

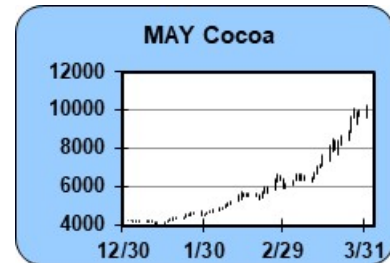


## DAILY SOFTS COMMENTARY Tuesday April 02, 2024

### DAILY COCOA COMMENTARY 4/2/2024

#### West Africa rains come up short.

May cocoa has started out strong today with a move above yesterday's all-time high. Weather reports out of West Africa continue to bode poorly for the mid-crop. Farmers are saying that the pods need rain and are describing the heat as "unbearable." Marketing for mid-crop usually begins in early April. Farmers said they were holding onto beans waiting for the official minimum farmgate price to increase to 1500 CFA from 1000. The increase was reported yesterday. Ivory Coast cocoa arrivals totaled 17,000 tonnes for the week ending March 31, down from 26,000 for the same period last year. Cumulative arrivals since the marketing year began on October 1 have reached 1.301 million tonnes, down 26.7% from the same period last year.



#### TODAY'S MARKET IDEAS:

Still no indication of a top, with more worries about the west African mid-crop amid complaints of hot weather and a lack of rain. Look for support in May cocoa at 10,080 and 9632, with resistance at 10,350.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### COCOA TECHNICAL OUTLOOK:

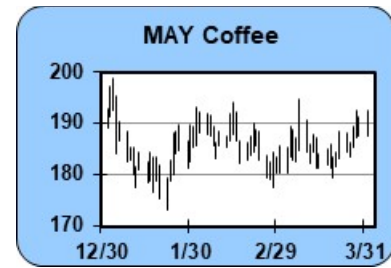
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COCOA (MAY) 04/02/2024: The daily stochastics gave a bullish indicator with a crossover up. Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. The outside day up and close above the previous day's high is a positive signal. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 10733. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 10463 and 10733, while 1st support hits today at 9777 and below there at 9362.

### DAILY COFFEE COMMENTARY 4/2/2024

## Tight robusta supply lifts NY Arabica prices.

May coffee extended yesterday's rally overnight to trade to its highest level since March 7. There were reports that heavy rainfall over Brazil's major Arabica growing areas last week may have damaged coffee trees. Somar Meteorologia reported that Minas Gerais, Brazil saw 75.4 mm of rain last week, 335% of the historical average of 22.5 mm (range 1.8-52.2 mm). Brazil is widely expected to see larger production for a third season in a row, as their on-year/off-year cycle for Arabica coffee may have been broken by poor weather in 2020 and 2021. Colombia's production pace has been on the mend since last year, but they are still well below output levels from two and three years ago. Global Robusta supply has tightened over the past few months following a four-season low in Vietnamese production, and that continues to support coffee prices. The Vietnam Coffee-Cocoa Association expects Vietnam's coffee production for 2023/24 to decline by 20% from 2022/23, to around 1.33 million tonnes. Vietnam exported nearly 600,000 tonnes of coffee in the first quarter, up 3% from a year ago. Coffee exports from Honduras rose 12% in March from the same period a year ago after beans that had been set to ship in February were delayed until the following month. Shipments totaled 709,782 bags in March vs 633,984 for the March 2023, according to the Honduran Coffee Institute (IHCAFE). Cumulative exports from October-March reached 1,936,281 bags, down 4% from 2022/23. ICE exchange coffee stocks were unchanged at 595,209 bags on Monday with 80,296 pending review. Broker hEDGEpoint said European countries are boosting imports of Arabica beans as the premium over robusta is at historic lows. The Brazilian real fell to its lowest level since October yesterday, which could encourage producer selling.



### **TODAY'S MARKET IDEAS:**

Tight robusta supplies may continue to support the NY arabica market until the Brazilian harvest comes in. A move above 194.75 in May coffee would be the highest the market has reached this year, and it could set the market up for a test of the 2023 high of 200.75. Look for support at 187.70 and 185.10.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **COFFEE TECHNICAL OUTLOOK:**

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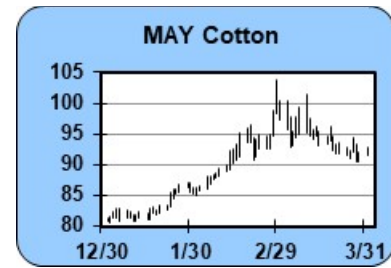
COFFEE (MAY) 04/02/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. Market positioning is positive with the close over the 1st swing resistance. The next upside objective is 196.00. The next area of resistance is around 194.30 and 196.00, while 1st support hits today at 189.30 and below there at 186.00.

## **DAILY COTTON COMMENTARY**

4/2/2024

## Above average rainfall chances for Texas and Delta.

May cotton closed higher yesterday off the lower-than-expected plantings number last week, but further gains may be limited by concerns about export demand due to increases in Australia's crop estimates. The USDA raised its forecast for Australia's cotton production for 2023/24 by 200,000 bales to 5 million, and it forecast 2024/25 production at 5.5 million. Last month, Cotton Australia said that the country would produce at least 4.5 million bales in 2023/24 after widespread rainfall boosted yield. Most of Australia's cotton is harvested in April and May. Yesterday's weekly USDA crop progress report showed 3% of the US cotton crop was planted as of Sunday, same as a year ago and slightly below the five-year average of 4%. Texas was 5% planted, same as a year ago and slightly below the five-year average of 6%. Nearby crude oil trading to its highest level since October 27 this week is supportive to cotton because it makes polyester fibers more expensive. Traders may get cautious ahead of the US jobs report on Friday, as strong economic data can be key driver for demand expectations.



### **TODAY'S MARKET IDEAS:**

Above average precipitation in the forecast for Texas could improve their soil moisture levels. Look for resistance in May cotton at 93.86, with support at 91.38.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **COTTON TECHNICAL OUTLOOK:**

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**COTTON (MAY) 04/02/2024:** The daily stochastics gave a bullish indicator with a crossover up. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. 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 near-term upside target is at 93.82. Short-term indicators suggest buying dips today. The next area of resistance is around 93.43 and 93.82, while 1st support hits today at 92.09 and below there at 91.15.

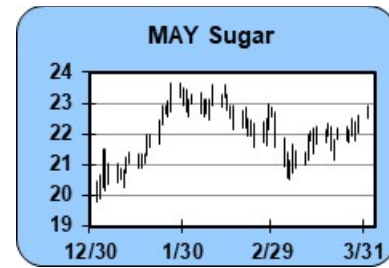
**COTTON (JUL) 04/02/2024:** The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. A bullish signal was given with an upside crossover of the daily stochastics. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside target is at 94.35. The next area of resistance is around 93.96 and 94.35, while 1st support hits today at 92.66 and below there at 91.75.

## **DAILY SUGAR COMMENTARY**

**4/2/2024**

## Low Brazil crop baked-in?

May sugar extended yesterday's rally overnight to trade to its highest level since February 27. The drier than normal weather so far this year is expected to negatively impact Brazil's Center-South 2024/25 production. The region has only one day of (light) rain in the forecast for the next week, which should help crushers get off to a fast start. The CEO of the French sugar company Tereos said he believes the smaller Brazilian crop this year has already been priced by the market and that future price movements will be driven by Brazilian production numbers as the harvest picks up, as well as by any news from the Indian government related to sugar exports. Tereos is forecasting Brazil's Center-South cane production to be around 590 million tonnes in 2024/25, down from 675 million in 2023/24. The company expects to start to crush this week, a bit earlier than usual, as there is cane ready in the fields. They plan to increase the amount of cane they allocate to sugar production this season, cutting ethanol production, as the sugar is giving higher financial returns than biofuel. There are reports that Egypt's GASC bought 150,000 tonnes of sugar in a recent tender, which is evidence of good demand.



### TODAY'S MARKET IDEAS:

A move above 22.95 in May sugar would leave the 200-day moving average, currently around 23.43, in the market's sights. The market tested that line in January and February and backed off, and it could require poorer than expected production news out of Brazil to breach that level. Look for support at 22.33.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 04/02/2024: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 23.10. The next area of resistance is around 22.90 and 23.10, while 1st support hits today at 22.53 and below there at 22.34.

### OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/02/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The outside day up is somewhat positive. A positive setup occurred with the close over the 1st swing resistance. The near-term upside objective is at 384.50. The next area of resistance is around 380.75 and 384.50, while 1st support hits today at 365.75 and below there at 354.45.

### 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
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**SOFTS MARKETS COMPLEX**

SBAK24	22.72	64.52	58.88	79.34	85.67	22.46	22.12	21.93	22.25	22.16
CTAK24	92.76	48.64	49.35	12.71	16.87	92.08	92.18	93.70	92.73	90.39
CTAN24	93.31	51.52	51.56	15.93	21.01	92.65	92.50	93.48	92.51	90.38
CCAK24	10120	89.49	87.22	92.83	93.23	9837.75	9205.44	8147.39	6612.33	6046.33
OJAK24	373.25	57.79	55.97	64.70	72.45	369.98	364.74	363.97	361.44	347.39
KCAK24	191.80	65.57	60.08	55.95	70.98	189.84	186.78	185.93	186.10	184.99
MAK24	15.86	28.73	31.67	11.35	8.92	16.06	16.24	16.37	17.17	17.26

Calculations based on previous session. Data collected 04/01/2024

Data sources can & do produce bad ticks. Verify before use.

**DAILY SWING STATISTICS**

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>SOFTS MARKETS COMPLEX</b>						
SBAK24	Sugar	22.34	22.52	22.72	22.90	23.10
CTAK24	Cotton	91.14	92.09	92.48	93.43	93.82
CTAN24	Cotton	91.75	92.66	93.05	93.96	94.35
CCAK24	Cocoa	9361	9777	10047	10463	10733
OJAK24	Orange Juice	354.40	365.70	369.45	380.75	384.50
KCAK24	Coffee	186.00	189.30	191.00	194.30	196.00
MAK24	Milk	15.63	15.72	15.90	15.99	16.17

Calculations based on previous session. Data collected 04/01/2024

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