

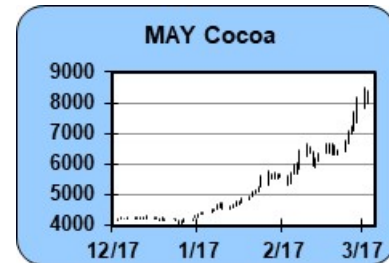


DAILY SOFTS COMMENTARY Wednesday March 20, 2024

DAILY COCOA COMMENTARY 3/20/2024

Possible correction ahead but supply tightness still the theme.

After another move to all-time highs this week, May cocoa is consolidating its gains. One could argue the market has reached overbought levels, but there has been no indication of a top. There have been reports of some rain reaching growing areas in West Africa, but the reports have been anecdotal and have been mixed. The rainy season usually runs from April to mid-November. 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 on October 1 have reached 1.26 million tonnes, down 28% from 1.75 million for the same period last year. Supply tightness is reported to be more acute in Europe than in North America and Asia, and European chocolate manufacturers are said to be already faced with making smaller bars or finding ways to stretch their cocoa supply by developing new products that use less chocolate. The new EU import rules come into effect at the end of the year, which will make importing cocoa more complicated.



TODAY'S MARKET IDEAS:

If May cocoa does mount a correction of its recent rally, retracement support levels would include 7651, 7391, and 7132. Look for resistance at 8412 and 8593.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

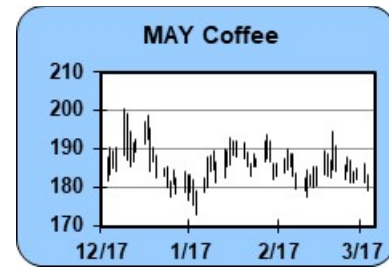
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COCOA (MAY) 03/20/2024: A crossover down in the daily stochastics is a bearish signal. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 7659. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 8251 and 8556, while 1st support hits today at 7803 and below there at 7659.

DAILY COFFEE COMMENTARY 3/20/2024

Brazilian real recovery eases selling pressuring in coffee.

May coffee cannot seem to break out of its consolidation. After trading to its lowest level since February 27 on Tuesday, it rallied back and closed higher on the day yesterday and extended the rally overnight. The Brazilian real also bounced yesterday after trading to its lowest level since October earlier in the session, and this lent support to coffee on ideas it would reduce pressure on Brazilian producers to sell their product. The April real fell below the 200-day moving average this week, which is a long-term bearish development. It closed just below that line on Tuesday, and the resumption of the downtrend could put renewed pressure on coffee. ICE exchange stocks totaled 532,266 bags yesterday, up 15,588 from Monday and the highest since July 27. The steady increase in stocks is another bearish development. On Monday, Somar Meteorologia reported that 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, and these dry conditions have been supportive. The rally in the S&P back towards last week's all time was also supportive on ideas a stronger economy would boost consumption at coffee shops and restaurants.



TODAY'S MARKET IDEAS:

The extended coiling action in May coffee could eventually lead to a dramatic breakout, but in the meantime, look for resistance at 184.75 and 187.05, with support at 179.35 and 177.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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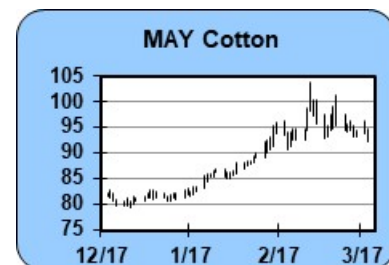
COFFEE (MAY) 03/20/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal up is a positive indicator that could support higher prices. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 178.20. The next area of resistance is around 185.05 and 186.20, while 1st support hits today at 181.05 and below there at 178.20.

DAILY COTTON COMMENTARY

3/20/2024

Dollar strength makes US cotton less competitive.

The rally in the dollar has put pressure on the cotton market this week. The upcoming South American harvest may pull export business away from US cotton. US supplies are tight, but global supplies not so much. The trade may start to focus in the upcoming US crop, and traders may be reluctant to push to much lower ahead of the March 28 USDA Prospective Plantings report. Much improved soil moisture and a rally in cotton this winter suggest plantings could be heavier this year. The Cotton Association of India said on Tuesday that their nation's cotton production was expected to reach 30.97 million 170-kg bales (25.29 million US) for the 2023/24 marketing year that began on October 1, up from a previous estimate of 29.41 million, a 5.3% increase. Imports were seen at 2.04 million bales, down from 2.2 million previously, and exports are expected at 2.2 million from 1.4 million estimated earlier. This suggests that India could be a net exporter of



160,000 bales (131,000 US) versus a being a net importer of 800,000 (653,000 US). India has also revised it sugar production higher this week, which suggests that crops experienced less damage from the poor monsoon rainfall last summer than previously thought. The funds were holding a large net long position in the recent Commitments of Traders report, which leaves the market vulnerable to long liquidation.

TODAY'S MARKET IDEAS:

Indian cotton production is being revised higher, and the rally in the US dollar makes US exports less competitive, but there may be some reluctance to push too much lower ahead of next week's plantings report. The next retracement support comes in at 91.35, with additional support at 90.48. Look for resistance at 95.33 and 96.20.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 03/20/2024: 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. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 90.92. The next area of resistance is around 94.57 and 95.84, while 1st support hits today at 92.11 and below there at 90.92.

COTTON (JUL) 03/20/2024: 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. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 91.16. The next area of resistance is around 94.13 and 95.21, while 1st support hits today at 92.11 and below there at 91.16.

DAILY SUGAR COMMENTARY

3/20/2024

Rains in Center-South Brazil.

May sugar sold off hard on yesterday and was slightly lower overnight. The bulls were clearly disappointed that the market was unable to follow through on its move above the 50-day moving average on Monday. Neither a strong rally in crude oil nor a bounce in the Brazilian real helped support the market yesterday. Improved outlooks for Indian production have put pressure on sugar this week. The Indian Sugar and Bio-Energy Manufacturers Association reported on Monday that as of March 15, Indian sugar production since their marketing began on October 1 had reached 28.1 million tonnes, down only slightly from the 28.3 million for the same period last year. India has also revised it cotton production higher this week, which suggests that crops experienced less damage from the poor monsoon rainfall last summer than previously thought. Brazil's commodity export terminal CLI projected on Monday that 2024 sugar shipments would reach 9.5 million tonnes, up more than 1 million from 2023. Rains are forecast to return to Center South Brazil next week, which could improve the outlook for the upcoming crop.



TODAY'S MARKET IDEAS:

The next downside target in May sugar comes in at 21.23. Look for resistance at 22.06 and 22.22.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/20/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. A positive indicator was given with the upside crossover of the 9 and 18 bar moving average. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The market is in a bearish position with the close below the 2nd swing support number. The next upside objective is 22.48. The next area of resistance is around 22.01 and 22.48, while 1st support hits today at 21.27 and below there at 21.01.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/20/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 364.15. The next area of resistance is around 361.00 and 364.15, while 1st support hits today at 354.75 and below there at 351.60.

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	21.64	45.88	46.31	52.57	56.64	21.92	21.77	21.72	22.34	21.93
CTAK24	93.34	44.05	48.88	22.18	16.31	93.83	95.01	95.69	91.44	88.95
CTAN24	93.12	45.83	49.86	23.90	20.39	93.56	94.36	94.72	91.25	88.98
CCAK24	8027	80.24	78.71	87.08	85.92	7905.50	7253.56	6805.83	5749.44	5363.08
OJAK24	357.85	46.20	49.04	46.56	47.57	362.33	361.58	364.23	350.10	341.89
KCAK24	183.05	46.48	47.55	35.33	27.95	182.90	184.73	183.97	185.28	185.40
MAJ24	16.29	45.79	43.42	14.09	18.89	16.18	16.06	16.57	16.96	17.01

Calculations based on previous session. Data collected 03/19/2024

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	21.00	21.27	21.74	22.01	22.48
CTAK24	Cotton	90.91	92.10	93.38	94.57	95.84
CTAN24	Cotton	91.15	92.10	93.18	94.13	95.21
CCAK24	Cocoa	7658	7802	8107	8251	8556
OJAK24	Orange Juice	351.55	354.70	357.85	361.00	364.15
KCAK24	Coffee	178.20	181.05	182.20	185.05	186.20
MAJ24	Milk	16.08	16.18	16.29	16.39	16.50

Calculations based on previous session. Data collected 03/19/2024

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