

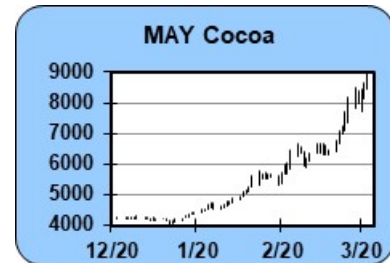


DAILY SOFTS COMMENTARY
Monday March 25, 2024

DAILY COCOA COMMENTARY
3/25/2024

No letup in commercial buying.

The long uptrend in the cocoa market continues, with the May contract trading to new all-time highs for the third straight session overnight. The market is up 3139 for the month so far, a 52% gain. This suggests an overbought condition, but commercial buying continues to support the market in the face of tight global supplies and low expectations for the West African mid-crop. Rainfall is in the forecast for West African growing regions most days this week, which could benefit production later in the season. Demand has been resilient in the face of record prices, but there will be articles in the mainstream media in front of the Easter holiday on the high cost of chocolates that may remind some buyers of the potential for reduced demand. Friday's Commitments of Traders report showed managed money traders were net sellers of 6,926 contracts of cocoa for the week ending March 19, reducing their net long to 26,752. This is their smallest net long since March 21, 2023. CIT traders, Non-Commercial No CIT traders, and Non-Commercial & Non-Reportable traders combined were all net sellers on the week, which reinforces the idea that commercials are the main drivers of this rally.



TODAY'S MARKET IDEAS:

One can argue the cocoa market is overbought and vulnerable to a correction, but there is no indicator of a top, and it is apparent that commercial buyers are still active. The next swing objective for May cocoa is up at 9900. Look for support down at 8493.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/12/2024 - 3/19/2024						
Softs	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Cocoa	28,493	-7,677	-33,868	+7,078	5,375	+599

COCOA TECHNICAL OUTLOOK:

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COCOA (MAY) 03/25/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. A positive setup occurred with the close over the 1st swing resistance. The next upside target is 9320. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is

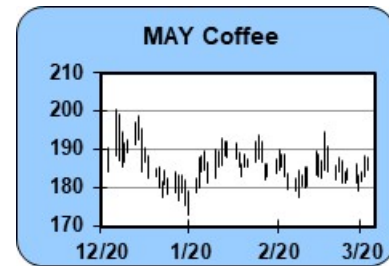
around 9186 and 9320, while 1st support hits today at 8692 and below there at 8331.

DAILY COFFEE COMMENTARY

3/25/2024

ICE stocks climb, Brazil harvest soon.

May coffee continues to see choppy, sideways action with no trend. The market finished last week with a gain of 1.90 cents (up 1%) and a third positive week of the past four. Dealers said robusta supplies remain tight in top producer Vietnam, but the start of the harvest in Brazil next month could bring some relief. There is a growing consensus that Brazil will see bigger production in the 2024/25 marketing year, which would mark the third year in a row with an increase. The chairman of Illycafe predicted that coffee prices will decline during the second half of the year, as there are no issues seen on the production side. ICE exchange Arabica stocks increased by 7,740 bags on Friday and reached their highest level since last June. They are currently more than 214,000 bags above their February month-end total and are on-track for the largest monthly gain since December 2022. Friday's Commitments of Traders showed managed money traders were net sellers of 4,695 contracts of coffee for the week ending March 19, reducing their net long to 42,374. This compares to a record net long of 61,000 from February 2022, which suggests the market is vulnerable to long liquidation selling if support levels are taken out. The selling trend is short-term negative.



TODAY'S MARKET IDEAS:

Coffee may see follow through from Friday's late pullback as the buildup in exchange stocks could continue to weigh on market sentiment. Look for resistance in May coffee at 187.75 and 190.22, with support at 183.25 and 179.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/12/2024 - 3/19/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Coffee	48,560	-6,343	-49,829	+6,749	1,270	-405

COFFEE TECHNICAL OUTLOOK:

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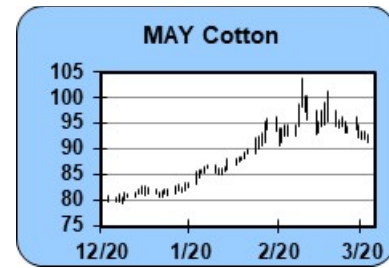
COFFEE (MAY) 03/25/2024: The major trend has turned down with the cross over back below the 60-day moving average. The daily stochastics gave a bullish indicator with a crossover up. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside objective is at 189.26. The next area of resistance is around 186.67 and 189.26, while 1st support hits today at 183.03 and below there at 181.97.

DAILY COTTON COMMENTARY

3/25/2024

Competition from Southern Hemisphere crops looms.

Traders have grown concerned about the potential for a drop in exports as the Southern Hemisphere crops become available, but they may also be reluctant to push too far down ahead of the USDA Prospective Plantings report on Thursday. The dollar closed strong last week, which does not bode well for US exports. The export sales report last week showed strong deliveries at 397,297 bales, the highest since April 27, 2023. Deliveries to China totaled 183,722 bales, the highest since January 25 at 183,741 and the second highest since August 2020. However, total sales were mediocre at 133,082 bales, and sales to China were almost nil at 2,194. US soil moisture is much better than it was a year ago, which could encourage heavier plantings this spring. As of last week, approximately 7% of US cotton production was within an area experiencing drought versus 46% a year ago. Last year, US cotton growers planted 10.23 million acres, down from 13.75 million the previous year and the lowest since 2016/17. At the Outlook Forum in February, USDA had a forecast of 11.00 million acres. Friday's Commitments of Traders report showed managed money traders were net sellers of 3,638 contracts of cotton for the week ending March 19, reducing their net long to 89,522. The net long is still hovering around historic highs, which leaves the market vulnerable to heavy selling if support levels are taken out.



TODAY'S MARKET IDEAS:

Look for support in May cotton at 90.84. A break below there could set the market up for a move back to 88.42. Look for resistance at 94.29.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/12/2024 - 3/19/2024

	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Cotton	96,058	-5,209	-104,930	+5,676	8,871	-467

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 03/25/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 90.41. The next area of resistance is around 92.24 and 93.26, while 1st support hits today at 90.82 and below there at 90.41.

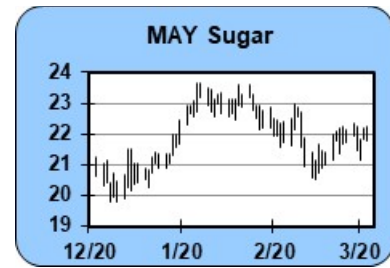
COTTON (JUL) 03/25/2024: Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 90.77. The next area of resistance is around 92.49 and 93.34, while 1st support hits today at 91.21 and below there at 90.77.

DAILY SUGAR COMMENTARY

3/25/2024

Rains could delay start of Brazil cane harvest.

Bearish supply developments from south Asia have weighed on sugar prices, but potential production issues in Brazil may help the market maintain upside momentum this week. May sugar once again approached the 50-day moving average and backed off from that level on Friday. Dry conditions in Brazil over the past several months has raised concerns about the upcoming cane crop, but traders now worry that the forecast for regular rain through the middle of next week could delay the start of the 2024/25 harvest. Many analysts are increasing their 2023/24 global surplus forecasts due to better than expected late-season output from India and Thailand, but they get a better picture on their 2024/25 cane crop, India's government is likely to leave their sugar export ban in place. Czarnikow has projected this season's US high-duty sugar imports will reach a six-year high of 750,000 tonnes, due in part to lower production from Mexico and from nations who are unable to fulfill their quotas. Friday's Commitments of Traders report showed managed money traders were net buyers of 3,337 contracts of sugar for the week ending March 19, increasing their net long to 55,508. This is well below the record net long of 286,000, which indicates there is plenty of fuel for the funds to buy if they get interested.



TODAY'S MARKET IDEAS:

The possibility of lower yields for Brazil's Center-South cane crop could continue to underpin prices. Key resistance for May sugar comes in at 22.26, the 50-day moving average that the market has flirted with several times over the past two weeks. A move above there would leave the next target at 22.44. Look for support at 21.71 and 21.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/12/2024 - 3/19/2024						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Sugar	69,820	+4,564	-76,503	-6,385	6,685	+1,823

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/25/2024: The major trend has turned down with the cross over back below the 60-day moving average. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is negative as the close remains below the 9-day moving average. The downside closing price reversal on the daily chart is somewhat negative. The market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside target is at 22.40. The next area of resistance is around 22.09 and 22.40, while 1st support hits today at 21.61 and below there at 21.44.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/25/2024: The cross over and close above the 40-day moving average indicates the

longer-term trend has turned up. The crossover up in the daily stochastics is a bullish signal. Momentum studies are rising from mid-range, which could accelerate 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 376.30. The next area of resistance is around 373.20 and 376.30, while 1st support hits today at 362.20 and below there at 354.25.

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	21.85	49.82	48.93	62.26	68.73	21.83	21.91	21.66	22.33	22.02
CTAK24	91.53	37.03	43.98	12.87	6.87	92.32	93.49	95.07	92.06	89.53
CTAN24	91.85	40.45	46.12	15.41	9.57	92.34	93.27	94.28	91.83	89.53
CCAK24	8939	87.55	84.60	90.45	94.01	8462.25	7947.56	7169.94	6030.80	5580.77
OJAK24	367.65	55.62	54.30	42.06	45.84	357.95	360.24	361.03	354.27	343.37
KCAK24	184.85	51.58	50.53	31.75	32.24	184.00	183.68	184.53	185.68	185.06
MAJ24	15.57	30.15	33.29	15.51	12.85	15.94	16.02	16.24	16.89	16.94

Calculations based on previous session. Data collected 03/22/2024

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	21.44	21.61	21.92	22.09	22.40
CTAK24	Cotton	90.40	90.81	91.83	92.24	93.26
CTAN24	Cotton	90.76	91.20	92.05	92.49	93.34
CCAK24	Cocoa	8330	8691	8825	9186	9320
OJAK24	Orange Juice	354.20	362.15	365.25	373.20	376.30
KCAK24	Coffee	181.96	183.02	185.61	186.67	189.26
MAJ24	Milk	15.34	15.42	15.63	15.71	15.92

Calculations based on previous session. Data collected 03/22/2024

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