

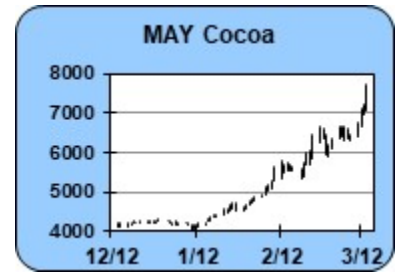


**DAILY SOFTS COMMENTARY**  
**Monday March 18, 2024**

**DAILY COCOA COMMENTARY**  
**3/18/2024**

**West African growers are reluctant sellers.**

Cocoa prices continue to reach unprecedented heights, as tight supply and forecast for large global production deficits have sparked panic buying. May cocoa gapped higher this morning and traded to another new all-time high, just short of \$8500. Reports that West African farmers are starting to hoard cocoa beans has compounded an already tight supply situation in the region. Several processing plants in Ivory Coast and Ghana have had to shut down operations due to a lack of beans to crush. As of March 10, Ivory Coast cocoa deliveries were running 30% behind year ago. There are concerns that producers may be unable to fulfill some contracts. Friday's Commitments of Traders report showed managed money traders were net buyers of 1,713 contracts of cocoa for the week ending March 12, increasing their net long to 33,678. This is the first increase since January, which shows funds are starting to get interested again after being in a liquidation mode. Back on January 23 they were net long 70,661, so they are far from overbought.



**TODAY'S MARKET IDEAS:**

Open interest has started climbing again after being on a steady decline since January, and funds are buying as well. This could lift the market to new highs but also make it vulnerable to wild swings. There is still no top in sight. Potential near-term support levels include 8018, 7715, and 7557.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 3/5/2024 - 3/12/2024						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Softs</b>						
Cocoa	36,170	+2,859	-40,946	-3,112	4,776	+252

**COCOA TECHNICAL OUTLOOK:**

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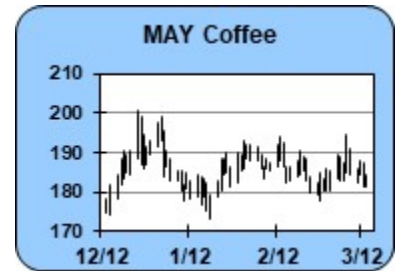
COCOA (MAY) 03/18/2024: The daily stochastics have crossed over up which is a bullish indication. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 8723. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 8432 and 8723, while 1st support hits today at 7604 and below there at 7066.

## DAILY COFFEE COMMENTARY

3/18/2024

### Brazil new crop a concern, old crop robusta very tight.

May coffee is higher this morning but is trading inside Friday's range. Dry weather this year in Brazil's key coffee growing region has provided underlying support for the coffee market, but this has been limited by forecasts for a large global surplus next year and a steady increase in ICE exchange stocks. Last week Rabobank forecast a global coffee surplus of 4.5 million bags for 2024/25, up from a surplus of 500,000 bags for 2023/24. On Friday, Marex Group called for a 6.6 million-bag surplus. There are also concerns about European imports being hit by shipping disruptions in the Red Sea, which could lead to a buildup of supply at origin. Last week there were also reports of Brazilian farmers getting a slow start in pricing their upcoming crop. Safras & Mercado said farmers had only priced 14% of the new Arabica crop as of March 12 versus 25% historically. In contrast, robusta supplies in top producer Vietnam remain very tight, and traders are said to be anticipating a downward revision of 2-3% in their 2023/24 crop forecast. ICE exchange stocks increased by 20,853 bags on Friday to 488,678, up from 467,825 on Thursday and the highest in at least six months. This is up from a 24-year low of 244,066 bags in November. There are 154,630 pending review. Friday's Commitments of Traders report showed managed money traders were net buyers of 3,707 contracts of coffee for the week ending March 12, increasing their net long to 47,069. This is in the vicinity of the all-time high of 60,133.



### TODAY'S MARKET IDEAS:

Coffee is sensitive to the ebb and flow of global risk sentiment as a large portion of demand comes from restaurant and retail shop consumption. Trendline support comes in at 179.50, with resistance at 184.75 and 189.60.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### Commitment of Traders - Futures and Options - 3/5/2024 - 3/12/2024

	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
<b>Softs</b>							
Coffee	54,903	+3,482	-56,578	-3,478	1,675	-4	

### COFFEE TECHNICAL OUTLOOK:

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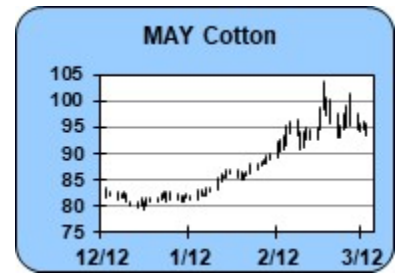
COFFEE (MAY) 03/18/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 180.22. The next area of resistance is around 184.47 and 186.31, while 1st support hits today at 181.43 and below there at 180.22.

## DAILY COTTON COMMENTARY

3/18/2024

**Reluctance to sell ahead of plantings report.**

The cotton market could be headed for more consolidation, as traders will be reluctant to push the market too much lower ahead of spring planting. The market's focus could soon shift to the upcoming USDA Prospective Plantings report due out next Thursday, March 28. The USDA Outlook Forum in February forecast 2024/25 plantings at 11.0 million acres versus 10.23 million last year and 13.75 million the year before that. 11.0 million planted would be the second smallest since 2016/17. Last year's harvested acreage was only 7.06 million, which was the lowest on record going back to 1960/61. Soil moisture conditions are much better than a year ago, which improves the chances for heavier plantings, and the market has done a pretty good job of bidding for acres this winter. Friday's Commitments of Traders report showed managed money traders were net sellers of 3,201 contracts of cotton for the week ending March 12, reducing their net long to 93,160. This is still in the vicinity of the record net long of 108,000, which leaves the market vulnerable to heavy selling if support levels are violated.



**TODAY'S MARKET IDEAS:**

Traders may be reluctant to push the market lower until they get a better handle on the upcoming growing season. Look for resistance in May cotton at 97.35 and 98.33, with support at 93.20.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 3/5/2024 - 3/12/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Softs</b>						
<b>Cotton</b>	101,267	-2,798	-110,606	+2,453	9,338	+344

**COTTON TECHNICAL OUTLOOK:**

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COTTON (MAY) 03/18/2024: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 92.64. The next area of resistance is around 94.58 and 95.21, while 1st support hits today at 93.30 and below there at 92.64.

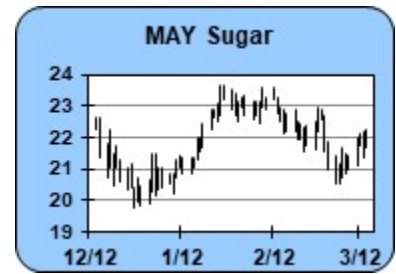
COTTON (JUL) 03/18/2024: Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is 92.52. The next area of resistance is around 94.15 and 94.77, while 1st support hits today at 93.03 and below there at 92.52.

**DAILY SUGAR COMMENTARY**

**3/18/2024**

**Dry Brazil, crude oil gains, tech buying.**

May sugar pushed above the 50-day moving average this morning, which keeps the uptrend off the March low intact. Analysts have been lowering their forecasts for Brazil's upcoming (2024/25) sugar production due to dry conditions since late last year. Brazil's Center-South production for the current (2023/24) crop is about 26% ahead of last year. New-crop harvest is expected to begin late this month or early next. Fitch Solutions said on Friday that prices are being supported by reports of decreased sugar cane plantings in key Indian states as well as the anticipated reduction in output from Brazil. Reports of improving Brazilian demand for ethanol could also draw cane crushing away from sugar production. Crude oil prices reaching their highest level in four months last week is supportive. Friday's Commitments of Traders report showed managed money traders were net buyers of 6,626 contracts of sugar for the week ending March 12, increasing their net long to 52,171. This is well below the 200,000-plus net long these traders held for most of 2023, which means the market is far from overbought. The buying trend is short-term positive.



**TODAY'S MARKET IDEAS:**

May sugar's technical outlook turned more bullish today with its move above the 50-day moving average, which was accompanied by a move above trend line resistance. Next resistance comes in at 22.44, followed by 22.95. Look for support at 21.70 and 21.36.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 3/5/2024 - 3/12/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
<b>Softs</b>						
Sugar	65,256	+8,069	-70,118	-14,219	4,862	+6,150

**SUGAR TECHNICAL OUTLOOK:**

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SUGAR (MAY) 03/18/2024: The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside objective is at 22.45. The next area of resistance is around 22.33 and 22.45, while 1st support hits today at 21.91 and below there at 21.60.

**OJ TECHNICAL OUTLOOK:**

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ORANGE JUICE (MAY) 03/18/2024: The crossover up in the daily stochastics is a bullish signal. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. Market positioning is positive with the close over the 1st swing resistance. The next upside objective is 379.30. The next area of resistance is around 376.30 and 379.30, while 1st support hits today at 364.55 and

below there at 355.75.

## 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
<b>SOFTS MARKETS COMPLEX</b>										
SBAK24	22.12	55.82	52.07	46.05	54.68	21.93	21.60	21.76	22.30	21.89
CTAK24	93.94	46.37	50.70	28.70	19.16	94.39	95.19	95.68	90.93	88.49
CTAN24	93.59	48.02	51.51	27.54	21.56	93.95	94.32	94.66	90.78	88.55
CCAK24	8018	85.45	82.05	87.27	89.06	7376.75	6898.00	6557.06	5578.53	5234.90
OJAK24	370.40	57.41	55.96	44.33	49.07	362.49	363.79	365.14	347.65	341.67
KCAK24	182.95	45.35	47.06	43.63	38.10	183.84	185.27	184.33	185.14	185.78
MAJ24	16.01	36.35	37.31	10.18	12.04	16.06	16.04	16.70	17.00	17.04

Calculations based on previous session. Data collected 03/15/2024

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>SOFTS MARKETS COMPLEX</b>						
SBAK24	Sugar	21.59	21.90	22.02	22.33	22.45
CTAK24	Cotton	92.63	93.29	93.92	94.58	95.21
CTAN24	Cotton	92.51	93.02	93.64	94.15	94.77
CCAK24	Cocoa	7065	7603	7894	8432	8723
OJAK24	Orange Juice	355.70	364.50	367.50	376.30	379.30
KCAK24	Coffee	180.21	181.42	183.26	184.47	186.31
MAJ24	Milk	15.66	15.81	16.05	16.20	16.44

Calculations based on previous session. Data collected 03/15/2024

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