

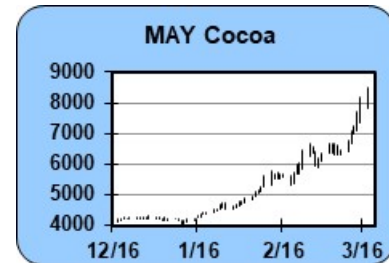


DAILY SOFTS COMMENTARY Tuesday March 19, 2024

DAILY COCOA COMMENTARY 3/19/2024

Rains arrive in West Africa, but still early in the season.

May cocoa traded to another new all-time high yesterday and is holding its own this morning. The market is technically overbought, and conditions are volatile. The prolonged period of heat and a lack of rainfall continue to worry west African growers. Rain has intensified recently, but it is still early in the season and there is skepticism whether this will be enough to boost mid-crop output. The rainy season runs from April to mid-November. Ivory Coast cocoa farmers have called on the sector's regulator to overhaul its pricing scale, warning that it is preventing them from benefiting from record high prices. The regulator, the Coffee and Cocoa Council has warned exporters against paying above the mandated price for beans delivered to port facilities. The official farmgate price is 1000 CFA per kilogram. Most farmers are eligible for a premium and are getting paid 1300-1500 per kilo, but farmers in Cameroon are getting nearly 4000 CFA. BMI raised its 2024 average price forecast for NY cocoa by 60% to \$6,000 per tonne. Ivory Coast port arrivals totaled 37,727 tonnes for the week ending March 17, up from 27,000 last week and 21,000 a year ago. Total arrivals since the marketing year began have reached 1.26 million tonnes, down 28% from 1.75 million for the same period last year.



TODAY'S MARKET IDEAS:

Cocoa prices are up 34% for the month and up 95% since the start of the year. The market is volatile, and it could be entering the final stages of its rally. On the other hand, there is no sign of a top. Rain reaching West Africa could offer some relief, but it is still early in the season. Look for resistance in May cocoa at 8493 and 9000, with support at 7651 and 7391.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

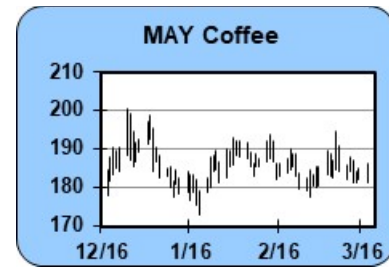
Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

COCOA (MAY) 03/19/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 8834. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 8506 and 8834, while 1st support hits today at 7838 and below there at 7497.

DAILY COFFEE COMMENTARY 3/19/2024

Lower Brazilian currency, increasing ICE stocks.

An outside day lower close in May coffee yesterday set the market up for further weakness today. Dry conditions persist in Brazil's key growing regions, but the market is being pressured by a weaker Brazilian real, steadily increasing ICE stocks, and expectations of a large global surplus next year. Rainfall in southern, southwest Minas Gerais state, Brazil's biggest Arabica coffee growing region, totaled 6.6 millimeters last week, 16% of the historical average, according to Somar Meteorologia. The historical average for that period is 41.8 mm, with a range of 9.1-90.1. The region typically accounts for about 30% of the nation's coffee production. The Brazilian real fell off sharply yesterday to its lowest level since February 13. The weaker currency encourages selling by Brazilian coffee producers. The real also fell below the 200-day moving average, which is a bearish long-term development. ICE exchange stocks totaled 516,386 bags yesterday, up 27,208 from Friday and the highest since August 11. Stocks bottomed out at 224,000 on November 30. They have only decreased in two sessions since February 1. There are expectations that the Arabica harvest will generate a surplus for the 2024/25 marketing year but that robusta could see a fourth consecutive year with a deficit. 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.



TODAY'S MARKET IDEAS:

The break below last weeks' low at 181.25 leaves the next downside target at 177.50. Look for resistance at 186.15.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

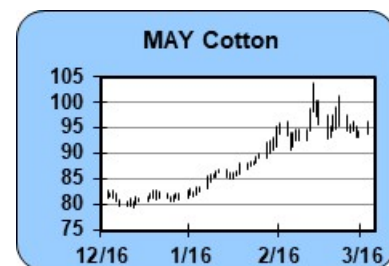
COFFEE (MAY) 03/19/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. A negative signal was given by the outside day down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 178.02. The next area of resistance is around 184.12 and 187.51, while 1st support hits today at 179.38 and below there at 178.02.

DAILY COTTON COMMENTARY

3/19/2024

Vulnerable to fund liquidation if support levels are violated.

May cotton's lackluster recovery yesterday opened the door for a further correction of the November-February rally. We are skeptical that the market will push too much lower given the approach of the US growing season. However, export competition from the Southern Hemisphere could pick up as their harvest advances. The funds are loaded up on the long side, which leaves the market vulnerable to aggressive selling if support levels are taken out. Soil moisture conditions in the US are much better than they were a year ago, which could encourage increased planting this year and set the crops up for a good start. The March 28 USDA Prospective Plantings report will provide some direction, but that is still more than a week away.



Better-than-expected readings for Chinese industrial production and retail sales for January-February supported the cotton market early yesterday, as this raised expectations for demand. A rally in nearby crude oil to its highest level since October also supported cotton on ideas that higher oil prices make man-made fibers more expensive. However, a strengthening dollar undercut support.

TODAY'S MARKET IDEAS:

The chance for a sharp increase in US production this year and the possibility of increased competition with South America may keep the bulls on the defensive. A move below last week's low of 93.20 in May cotton could set the market up for a slide back to 91.35. Look for resistance at 95.38 and 96.37.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

COTTON (MAY) 03/19/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 92.39. The next area of resistance is around 95.77 and 97.18, while 1st support hits today at 93.37 and below there at 92.39.

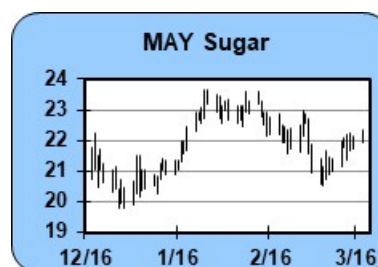
COTTON (JUL) 03/19/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. A positive setup occurred with the close over the 1st swing resistance. The next downside target is now at 92.22. The next area of resistance is around 95.33 and 96.51, while 1st support hits today at 93.19 and below there at 92.22.

DAILY SUGAR COMMENTARY

3/19/2024

Indian output better than expected?

May sugar sold off this morning after failing to follow through on its move above the 50-day moving average yesterday. The market had been drawing support from concerns that dry weather in Center-South Brazil would hurt the upcoming crop, but a strong Brazilian export pace this year and indications that India's output may not be as bad as expected have undermined support. Brazil's commodity export terminal CLI projected yesterday that 2024 sugar shipments would reach 9.5 million tonnes, up more than 1 million from 2023. Total commodity shipments reached 1.3 million tonnes in February, a monthly record. Of those, 900,000 were sugar. India's sugar production from the time the marketing year began on October 1 through March 15 has reached 28.1 million tonnes, down only slightly from the 28.3 million for the same period last year, according to the Indian Sugar and Bio-Energy Manufacturers Association. Crude oil was slightly lower overnight after a breakout rally yesterday to its highest level since October. Strong crude prices provide underlying support to sugar on ideas they will encourage crushers to divert more of their cane to ethanol production.



TODAY'S MARKET IDEAS:

May sugar fell through trendline support overnight, leaving downside retracement targets of 21.65, 21.44, and 21.23. Look for resistance at 22.20 and 22.85.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

SUGAR (MAY) 03/19/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 22.56. The next area of resistance is around 22.36 and 22.56, while 1st support hits today at 21.96 and below there at 21.75.

OJ TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

ORANGE JUICE (MAY) 03/19/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The downside closing price reversal on the daily chart is somewhat negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside objective is 374.00. The next area of resistance is around 365.85 and 374.00, while 1st support hits today at 355.05 and below there at 352.35.

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	22.16	56.52	52.53	50.53	59.49	22.00	21.74	21.75	22.32	21.91
CTAK24	94.57	49.25	52.38	25.12	17.95	94.22	95.22	95.76	91.20	88.73
CTAN24	94.26	51.19	53.39	25.65	21.89	93.86	94.45	94.74	91.03	88.77
CCAK24	8172	86.52	83.02	87.66	88.43	7657.50	7089.33	6685.44	5666.16	5300.37
OJAK24	360.40	48.34	50.40	46.05	49.50	363.91	363.20	365.01	348.89	341.73
KCAK24	181.75	42.77	45.44	39.02	29.82	182.80	185.09	183.98	185.16	185.48
MAJ24	16.16	41.51	40.62	11.69	14.70	16.15	16.03	16.65	16.98	17.02

Calculations based on previous session. Data collected 03/18/2024

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	21.74	21.95	22.15	22.36	22.56
CTAK24	Cotton	92.38	93.36	94.78	95.77	97.18
CTAN24	Cotton	92.21	93.18	94.36	95.33	96.51
CCAK24	Cocoa	7496	7837	8165	8506	8834
OJAK24	Orange Juice	352.30	355.00	363.15	365.85	374.00
KCAK24	Coffee	178.01	179.37	182.76	184.12	187.51
MAJ24	Milk	15.79	15.98	16.14	16.33	16.49

Calculations based on previous session. Data collected 03/18/2024

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

****This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.*