

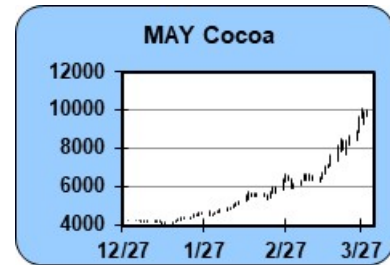


DAILY SOFTS COMMENTARY
Monday April 01, 2024

DAILY COCOA COMMENTARY
4/1/2024

Tight supply still the main theme.

May cocoa has spent the past couple of sessions consolidating last week's move to all-time highs above \$10,000, and with no relief in sight to the tight supply, the market could make a move towards another new high this week. Ivory Coast and Ghana are expected to see some rain in the coming week that could be beneficial to the crop, but the exceptionally hot and dry conditions this year have lowered expectations for the mid-crop, which officially begins this week. Expectations for Ivory Coast's mid-crop production have been reported around 400,000-500,000 tonnes, down from 600,000 last year. Traders also warn of long-term factors that will limit cocoa production, including rampant illegal gold mining, climate change, sector mismanagement, and rapidly spreading disease. Friday's Commitments of Traders showed managed money traders were net sellers of 4,878 contracts of cocoa for the week ending March 26, reducing their net long to 21,874. The fund net long has fallen to its lowest level since March 2023. The commercial net short has shrunk to 33,564 from 72,083 in January, which is further evidence that the rally has been fueled by commercial short covering.



TODAY'S MARKET IDEAS:

Cocoa remains technically overbought with RSI at 85 and stochastics above 90, but there has been no indication of a technical top. So far, any concerns about demand have been quickly discounted by the unrelenting reports of tight supply and poor crop expectations. Look for resistance in May cocoa is at 10,080 and 10,283, with support at 9267.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/19/2024 - 3/26/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Softs						
Cocoa	26,666	-1,827	-32,564	+1,304	5,898	+523

COCOA TECHNICAL OUTLOOK:

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COCOA (MAY) 04/01/2024: The daily stochastics gave a bearish indicator with a crossover down. 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 daily closing price

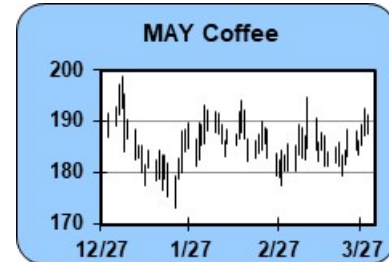
reversal down puts the market on the defensive. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 9462. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 9937 and 10147, while 1st support hits today at 9595 and below there at 9462.

DAILY COFFEE COMMENTARY

4/1/2024

Vietnam 1Q exports up 44% from year ago.

May NY coffee was lower overnight but stayed inside Thursday's range. The market finished last week with a gain of 4.00 cents (up 2.2%) and a second positive week in a row, but it remains in a sideways, consolidative pattern in place for roughly three months. May London (robusta) coffee was lower overnight after trading to another new contract high last week on tight old crop supply and concerns about the upcoming crop. Traders said on Thursday that Vietnamese farmers had sold most to their stocks and were unwilling to cut prices. There are also concerns that less rainfall and higher temperatures in their coffee



growing area could reduce the output next season. Reports that Vietnam exported 799,000 tonnes of coffee in the first three months of 2024, up 44% from the same period last year may have sparked some selling overnight. Strength in robusta coffee provides underlying support to the NY Arabica futures, but the steady increase ICE exchange stocks is a limiting factor. ICE stocks increased 11,330 bags on Thursday to finish March at 595,209, the highest month-end total since April 2023 and the largest monthly increase since December 2022. A pullback in the Brazilian real to its lowest level in over a week on Thursday may have put additional pressure on coffee on ideas it would make Brazilian producers more aggressive at marketing their remaining supply. Friday's Commitments of Traders report showed managed money traders were net buyers of 5,562 contracts of coffee for the week ending March 26, increasing their net long to 47,936. This is not too far from the record net long of 60,133 and leaves the market somewhat overbought.

TODAY'S MARKET IDEAS:

Consolidation continues, with NY coffee supported by the robusta market but limited by steadily increasing exchange stocks. It may be difficult to break out of the range until there is a firmer idea on the upcoming crops. Look for support in May coffee is at 185.35, with resistance at 193.05.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/19/2024 - 3/26/2024

	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
Softs							
Coffee	53,414	+4,854	-54,874	-5,045	1,460	+190	

COFFEE TECHNICAL OUTLOOK:

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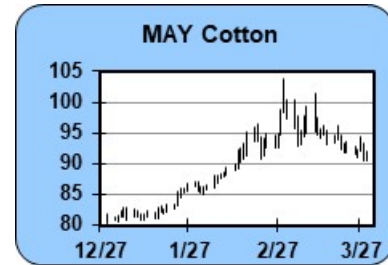
COFFEE (MAY) 04/01/2024: The upside crossover of the 9 and 18 bar moving average is a positive signal. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next upside objective is 192.76. The next area of resistance is around 190.67 and 192.76, while 1st support hits today at 187.03 and below there at 185.47.

DAILY COTTON COMMENTARY

4/1/2024

Texas could use more rain.

May cotton was higher overnight, extending its gains in the wake of Thursday's USDA prospective plantings report. The report put US 2024/25 cotton planted area at 10.673 million acres, below the average expectation of 10.906 million and down from a forecast of 11.0 million at the USDA outlook forum in February. This was up from 10.23 million planted in 2023/24 but well below the 13.75 million in 2022/23. The weekly drought monitor showed 6% of US cotton production area under drought as of March 26, down from 7% the previous week and 47% a year ago. However, the drought monitor shows abnormally dry to severe drought conditions persist in some Texas growing areas, indicating they need more rains US cotton export sales for the week ending March 21 came in at 98,150 bales for the 2023/24 (current) marketing year and 72,225 for 2024/25 for a total of 170,375. This was up from 131,754 the previous week and was the second largest since February 15. Crops in Brazil are rated favorably, and the South Africa and Australian crop harvests are just getting started. Friday's Commitments of Traders showed managed money traders were net sellers of 5,054 contracts of cotton for the week ending March 26, reducing their net long to 84,468. Despite two weeks of selling, the net long is still in the upper end of the historic range, which suggests the market is vulnerable to heavy selling if support levels are violated.



TODAY'S MARKET IDEAS:

The market leans bullish to start the week, as US plantings were at the low end of expectations and Texas could use more rain despite the vast improvement over a year ago. Look for support in May cotton at 91.38, with resistance at 93.41 and 94.27.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/19/2024 - 3/26/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Cotton	91,854	-4,204	-100,239	+4,691	8,384	-487

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 04/01/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is 89.85. The next area of resistance is around 92.11 and 92.77, while 1st support hits today at 90.65 and below there at 89.85.

COTTON (JUL) 04/01/2024: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The upside daily closing price reversal gives the market a bullish tilt. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 90.55. The next area of resistance is around 92.64 and 93.23, while 1st

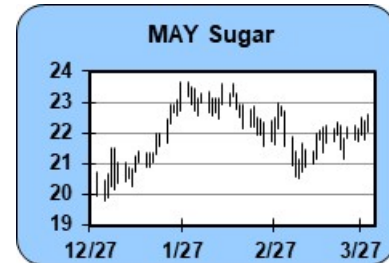
support hits today at 91.30 and below there at 90.55.

DAILY SUGAR COMMENTARY

4/1/2024

Dry conditions lower Brazil cane crop expectations.

May sugar was higher overnight and traded to its highest level since February 29, as concerns remain about Brazil's upcoming crop. Recent rainfall has been appreciated, but drier than normal weather since the start of the year is expected to adversely affect upcoming yields. Rabobank said that Brazil may have a strong early harvest but that cane volumes may disappoint later in the year. Unica reported last week that first-half March cane crushing in Brazil's Center-South region was 267% higher than last season, which suggests that the 2024/25 harvest has gotten off to a strong start. Friday's Commitments of Traders report showed managed money traders were net buyers of 13,004 contracts of sugar for the week ending March 26, increasing their net long to 68,512. The net long remains well below the 200,000+ reading for much of 2023, indicating the market is far from overbought. Nearby crude oil has reached its highest level since October, which makes ethanol more competitively priced. However, high sugar prices and Brazil's interest in using corn as a feedstock limits the attraction of using sugar cane for that purpose.



TODAY'S MARKET IDEAS:

May sugar closed above the 50-day moving average on Thursday after several attempts at doing so over the past couple of weeks. It extended those gains overnight, which is bullish technical action. The market also closed above the 0.618 retracement of the January-March decline (at 22.46) on Thursday, and it held that level overnight. The next resistance comes in at 22.95. Look for additional support at 22.09.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/19/2024 - 3/26/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Sugar	85,283	+15,463	-103,100	-26,597	17,817	+11,132

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 04/01/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. 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 next upside objective is 22.95. The next area of resistance is around 22.78 and 22.95, while 1st support hits today at 22.26 and below there at 21.90.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/01/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. The downside crossover of the 9 and 18 bar moving average is a negative signal. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside target is at 373.80. The next area of resistance is around 368.05 and 373.80, while 1st support hits today at 358.45 and below there at 354.55.

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	22.52	61.32	56.68	76.17	83.64	22.26	22.06	21.83	22.26	22.12
CTAK24	91.38	41.06	44.89	10.64	10.00	91.90	92.38	93.78	92.60	90.21
CTAN24	91.97	44.07	47.13	13.39	12.69	92.46	92.60	93.46	92.38	90.21
CCAK24	9766	87.57	85.68	92.62	92.52	9720.00	8989.00	7943.50	6488.49	5947.75
OJAK24	363.25	49.29	50.81	60.82	64.97	369.40	363.32	363.56	359.89	346.79
KCAK24	188.85	59.23	55.90	48.44	60.50	188.30	185.66	185.46	185.92	184.86
MAK24	15.96	30.83	33.09	12.56	11.40	16.18	16.31	16.42	17.20	17.29

Calculations based on previous session. Data collected 03/28/2024

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	21.89	22.25	22.42	22.78	22.95
CTAK24	Cotton	89.85	90.65	91.31	92.11	92.77
CTAN24	Cotton	90.55	91.30	91.89	92.64	93.23
CCAK24	Cocoa	9461	9594	9804	9937	10147
OJAK24	Orange Juice	354.50	358.40	364.15	368.05	373.80
KCAK24	Coffee	185.46	187.02	189.11	190.67	192.76
MAK24	Milk	15.64	15.80	15.96	16.12	16.28

Calculations based on previous session. Data collected 03/28/2024

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