supplies, dry weather in Brazil, and the prospect of a harsh winter, but it is finding resistance from the steady increase in exchange stocks. Trendline support comes in at 179.60 today, with resistance at 186.40 and 188.00.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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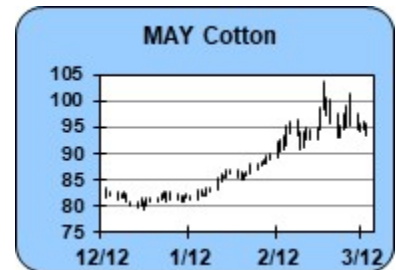
COFFEE (MAY) 03/15/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The upside daily closing price reversal gives the market a bullish tilt. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is now at 180.34. The next area of resistance is around 185.32 and 186.23, while 1st support hits today at 182.38 and below there at 180.34.

DAILY COTTON COMMENTARY

3/15/2024

Weak response to export sales points to a bigger correction.

May cotton could be heading for a more significant correction of November-February rally, but the market's need to bid for acres against soybeans may prevent a big selloff. The bulls were likely discouraged by the market's decline yesterday despite an improvement in export sales. The weekly exports report showed US cotton sales for the week ending March 7 at 85,845 bales for the 2023/24 (current) marketing year and 112,728 for 2024/25 for a total of 198,573. This was up from 67,089 the previous week and was the largest since February 1. It was also the largest 2024/25 sale so far. Soil moisture conditions are much better than they were a year ago, which could support heavier plantings this year and a better start for the crop. According to this morning's weekly drought monitor, as of Tuesday approximately 9% of US cotton area was experiencing drought versus 46% at this point last year. The Prospective Plantings report on March 28 will provide the first official surveyed view of the crop this year. Rains in Australia, Argentina, and Brazil this week are expected to slow cotton harvesting, which could keep near term supply tight. The approaching harvest in the Southern Hemisphere should eventually slow US export demand.



TODAY'S MARKET IDEAS:

The lower close in May cotton after a decent export sales report suggests the market is headed for a more significant correction of the November-February rally, perhaps back to 91.33. Near-term resistance comes in at 95.43.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 03/15/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 91.59. The next area of resistance is around 94.65 and 96.26, while 1st support hits today at 92.31 and below there at 91.59.

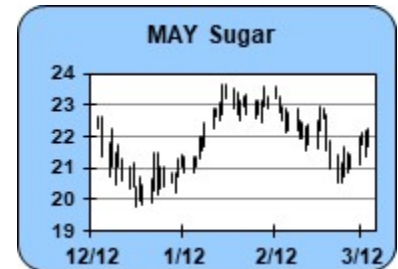
COTTON (JUL) 03/15/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 91.69. The next area of resistance is around 94.22 and 95.53, while 1st support hits today at 92.30 and below there at 91.69.

DAILY SUGAR COMMENTARY

3/15/2024

Dry conditions are reducing Brazil's cane crop prospects.

Analysts are dialing back their forecasts for Brazil's upcoming Center-South cane crop due to drier than normal weather, and this could support an extension of the rally off the March lows. Rabobank said there is a significant deficit looming in the market, thanks to an overall shortage of cane availability in Brazil. Earlier this week Unica reported that 28 of Brazil's Center-South sugar mills were expected to restart their crushing operations during the first half of March versus 10 mills for the same period last year. This seems to counter the idea of tight cane supply. Brazilian crush activity went later than normal last year, extending to late December 2023 and January 2024 when it normally wraps up in late November or early December. A slow start to the rainy season made it possible for mills to keep operating. However, the extended crushing period also meant there would be less mature cane to be harvested once the rainy season ended in March or April, and the dry conditions also suggest yields will be lower. The US Climate Prediction Center is giving a 62% chance that a La Nina weather event will develop during the June/August timeframe. La Nina normally results in higher-than-normal precipitation for cane growing regions in India and Thailand, which could result in higher sugar production from both nations in the 2024/25 and 2025/26 marketing years.



TODAY'S MARKET IDEAS:

The prospect of lower Brazil Center-South production could support a continued rally in May sugar. The market has attempted to close above the 50-day moving average for the past four sessions, and that line, which is around 22.14, acts as key resistance. An initial upside target comes in at 22.46, followed by 22.95. Near-term support comes in at 21.64, followed by 21.36.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/15/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. 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 downside closing price reversal on the daily chart is somewhat negative. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside target is 22.42. The next area of resistance is around 22.05 and 22.42, while 1st support hits today at 21.49 and below there at 21.29.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/15/2024: 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 daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 351.45. The next area of resistance is around 365.40 and 370.80, while 1st support hits today at 355.75 and below there at 351.45.

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	21.77	49.49	47.98	41.73	49.16	21.89	21.43	21.76	22.28	21.87
CTAK24	93.48	44.32	49.50	33.47	23.58	94.67	95.26	95.56	90.65	88.26
CTAN24	93.26	46.49	50.61	30.52	24.08	94.13	94.30	94.55	90.52	88.33
CCAK24	7405	79.72	77.25	86.37	86.36	7054.25	6738.89	6424.33	5492.87	5171.63
OJAK24	360.55	48.99	50.99	41.96	39.09	358.35	363.11	365.27	346.00	341.54
KCAK24	183.85	47.25	48.26	46.39	41.40	184.35	185.71	184.51	185.05	185.86
MAJ24	16.25	41.56	40.68	9.26	12.59	16.03	16.11	16.77	17.03	17.06

Calculations based on previous session. Data collected 03/14/2024

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	21.28	21.48	21.85	22.05	22.42
CTAK24	Cotton	91.58	92.31	93.92	94.65	96.26
CTAN24	Cotton	91.69	92.30	93.61	94.22	95.53
CCAK24	Cocoa	6745	7079	7397	7731	8049
OJAK24	Orange Juice	351.40	355.70	361.10	365.40	370.80
KCAK24	Coffee	180.33	182.37	183.28	185.32	186.23
MAJ24	Milk	15.85	16.02	16.31	16.48	16.77

Calculations based on previous session. Data collected 03/14/2024

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