

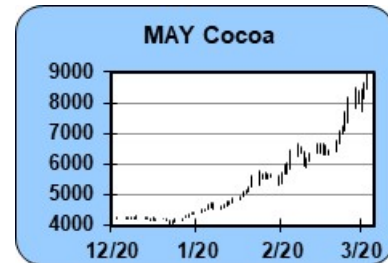


DAILY SOFTS COMMENTARY Wednesday March 27, 2024

DAILY COCOA COMMENTARY 3/27/2024

Back and fill pricing but no improvement in supply.

May cocoa was lower overnight as the market saw some back and fill in the wake of achieving a long-term bullish objective yesterday. There has been no fundamental change, except perhaps some increased sensitivity to the idea that demand pressures are starting to emerge. The market is overbought technically, which leaves it vulnerable to wide price swings. Ghana's problems with securing additional financing for cocoa bean purchases may keep additional supply from entering the global export market. In 2025 the European Union will require cocoa bean imports to have GPS coordinates that verify they were not grown on deforested land. Europe is the world's largest processor of cocoa, and beans that do not meet the EU's requirements will likely be shipped to Asia and North America. The damage to cocoa production from diseased trees and poor weather over the past year, compounded by steady growth in demand in recent decades, could continue to support prices beyond short-term corrections.



TODAY'S MARKET IDEAS:

During this rally, corrections have been short lived and shallow. Look for initial support in May cocoa at 9267 and 8891, with resistance at 10,080 and 10,254.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

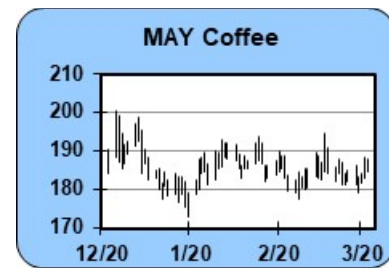
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COCOA (MAY) 03/27/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market could take on a defensive posture with the daily closing price reversal down. The close over the pivot swing is a somewhat positive setup. The next upside objective is 10230. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 9875 and 10230, while 1st support hits today at 9369 and below there at 9219.

DAILY COFFEE COMMENTARY 3/27/2024

Tight robusta supplies and Vietnam weather concerns.

London robusta futures traded to another new all-time high overnight, and this lent support to NY Arabica futures as well. The Vietnam Coffee Association forecast their nation's 2023/24 coffee exports to drop 20% from 2022/23 after their poor crop last year, and a recent hot/dry spell in Vietnam has raised concerns about the upcoming crop. Yesterday there were reports that recent rainfall in Vietnam has been at the lower end of the 10-year range and that temperatures have been on the higher end. There may be some relief to supply after Brazil's conillion (robusta) harvest begins in April. European green coffee stocks fell to 6.7 million bags in February, 41% below year-ago, according to data from the European Coffee Federation. ICE exchange Arabica stocks were up 8,356 bags yesterday to 585,379, the highest since May 30. There are 70,513 bags pending review, which is down from a peak of 180,000 earlier this month. This suggests that the growth in ICE stocks may start to slow. The weather in Brazil has been favorable recently. Somar Meteorologia reported Monday that Brazil's Mina Gerais region received 28 millimeters of rain last week, 106% of the historical average.



TODAY'S MARKET IDEAS:

A series of higher highs and higher lows suggest May NY coffee could be headed for a test of the March highs. The NY market is supported by the move to 30-year highs in the London futures, which may start to falter as the Brazilian harvest picks up next month. Look for resistance in May NY coffee at 193.15 and 194.75, with support and 188.40 and 185.30.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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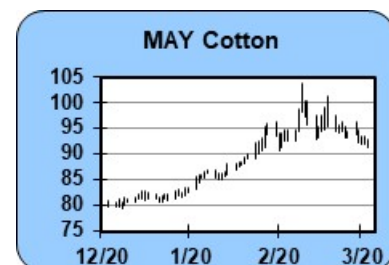
COFFEE (MAY) 03/27/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's short-term trend is positive on the close above the 9-day moving average. Market positioning is positive with the close over the 1st swing resistance. The near-term upside objective is at 191.86. The next area of resistance is around 190.12 and 191.86, while 1st support hits today at 185.98 and below there at 183.57.

DAILY COTTON COMMENTARY

3/27/2024

Choppy action ahead of USDA report.

May cotton rallied sharply yesterday after bouncing off the 50-day moving average and the 50% retracement of the November-February rally on Monday, but it backed off from its levels overnight. We can expect consolidation ahead of the USDA Prospective Plantings report tomorrow. For the report, the average trade expectation for US 2024/25 cotton planted area is 10.906 million acres, with a range of expectations from 10.241 million to 11.300. This compares to a forecast of 11.0 million at the USDA outlook forum in February and 10.23 million planted in 2023/24. In 2022/23, the US planted 13.75 million acres. Keep in mind that US soil moisture has improved much over last year, with only 7% of US cotton production area currently under drought versus 46% a year ago, and that could encourage heavier plantings. Nearby cotton broke out



above a 15-month consolidation in early February, which is long term bullish, and it found support at the top of that range this week.

TODAY'S MARKET IDEAS:

We expect more choppy action ahead of the USDA Prospective Plantings report tomorrow. Look for support in May cotton at 90.98, with resistance at 95.03.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 03/27/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. The crossover up in the daily stochastics is a bullish signal. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close above the 2nd swing resistance number is a bullish indication. The next upside target is 95.52. The next area of resistance is around 94.53 and 95.52, while 1st support hits today at 92.29 and below there at 91.04.

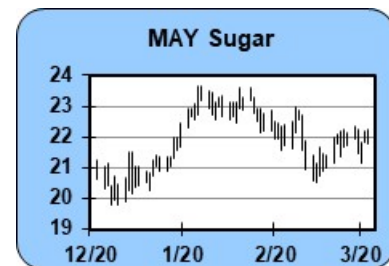
COTTON (JUL) 03/27/2024: The market now above the 40-day moving average suggests the longer-term trend has turned up. The daily stochastics gave a bullish indicator with a crossover up. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside objective is at 95.78. The next area of resistance is around 94.88 and 95.78, while 1st support hits today at 92.84 and below there at 91.69.

DAILY SUGAR COMMENTARY

3/27/2024

Lack of follow-through on tech rally is bearish.

May sugar was lower overnight and gave back most of yesterday's gains. The market did manage to close above the 50-day moving average for the first time since February yesterday, but the bulls appeared to throw in the towel after the futures failed to follow through on their gains overnight. Traders are assessing the impact of the bridge collapse in Baltimore. ASR Group, the largest sugar company in the US, has a sugar refinery in Baltimore that is supplied by vessels coming to the port there. The company said it has six to eight weeks of raw sugar stocks at that refinery. The refinery is their second largest plant in the US, producing 6 million pounds of refined sugar per day under the Domino brand. American sugar producers are seeking to curb imports from Mexico. The American Sugar Coalition, a group representing cane and beet growers, has sent a letter requesting that the US Department of Commerce lower the amount of sugar that Mexico is allowed to export to the US by 44% effective April 1. The ASC contends that Mexican sugar shipments to US have continued to flow despite their production falling off sharply last year. The US DOC said it will investigate whether Mexican suppliers have skirted trade rules they forbid them from bringing in sugar from other countries to meet domestic demand while exporting its own output to US. Safras and Mercado forecast Brazil's 2024/25 nationwide cane production at 666 million tonnes, down from 706 million for 2023/24. Brazil's UNICA will



release its supply reports for the first half of March this morning.

TODAY'S MARKET IDEAS:

The setback in May sugar overnight put the market back inside the range of the past few weeks. The market is likely biding its time until it gets a better idea of how the Brazilian production will fare after their extended dry spell of the past few months. Look for support in May sugar at 21.75. It needs a move back above 22.48 to reestablish the uptrend.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/27/2024: The cross over and close above the 60-day moving average indicates the longer-term trend has turned up. 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. The market's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 22.84. The next area of resistance is around 22.66 and 22.84, while 1st support hits today at 22.12 and below there at 21.75.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/27/2024: The upside crossover of the 9 and 18 bar moving average is a positive signal. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. 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 near-term upside objective is at 379.20. The next area of resistance is around 375.85 and 379.20, while 1st support hits today at 370.35 and below there at 368.15.

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	22.39	60.38	55.61	69.35	77.91	22.06	21.97	21.66	22.30	22.06
CTAK24	93.41	49.04	50.42	11.83	13.06	92.29	92.96	94.23	92.38	89.89
CTAN24	93.86	53.21	53.12	14.72	16.51	92.63	92.99	93.67	92.16	89.90
CCAK24	9622	89.82	86.95	92.46	92.73	9192.25	8523.89	7571.50	6258.24	5760.93
OJAK24	373.10	59.43	56.78	53.20	65.93	367.54	363.03	362.95	357.19	345.15
KCAK24	188.05	60.12	55.67	35.98	42.21	186.06	184.25	184.95	185.78	184.77
MAJ24	15.85	40.49	39.76	16.12	18.15	15.73	15.98	16.07	16.85	16.89

Calculations based on previous session. Data collected 03/26/2024

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	22.11	22.29	22.66	22.84

CTAK24	Cotton	91.04	92.29	93.28	94.53	95.52
CTAN24	Cotton	91.68	92.83	93.73	94.88	95.78
CCAK24	Cocoa	9218	9369	9724	9875	10230
OJAK24	Orange Juice	368.10	370.30	373.65	375.85	379.20
KCAK24	Coffee	183.56	185.97	187.71	190.12	191.86
MAJ24	Milk	15.48	15.67	15.83	16.02	16.18

Calculations based on previous session. Data collected 03/26/2024

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