

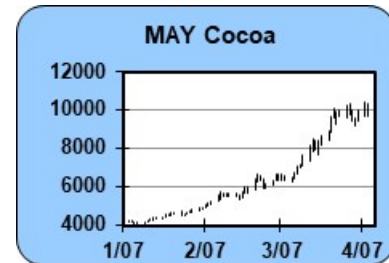


DAILY SOFTS COMMENTARY Wednesday April 10, 2024

DAILY COCOA COMMENTARY 4/10/2024

West Africa needs the rainy season to begin.

Cocoa prices have put together a 3-session winning streak and are threatening to take out their April 1 highs. West African near-term supply remains very tight. The rainy season there has officially begun, and the ongoing hot and dry conditions have the trade very concerned about the mid-crop. Any improvement in rainfall now could boost output in late May or early June. Ivory Coast's Coffee and Cocoa Board has rolled 130,000 tonnes from main crop delivery to mid-crop due to a lack of available supply. There has been some pushback from farmers in Ivory Coast and Ghana on concern that the recent increases in their minimum purchase prices (50% and 58%) were insufficient given the 170% increase in cocoa futures prices since the marketing year began on October 1. It had been hoped that the higher prices would draw more cocoa to market. Candy maker Barry Callebaut reported that higher product prices drove the company's revenue up 11% in the first half of their fiscal year versus expectations for a 5.7% gain, indicating that the company has so far weathered soaring input costs well. It also suggests that the bulk of the increase in cocoa prices yet to be felt. In a conference call the CEO said the company was well covered with cocoa beans. The maker of Godiva chocolates said it expects to raise prices in the high single digits, percentage wise. First quarter European and North American quarterly grindings will be released on April 18.



TODAY'S MARKET IDEAS:

Until there are signs of increased supply flow to West African ports, cocoa may continue to press higher. Near-term support for July cocoa comes in at 9350, with resistance at 9806. A move above there would leave the next upside target at 10,082.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

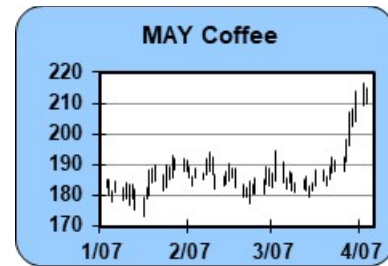
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COCOA (JUL) 04/10/2024: The daily stochastics have crossed over up which is a bullish indication. Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 9893. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 9777 and 9893, while 1st support hits today at 9411 and below there at 9160.

DAILY COFFEE COMMENTARY 4/10/2024

March Brazilian coffee exports up 38% from year-ago.

Cecafe said Brazil exported 429 million bags of coffee in March, up 38% from a year earlier and a new record for the month. Robusta exports totaled 846,700 bags, nearly eight times what they shipped in 2023. This helps fill gaps left by Vietnam and Indonesia. Arabica shipments rose 15.1% year on year to 3.1 million bags. The trade is anxious about the upcoming Brazilian crop due to the dry conditions the region experienced late last year and early this year. ICE exchange coffee stocks increased by 6,308 bags on Tuesday, while coffee waiting to be graded fell by 12,718 bags. The trade is also focusing on the idea that hedge funds which have moved on from the cocoa market and are buying coffee instead. The managed money net long in coffee reached 57,325 contracts as of April 2, which was close to the record of 60,133 from February 2022. At the high on Monday, July coffee had gained 16.70 (+8%) since April 2, which suggests the net long has posted a new record. The managed money net long in cocoa reached a peak of 79,541 last September, which suggests there could be more buying fuel in the tank for coffee.



TODAY'S MARKET IDEAS:

RSI above 80 suggests an overbought condition, but there has been no sign of a top. The rally is drawing comparisons to the cocoa market, but the supply situation is not nearly as dire. Look for resistance in July coffee at 218.00, followed by 222.35, with support at 210.00 and 207.95.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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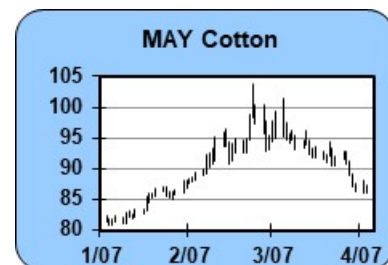
COFFEE (JUL) 04/10/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 215.88. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 214.22 and 215.88, while 1st support hits today at 209.48 and below there at 206.39.

DAILY COTTON COMMENTARY

4/10/2024

ICE stock build indicates ample supply/soft demand.

July cotton is drifting lower as cash traders report little business being done at current levels and ICE exchange stocks continue to build. If the CPI number this morning does not come in "hot," it could improve prospects for a rate cut and boost demand expectations and lift the cotton market. ICE exchange stocks reached 125,722 bales on Monday, up 13,668 from Friday and the highest since July 2, 2021. Stocks were up 124,737 since February 27. The USDA export sales and the supply/demand reports on Thursday may create some excitement. Last week's report showed net sales of 107,779 bales, which was the lowest since early February, during Lunar New Year. Cumulative sales had reached 94% of the USDA forecast for the marketing year versus a five-year average of 100% for this point in the season. Shipments were still strong at 367,551 bales, the fourth highest for the marketing year. Traders are expecting Brazil and



Australia to cut into US business. For the supply/demand report, a Bloomberg survey shows an average trade expectation for US 2023/24 ending stocks of 2.56 million bales, which would be 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 million in 2022/23.

TODAY'S MARKET IDEAS:

The sharp increase in ICE stocks suggests ample supply and weak demand. A move below Friday's low of 87.73 in July cotton could send the market down to the 200-day moving average, currently at 86.19. Look for resistance at 89.84.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 04/10/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 86.78. The next area of resistance is around 88.53 and 89.55, while 1st support hits today at 87.15 and below there at 86.78.

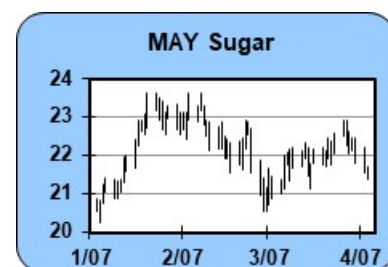
COTTON (DEC) 04/10/2024: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 80.12. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 82.17 and 83.37, while 1st support hits today at 80.55 and below there at 80.12.

DAILY SUGAR COMMENTARY

4/10/2024

Choppy ahead of Unica report.

Reports that India's government is considering a proposal to allow factories to use an additional 800,000 tonnes of sugar to produce ethanol may have provided support to the sugar market late yesterday and overnight, as this may lower the chances that India will allow exports this season. India and Thailand have both reported better than expected production during the latter part of the season. Trade may be choppy ahead of the Unica second-half March Brazil supply report, which is due to be released this week. This will be the final report for the 2023/24 season, as the new marketing year started April 1. The last report showed Brazil Center-South production had reached 43.245 million tonnes for the year so far, up from 33.583 million for the same period in 2022/23 and a new record. Cane crushing had reached 649.389 million tonnes versus 543.889 million a year ago. Cane crushing in the first half of March totaled 2.224 million tonnes versus 605,000 for the same period last year. Sugar production was 64,000 tonnes versus 16,000 a year prior. Asian commodities trader Wilmar told Reuters that rains in late March and early April in Center-South Brazil will improve the prospects for the 2024/25 cane crop. They are projecting a cane crop of 620-630 million tonnes, with sugar production at 42.5-44.5 million. Sucden is forecasting a much smaller crop of 40 million. There is no rain in the forecast for Center-South cane-growing regions until this weekend, which should keep harvesting and crushing moving along.



TODAY'S MARKET IDEAS:

With India and Thailand seeing an uptick in production since the start of the year, the prospect of Center-South production matching or exceeding 2023/24 production could weigh on sugar prices. Look for resistance in July sugar at 21.72 and 21.91, with support at 20.88.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/10/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 20.86. The next area of resistance is around 21.28 and 21.47, while 1st support hits today at 20.98 and below there at 20.86.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/10/2024: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is now at 351.10. The next area of resistance is around 371.70 and 374.65, while 1st support hits today at 359.95 and below there at 351.10.

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										
SBAN24	21.13	35.69	40.98	55.77	38.25	21.50	21.80	21.73	21.84	21.94
CTAN24	87.84	31.96	37.50	8.03	5.13	88.16	90.14	91.56	92.75	91.05
CTAZ24	81.36	23.80	32.61	39.80	17.15	82.52	83.35	83.61	83.55	82.85
CCAN24	9594	77.07	78.15	86.13	86.59	9354.50	9352.44	8634.67	6905.82	6309.03
OJAK24	365.80	50.91	51.35	62.48	57.34	363.05	366.63	364.83	364.08	352.93
KCAN24	211.85	83.32	77.05	88.29	92.05	209.53	200.78	191.98	187.26	186.52
MAK24	16.70	61.28	54.02	35.53	56.02	16.44	16.11	16.27	16.97	17.11

Calculations based on previous session. Data collected 04/09/2024

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						
SBAN24	Sugar	20.85	20.97	21.16	21.28	21.47
CTAN24	Cotton	86.77	87.14	88.16	88.53	89.55
CTAZ24	Cotton	80.11	80.54	81.74	82.17	83.37
CCAN24	Cocoa	9159	9410	9526	9777	9893

OJAK24	Orange Juice	351.05	359.90	362.85	371.70	374.65
KCAN24	Coffee	206.38	209.47	211.13	214.22	215.88
MAK24	Milk	16.34	16.51	16.70	16.87	17.06

Calculations based on previous session. Data collected 04/09/2024

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