

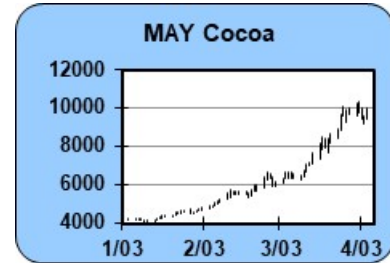


DAILY SOFTS COMMENTARY
Monday April 08, 2024

DAILY COCOA COMMENTARY
4/8/2024

Ghana raises its farmgate price 58%.

Cocoa was higher overnight and came close to testing last week's contract and all-time highs. Ghana's Cocoa and Coffee Board (Cocobod) announced that they would increase their fixed farmgate purchase price for cocoa beans by 58%. This was slightly larger than Ivory Coast's 50% hike last week and was above initial expectations for a 50% increase, but it was well below the 187% increase in the futures prices since the start of the 2023/24 season in October. It is hoped that the price hikes will encourage farmers to sell more of their crops. Ivory Coast and Ghana are looking at sharp reductions in their production this season. Ivory Coast's regulator, the Coffee and Cocoa Council, is asking buyers to wait for the midcrop harvest, which is just beginning, to get delivery of about 130,000 tonnes of cocoa beans they presold for the main crop. Friday's Commitments of Traders report showed managed money traders were net sellers of 2,155 contracts of cocoa for the week ending April 2, reducing their net long to 19,719. This is down from a record net long of 79,541 from September and is further evidence that funds have backed away from this market.



TODAY'S MARKET IDEAS:

It may take several weeks before higher West African minimum purchase prices have their full impact, and we may see more choppy action until the market gets a better handle on the mid-crop. Look for resistance in July cocoa at 9801, with support at 9028 and 8702.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/26/2024 - 4/2/2024						
Softs	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Cocoa	24,398	-2,268	-30,450	+2,114	6,052	+154

COCOA TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

COCOA (MAY) 04/08/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is now at 9255. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 10050 and 10275, while 1st support hits today at 9540 and below

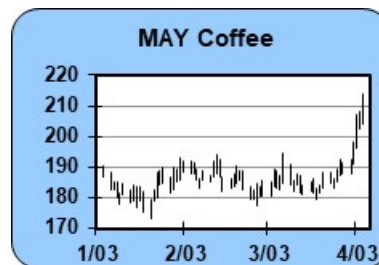
there at 9255.

DAILY COFFEE COMMENTARY

4/8/2024

Tight robusta supplies London and NY arabica market.

July NY coffee extended its rally overnight to trade to its highest level since August 2022. The NY arabica futures have drawn support recently from extremely tight robusta supplies and fears of a drought in Vietnam that could keep output from the world's largest robusta producer down for the second straight year. London robusta futures traded to all-time highs last week. Brazil is the world's second largest producer of robusta coffee, and their harvest is expected to begin soon. Expectations that Central American (arabica) production will come in below last season's levels has also supported NY prices following news that Honduran and Costa Rican exports from October through March were below last season's pace. Brazil's upcoming crop may not reach early trade forecasts due to recent heavy rainfall that reportedly damaged trees. Colombia's March production came in at 866,000 bags, which was 8.4% above March 2023. This put their 12-month output at 11.441 million bags, which was the highest 12-month reading since November 2022 but was well below the readings for March 2021 and 2020, which were both above 14 million. ICE exchange coffee stocks fell by 14,755 bags on Friday to 613,462. This was only their second decline since February and their biggest decline since November 30. Friday's Commitments of Traders report showed managed money traders were net buyers of 9,389 contracts of coffee for the week ending April 2, increasing their net long to 57,325. This is their largest net long since posting a record 60,133 in February 2022, which leaves the market vulnerable to a pullback.



TODAY'S MARKET IDEAS:

July NY coffee increased 13% in five sessions last week, and the fund net long was approaching record levels last Tuesday, 16.70 below the overnight high. This has left the market technically overbought and vulnerable to a correction, but there has been no indicator of a top. The next upside objective for July coffee comes in at 228.20. Look for support at 206.90. The London-NY spread is near historic lows, which might invite spread activity and could also provide some insurance for NY if London futures start to break.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/26/2024 - 4/2/2024						
Softs	Non-Commercial		Commercial	Non-Reportable		
	Net Position	Weekly Net Change		Weekly Net Change	Weekly Net Change	
Coffee	65,363	+11,949	-67,111	-12,237	1,747	+287

COFFEE TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

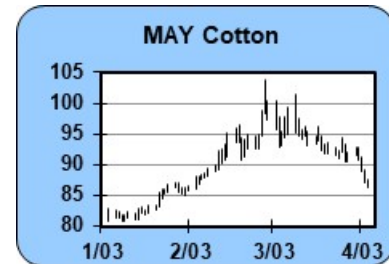
COFFEE (MAY) 04/08/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next upside objective is 220.60. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 217.40 and 220.60, while 1st support hits today at 207.60 and below there at 201.00.

DAILY COTTON COMMENTARY

4/8/2024

May futures maybe oversold on export competition theme.

May cotton fell to the 200-day moving average on Friday and bounced off that area overnight. The market has been under pressure recently from expectations that US exports will meet steep competition from Australia and Brazil as their crops come in, but the steep selloff last week has left the market in oversold condition and receptive to a rally. Export sales last week were flat, and cumulative sales for the 2023/24 marketing year are running behind the average pace. December cotton was also under pressure on Friday after the bounce off a lower-than-expected plantings number the previous week. US soil moisture is much better than a year ago, with only 7% of US cotton production area experiencing drought versus 46% a year ago. In a Bloomberg survey for the USDA supply/demand report on Thursday, the average trade expectation for US 2023/24 ending stocks is 2.56 million bales, up from 2.50 million in the March update but down from 4.25 million in 2022/23. World ending stocks are expected to come in at 83.38 million bales versus 83.34 million in March and 82.97 in 2022/23. Friday's Commitments of Traders showed managed money traders were net sellers of 3,880 contracts of cotton for the week ending April 2, reducing their net long to 80,588. The net long is still near historic highs, which leaves the market vulnerable to heavy selling if support levels are taken out.



TODAY'S MARKET IDEAS:

With RSI at 25 and stochastics around 11, the market is susceptible to a short covering rally. On the other hand, the funds are still holding a large net long position, that could allow more heavy selling if they decide to bail. Look for support in May cotton at 86.08, the 200-day moving average. Below there, the market has an extended, two-month consolidation bound roughly by 84.00 and 79.50 to provide support. Look for resistance at 88.42 and 91.35.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/26/2024 - 4/2/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Cotton	92,737	+883	-100,898	-659	8,161	-223

COTTON TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

COTTON (MAY) 04/08/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 85.14. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 86.96 and 87.99, while 1st support hits today at 85.54 and below there at 85.14.

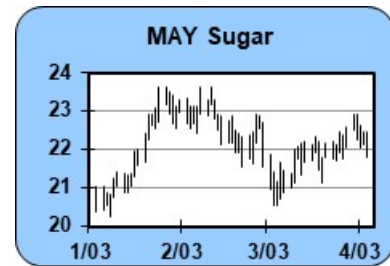
COTTON (JUL) 04/08/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 86.77. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 88.49 and 89.45, while 1st support hits today at 87.15 and below there at 86.77.

DAILY SUGAR COMMENTARY

4/8/2024

Choppy ahead of Unica report this week.

Rains expected this week in Center-South Brazil may delay the 2024/25 cane harvest, but they could also be good for the crop. The first-half March Unica report showed cane crushing was running well above last year's levels. The next report, covering the second half of March, will be released later this week. Those totals will count toward the 2023/24 season, but if harvest and crushing operations remain at high levels, it would suggest that the 2024/25 season has gotten off to a strong start. India and Thailand have seen increased production during the first quarter, which has pressured the market recently. Indian sugar refiners last week requested that the government lift their ban on exports and allow 1 million tonnes exit the country, but the government has made no move to do so. Russia is reported to be banning sugar exports until August 31. The French Deputy Agriculture Minister said that French sugar beet farmers may use more pesticides due to a high risk this year of an attack by an aphid that causes yellows disease. This disease led to a 26% drop in French sugar output in 2020. Friday's Commitments of Traders report showed managed money traders were net buyers of 20,651 contracts of sugar for the week ending April 2, increasing their net long to 89,163, which is well below 200,00+ these traders held for much of 2023.



TODAY'S MARKET IDEAS:

We may see some choppy action ahead of this week's Unica supply report, but the negative weekly reversal last week was a bearish technical development. The market will also be watching for any further supply developments out of in India and Thailand. Look for support in May sugar at 21.76, with resistance at 22.48.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/26/2024 - 4/2/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Sugar	103,899	+18,616	-120,073	-16,973	16,174	-1,643

SUGAR TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

SUGAR (MAY) 04/08/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend has turned down with the cross over back below the 18-day moving average. The outside day down is somewhat negative. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 21.39. The next area of resistance is around 22.33 and 22.74, while 1st support hits today at 21.65 and below there at 21.39.

OJ TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

ORANGE JUICE (MAY) 04/08/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. 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 target is 352.55. The next area of resistance is around 365.45 and 373.20, while 1st support hits today at 355.15 and below there at 352.55.

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	21.99	46.46	48.36	71.48	63.77	22.22	22.30	22.10	22.18	22.24
CTAK24	86.25	27.06	33.98	8.08	4.11	88.30	90.39	91.94	92.94	90.84
CTAN24	87.82	29.97	36.63	10.74	5.59	89.57	91.27	92.27	92.77	90.87
CCAK24	9795	70.94	73.87	85.48	81.21	9682.50	9747.78	8847.67	7056.09	6415.80
OJAK24	360.30	44.21	47.80	70.39	66.29	367.81	369.12	364.68	364.27	350.91
KCAK24	212.50	86.02	77.82	81.99	91.92	205.15	196.18	189.93	187.52	186.56
MAK24	16.41	55.26	48.86	14.99	27.55	15.91	16.02	16.25	17.02	17.14

Calculations based on previous session. Data collected 04/05/2024

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	21.38	21.65	22.06	22.33	22.74
CTAK24	Cotton	85.13	85.53	86.56	86.96	87.99
CTAN24	Cotton	86.77	87.15	88.11	88.49	89.45
CCAK24	Cocoa	9255	9540	9765	10050	10275
OJAK24	Orange Juice	352.50	355.10	362.85	365.45	373.20
KCAK24	Coffee	201.00	207.60	210.80	217.40	220.60
MAK24	Milk	15.88	16.19	16.32	16.63	16.76

Calculations based on previous session. Data collected 04/05/2024

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

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.