

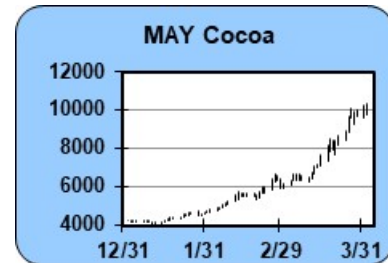


DAILY COCOA COMMENTARY
4/5/2024

Low expectations for west African mid-crop.

July cocoa was higher overnight, as it seems the three-day selloff may have been enough to attract buyers. The negative shift in global risk sentiment this week does leave the market vulnerable to profit-taking, especially if this week's low at 8702 fails to hold. It is hoped that the 50% increases in farmgate minimum prices in Ivory Coast and Ghana this week will encourage growers to sell more of their supply, but we will see... Low expectations for the west African mid-crop harvest could also leave the market vulnerable to selling if the supplies come in better than expected, especially if arrivals start to improve. Analysts at Citi

Research expect cocoa to trade in the \$9,000-\$10,000 range this month. They are looking for a 7-9% decline in grindings in the first quarter and a 4-6% drop in origin processing. However, they also warned that prices could reach \$11,000-\$12,000 if grindings only marginally subside. Citi is calling for the 2023/24 deficit to reach 355,000 tonnes, which is 25,000 tonnes bigger than their previous forecast. They expect a balanced market in 2024/25 and a huge surplus in 2025/26. This contrasts with recent industry complaints of long-term structural issues such as a lack of investment in tree stock and fertilizer, disease, EU deforestation restrictions, climate, and an ineffective market structure in producing nations.



TODAY'S MARKET IDEAS:

With geopolitical risk rising, traders may be less inclined to push the market higher. The market may have also priced in the worst expectations for the upcoming mid-crop. Key support for July cocoa comes in at yesterday's low at 8702, as a move below they could encourage nervous longs to bail. Additional support levels include 8507 and 8202.

Look for resistance at 9801.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

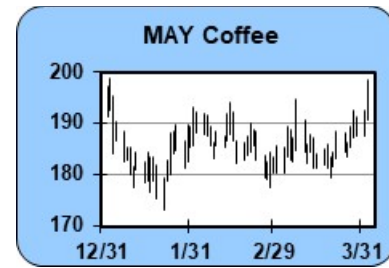
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COCOA (MAY) 04/05/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 8936. The next area of resistance is around 9709 and 9923, while 1st support hits today at 9215 and below there at 8936.

DAILY COFFEE COMMENTARY
4/5/2024

NY-London price spread near historic lows.

London robusta futures have backed off from their highs, but the low premium of NY (arabica) prices relative to robusta may limit the pressure on the NY futures. The nearby NY-London spread is near historic lows. Brazil exported 208,000 tonnes of green coffee in March, up 27.4% from 164,000 for the same period last year. Colombia produced 866,000 bags of washed arabica coffee in March, up 8.4% from March 2023. Exports totaled 1.01 million bags, up from 907,000 in March 2023. Production for the past 12 months has reached 11.4 million bags, up 3.4% from a year ago. Robusta prices have soared on a tight global supply situation, and traders are waiting for harvest to begin in Brazil and Indonesia. Brazil is the world's second largest robusta producer, after Vietnam. ICE exchange arabica stocks rose by 11,535 bags yesterday to reach their highest level since May 2023. With RSI above 83, July NY coffee is technically overbought and vulnerable to a setback.



TODAY'S MARKET IDEAS:

After the sharp rally this week, July coffee could be vulnerable to profit taking. Initial support could come in at 199.45 and 197.00. An extension of this week's updraft would point to an upside objective around 228.20.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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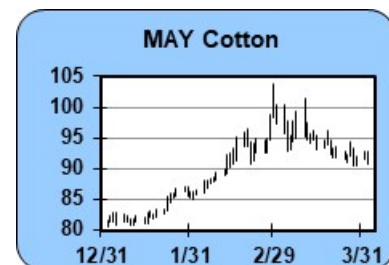
COFFEE (MAY) 04/05/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 211.43. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 209.47 and 211.43, while 1st support hits today at 204.03 and below there at 200.54.

DAILY COTTON COMMENTARY

4/5/2024

Export sales falling behind pace.

Old crop cotton appears to be under pressure this week from expectations of strong crops out of Brazil and Australia and lackluster US export sales. The USDA recently revised Australia's crop higher. This week's export sales report showed US cotton sales for the week ending March 28 at 84,910 bales for the 2023/24 (current) marketing year and 22,869 for 2024/25 for a total of 107,779. This was down from 170,375 the previous week and was the lowest since February 29. Cumulative sales for 2023/24 have reached 94% of the USDA forecast for the marketing year versus a five-year average of 100% for this point in the season. This suggests that USDA could lower its 2023/24 export forecast in upcoming supply/demand reports. China as usual was the largest buyer this week 35,250 bales, all for 2023/24. They were followed by Honduras at 27,975 and Turkey at 19,436. China has the most commitments for 2023/24 at 4.231 million bales, followed by Pakistan at 1.477 million and Vietnam at 1.110 million. December cotton was lower overnight and fell below a the 50-day moving average, which is key technical support. The weekly US crop monitor showed



approximately 8% of US cotton production was in an area experiencing drought, up from 7% the previous week but well below 46% from a year ago. Parts of Texas are rated abnormally dry to severe drought but not the key cotton producing regions.

TODAY'S MARKET IDEAS:

May cotton is approaching key support at the 200-day moving average at 86.06, but after the selloff this week, we would not be surprised to it bounce off that level. Look for resistance at 87.43 and 87.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 04/05/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 85.51. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 88.21 and 89.80, while 1st support hits today at 86.07 and below there at 85.51.

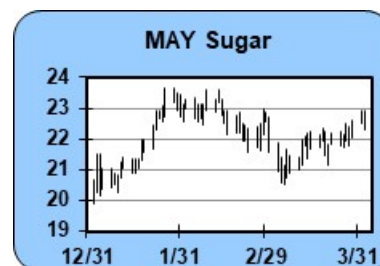
COTTON (JUL) 04/05/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is 87.16. The next area of resistance is around 89.50 and 90.89, while 1st support hits today at 87.64 and below there at 87.16.

DAILY SUGAR COMMENTARY

4/5/2024

Brazil crop expectations low, but harvest just starting.

The prospects of India allowing sugar exports this year put some mild pressure on the market this week, but expectations of lower output from Brazil have provided support. The trade is awaiting early results of the Brazilian harvest, which is just getting underway. The dry conditions of the past several months have lowered expectations, but they may also lead to a fast start. In recent years, a spike in crude oil prices such as the one currently occurring would be viewed as supportive to sugar on ideas it would boost ethanol demand, but high sugar prices are expected to keep mills more focused on crushing for sugar than ethanol. Brazil exported 2.72 million tonnes of sugar in March, up from 1.81 million in March 2023. Mexico's lower sugar production this season could lead to more high-tariff US imports, which could pull more sugar from the global market. Egypt's GASC bought 250,000 tonnes of sugar in this week's tender, as they continue to be aggressive importers.



TODAY'S MARKET IDEAS:

A break below this week's low in May sugar at 22.04 today could spark a wave of long liquidation selling, and a move below 21.72 would form a key reversal on the weekly chart. Look for resistance at 22.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 04/05/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. 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 next downside target is now at 21.98. The next area of resistance is around 22.53 and 22.67, while 1st support hits today at 22.19 and below there at 21.98.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/05/2024: 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. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 377.20. The next area of resistance is around 373.80 and 377.20, while 1st support hits today at 366.80 and below there at 363.15.

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	22.36	55.08	53.52	75.33	71.66	22.41	22.28	22.10	22.21	22.23
CTAK24	87.14	29.22	35.70	10.06	6.20	89.92	90.98	92.43	92.94	90.76
CTAN24	88.57	32.21	38.35	13.32	8.42	90.94	91.72	92.63	92.75	90.78
CCAK24	9462	65.96	70.98	87.61	81.81	9763.75	9652.67	8677.28	6944.07	6321.20
OJAK24	370.30	54.18	53.87	72.44	76.77	371.05	369.94	364.33	364.06	349.95
KCAK24	206.75	82.60	74.27	77.02	89.05	199.98	193.11	188.40	187.04	186.05
MAK24	15.91	38.26	36.99	8.72	10.17	15.78	16.00	16.25	17.05	17.16

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

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	21.97	22.18	22.32	22.53	22.67
CTAK24	Cotton	85.50	86.06	87.65	88.21	89.80
CTAN24	Cotton	87.15	87.63	89.02	89.50	90.89
CCAK24	Cocoa	8935	9215	9429	9709	9923
OJAK24	Orange Juice	363.10	366.75	370.15	373.80	377.20
KCAK24	Coffee	200.53	204.02	205.98	209.47	211.43
MAK24	Milk	15.60	15.78	15.86	16.04	16.11

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

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