



DAILY SOFTS COMMENTARY

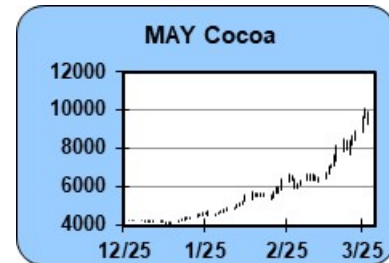
Thursday March 28, 2024

DAILY COCOA COMMENTARY

3/28/2024

Tuesday's high in play.

May cocoa bounced off its lows yesterday and was higher overnight, putting Tuesday's all-time high in play. There has been no change to the bullish supply outlook, with the trade expecting sharp declines in west Africa's mid-crop production this year. Market watchers also fret that the lower crops may be structural and not just the result of a couple of years of poor weather. Damage to trees is a long-term problem, and growers complain that they have little incentive to expand production given the current pricing structure. It will take a sharp drop in consumption and/or a significant improvement in growing conditions to change the price outlook. That being said, \$10,080 per tonne is a very high price and could be formidable resistance. The previous high was \$5500, which held for almost 50 years. Some of the urgency seems to have slipped out of the market since it reached that \$10,000 target this week.



TODAY'S MARKET IDEAS:

May cocoa could test Tuesday's high at \$10,080 today, and a move above there would leave the next upside target at \$10,283. Initial retracement support comes in at \$9177 and \$8898. There is no technical sign of a top, and any attempts to sell rallies to date have been met with quick losses.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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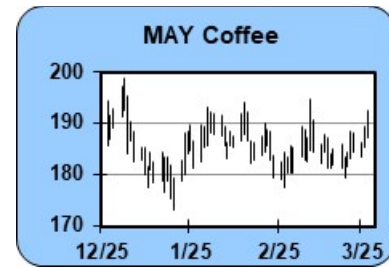
COCOA (MAY) 03/28/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal up on the daily chart is somewhat positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 10367. The 9-Day RSI over 90 suggests the market is extremely overbought. The next area of resistance is around 10168 and 10367, while 1st support hits today at 9518 and below there at 9068.

DAILY COFFEE COMMENTARY

3/28/2024

Vietnam 1Q exports up 44% from year ago.

May NY coffee was lower overnight following yesterday's rally to the highest level since March 7. The market is drawing support from the London robusta contract, which traded to its highest level in 30 years this week, but the NY contract has yet to break out of a three-month consolidation. May London coffee failed to take out yesterday's contract high overnight, and this may encourage some profit taking. Tight near-term robusta supplies in Vietnam continue to underpin Arabica prices. The Brazilian robusta harvest is expected to begin in April but may not reach full speed until late in the month. Earlier this week the Vietnam Coffee Association forecasted Vietnam's 2023/24 coffee exports at 1.336 million tonnes, down 20% from 2022/23. However, Bloomberg reported that Vietnam's first quarter 2024 exports were estimated at 799,000 tonnes, up 44% from the same period last year. March exports were estimated at 400,000 tonnes. ICE exchange Arabica stocks fell 1500 bags yesterday to 583,879, still the second highest since May 30. This was the first time they have declined since March 3 and only the third time since late January. The number of bags pending review increased by 20,470 bags yesterday to 90,983. The Brazilian coffee co-op Cooxupe reported yesterday that it had shipped 4.5 million bags of Arabica coffee in 2023 versus 6.8 million in 2022.



TODAY'S MARKET IDEAS:

Vietnam's exports being up 44% from year ago in the first quarter may encourage selling. Look for resistance in May NY coffee at 193.05 and 194.75, with support at 185.45 and 183.35.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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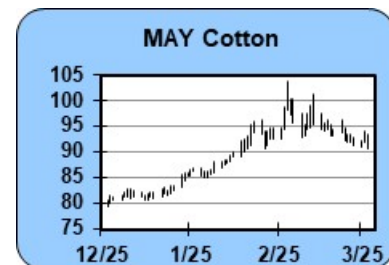
COFFEE (MAY) 03/28/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 195.58. The next area of resistance is around 193.32 and 195.58, while 1st support hits today at 187.98 and below there at 184.89.

DAILY COTTON COMMENTARY

3/28/2024

Eyes on USDA Prospective Plantings report today.

Today's USDA Prospective Plantings report could determine the direction of the market for the next couple of weeks. 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 this year. May cotton gave back all this week's gains yesterday but staged a modest recovery overnight. 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. The export sales report this morning will likely be ignored. Last week's report showed net cotton sales of 133,082 bales for the week ending March 14, down from 198,873 the previous week but above the four-week average of 133,022. Shipments totaled 397,297 bales, which was the highest so far for the 2023/24 marketing year. The surprisingly strong pace of sales (and shipments) is what lifted May futures to contract highs earlier this year. Aside from the US plantings, traders will also be watching production and export numbers out of Brazil and Australia.

TODAY'S MARKET IDEAS:

A bearish USDA plantings number today could eventually send May cotton back to 88.42 and possibly 85.80. A bullish number could spark an eventual move to 95.90 or 97.40.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 03/28/2024: The major trend has turned down with the cross over back below the 40-day moving average. The daily stochastics gave a bearish indicator with a crossover down. Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 88.53. The next area of resistance is around 92.19 and 94.22, while 1st support hits today at 89.35 and below there at 88.53.

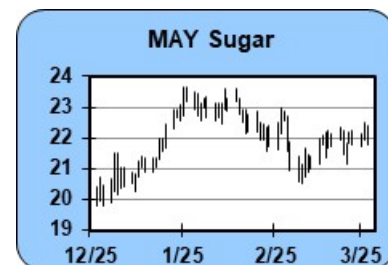
COTTON (JUL) 03/28/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. A crossover down in the daily stochastics is a bearish signal. Daily stochastics are trending lower but have declined into oversold territory. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 89.19. The next area of resistance is around 92.87 and 94.92, while 1st support hits today at 90.01 and below there at 89.19.

DAILY SUGAR COMMENTARY

3/28/2024

Brazil production off to a strong start.

The bulls should be encouraged by the way the sugar market was able to quickly discount a bearish Unica supply report yesterday. May sugar was higher overnight, following through on yesterday's bounce off its lows, and it looks well positioned to test Tuesday's four-week high today. The market has been dancing around the 50-day moving average for weeks and has failed to make a decisive move above that line despite several attempts. Yesterday's Unica report showed Brazilian Center-South sugar production for the first half of March at 64,299 tonnes, up from 16,126 tonnes during the second half of February and 15,561 million for the same period last year. There were 2.224 million tonnes of cane crushed during the period versus 605,294 for the same period last year. This was up from 551,732 tonnes during the second half of February. The new marketing year will start during April, but crushing activity is already picking up for the season and is running well ahead of a year ago. Traders will be watching Center-South production closely to determine the impact of the region's extended dry spell.



TODAY'S MARKET IDEAS:

Traders seem reluctant to push sugar too much lower until they get a better idea of the upcoming Brazilian cane crop. The quick recovery from yesterday's bearish Unica report puts the bulls in position to make another attempt at clearing the 50-day moving average, currently around 22.30. Additional resistance comes in at 22.46. Look for support at 21.74.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/28/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 22.76. The next area of resistance is around 22.50 and 22.76, while 1st support hits today at 21.88 and below there at 21.51.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/28/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside objective is 382.60. The next area of resistance is around 376.65 and 382.60, while 1st support hits today at 364.00 and below there at 357.25.

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	22.19	55.42	52.82	72.43	78.60	22.10	22.01	21.72	22.29	22.09
CTAK24	90.77	37.43	42.83	10.96	9.21	91.93	92.66	93.96	92.49	90.04
CTAN24	91.44	40.87	45.29	13.74	11.78	92.43	92.78	93.54	92.27	90.04
CCAK24	9843	90.77	87.81	92.68	93.12	9513.25	8794.78	7766.83	6375.71	5855.62
OJAK24	370.30	56.41	55.04	58.75	69.84	370.51	364.12	363.61	358.66	346.11
KCAK24	190.65	65.80	59.43	42.40	55.25	187.30	185.01	185.36	185.86	184.84
MAK24	16.05	32.74	34.39	13.14	11.03	16.23	16.36	16.48	17.22	17.32

Calculations based on previous session. Data collected 03/27/2024

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	21.50	21.87	22.13	22.50	22.76
CTAK24	Cotton	88.52	89.34	91.37	92.19	94.22
CTAN24	Cotton	89.18	90.00	92.05	92.87	94.92
CCAK24	Cocoa	9067	9518	9717	10168	10367

OJAK24	Orange Juice	357.20	363.90	369.90	376.65	382.60
KCAK24	Coffee	184.88	187.97	190.23	193.32	195.58
MAK24	Milk	15.82	15.90	16.11	16.19	16.40

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