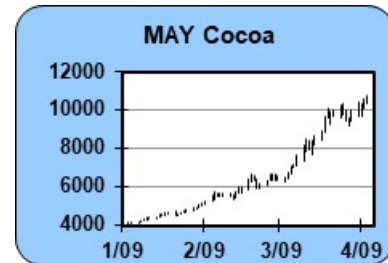




DAILY COCOA COMMENTARY
4/12/2024

New highs, but grindings data and possible rain next week.

July cocoa extended yesterday's rally overnight to reach another new contract high. There were reports this week that Ghana's Cocobod was in negotiations to delay the delivery of 150,000 to 250,000 tonnes of cocoa beans from this season to 2024/25. Earlier this week, Barry Callebaut reported sales volumes were slightly ahead of last year's pace despite very high cocoa prices, and that has provided additional support. First quarter grinding data for Europe and North America are due to be released on April 18, and the trade is anticipating a decline from last year due to the shortage of beans. If the grindings data is down significantly, the trade will have to determine whether the slowdown reflects lower demand as well. A shift towards wetter weather in the West African forecast through late next week could start to weigh on prices.



TODAY'S MARKET IDEAS:

The cocoa market could face some rare headwinds with rain in the forecast for west Africa next week and the North American and European grindings data due out on April 18. The next upside objective for July cocoa is 10,910, with support at 9806.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

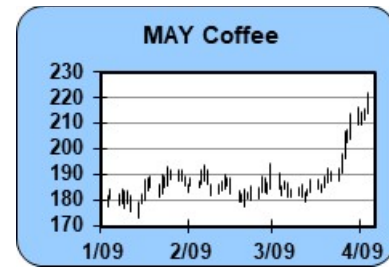
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COCOA (JUL) 04/12/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 10237. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 10033 and 10237, while 1st support hits today at 9749 and below there at 9668.

DAILY COFFEE COMMENTARY
4/12/2024

Vietnam and Brazil need rain.

July coffee was sharply higher overnight and reached its highest level since January 2022. The market is being supported by tight global supplies and concerns about the upcoming Brazilian crop, as well as fund buying. Dry weather in Vietnam has growers expecting the 2024/25 crop to be down significantly from 2023/24, which itself is expected to be down 20% from 2022/23. This has farmers holding off on marketing their remaining coffee supply as they wait on higher prices. Vietnam had to import approximately 200,000 tonnes in 2023 due to shortages from the previous crop, and that practice has continued this year. The key Arabica growing region of Minas Gerais, Brazil only received 2.5 mm of rain last week, 12% of the historical average, and this has raised concern about their upcoming crop as well. ICE exchange coffee stocks rose by 4,905 bags on Thursday to reach an 11-month high, but the amount pending review fell 3,190 bags. US daily coffee consumption hit the highest level in 20 years, according to the National Coffee Association. More than two-thirds of American adults said they drank coffee in the past day. 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 overnight high, July coffee had gained 29.75 (+15%) since April 2, which suggests the net long has posted a new record.



TODAY'S MARKET IDEAS:

The next resistance level in May coffee comes in at 231.25, with support at 217.35. The market may be short term overbought, but there is no sign of a top.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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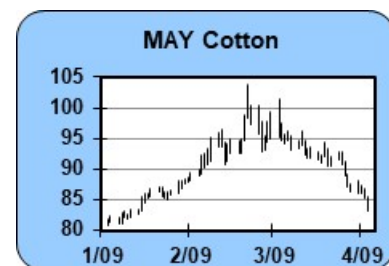
COFFEE (JUL) 04/12/2024: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 223.30. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 220.79 and 223.30, while 1st support hits today at 213.90 and below there at 209.50.

DAILY COTTON COMMENTARY

4/12/2024

Overdone after a 10% selloff in two weeks?

With prices down 10% since April 1, July cotton may have fallen too far, too fast and could be due for a bounce. Yesterday's USDA supply/demand report was hardly bullish, but it was not particularly bearish either. US 2023/24 ending stocks were left unchanged at 2.5 million bales versus an average expectation of 2.56 million. World ending stocks came in at 83.08 million bales versus 83.38 million expected and 83.34 million in March. Brazilian and Australian production were left unchanged, but Brazilian exports were increased to 11.7 million bales from 11.2 million in March, and Australia's were increased to 6.00 million from 5.75 million. China's imports were increased to 14.2 million bales from 12.9 million



previously. Pakistan's were lowered to 3.4 million from 3.80 million previously, Indonesia' to 3.0 million from 3.4, and Thailand's to 0.45 from 0.50 million. US cotton export sales had a bearish tilt, coming in at 81,500 bales for the 2023/24 (current) marketing year and 35,661 for 2024/25 for a total of 117,161. This was up from 107,779 the previous week but was the second lowest since February 29. Sales have reached 95% of the USDA forecast for the marketing year versus a five-year average of 101% for this point in the season. This suggests the USDA could lower its export forecast in upcoming supply/demand reports. Shipments totaled 274,147 tonnes for the week, the lowest since February 22. The largest buyer was China at 50,201 bales, all for 2023/24. Pakistan has 735,548 bales yet to be shipped, 69% of their total purchases. This raises concerns about potential cancellations. The weekly drought monitor showed 11% of US cotton production was in an area experiencing drought as of April 9 up from 6% the previous week but down from 40% last year.

TODAY'S MARKET IDEAS:

July cotton fell to the top of an extended consolidation area between 83.70 and 79.65 that lasted from mid-November to mid-January, and this may be strong support. Open interest is down sharply since the beginning of the month, indicating specs are exiting. Look for resistance at 86.26 and 87.73.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 04/12/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 83.55. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 86.34 and 87.91, while 1st support hits today at 84.16 and below there at 83.55.

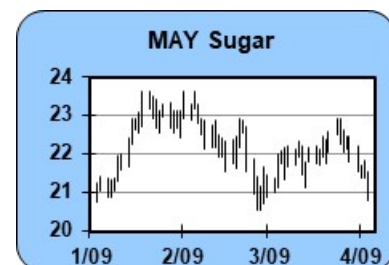
COTTON (DEC) 04/12/2024: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 79.66. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 81.28 and 82.02, while 1st support hits today at 80.10 and below there at 79.66.

DAILY SUGAR COMMENTARY

4/12/2024

Down but holding support ahead of Unica report.

July sugar extended yesterday's losses slightly overnight but held support at the March low, as trade may have grown cautious ahead of today's Unica Brazil production report for the second half of March. This is the final report for the 2023/24 marketing year, but if it shows a strong harvest/crush pace, traders may view it as a positive indicator for the upcoming crop. First-half March data for Center-South crushing was well above the same period last year, which suggested that mills were starting their operations earlier than normal. Dry conditions in Brazil can allow for active harvest now, but they can also result in lower yields later in the season. Increases in Thai and Indian sugar production since the start of the year have been a source of pressure on sugar prices recently. This has sparked speculation that India might relax its export ban, but those



ideas appear to have been quashed for now. Sugar processors last week petitioned the government to allow 1 million tonnes of exports, but this week a government source said they may want to divert more cane to ethanol production. Forecasts for a normal monsoon this summer have added to the bearish mood, but the nation is facing a possible severe heatwave ahead of that event.

TODAY'S MARKET IDEAS:

Dry conditions in Brazil offer a paradox, as they may boost production in the short term but lower yields later. A bearish Unica report could spark a further decline in July sugar back to the December low at 19.68. Initial support comes in at 20.41, with resistance at 21.44.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/12/2024: The downside crossover of the 9 and 18 bar moving average is a negative signal. 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. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 19.99. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 20.88 and 21.39, while 1st support hits today at 20.18 and below there at 19.99.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/12/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. The daily stochastics have crossed over down which is a bearish indication. 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 swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 356.25. The next area of resistance is around 370.30 and 378.80, while 1st support hits today at 359.05 and below there at 356.25.

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	20.53	26.46	34.14	36.70	17.38	21.00	21.53	21.64	21.76	21.92
CTAN24	85.25	24.01	31.52	5.22	2.63	87.14	88.90	90.75	92.64	91.16
CTAZ24	80.69	20.72	29.40	24.79	11.45	81.51	82.77	83.34	83.50	82.90
CCAN24	9891	80.54	80.34	87.32	88.23	9710.00	9478.89	8955.72	7121.96	6496.05
OJAK24	364.65	48.99	50.20	62.28	59.07	365.25	367.28	365.30	364.27	355.21
KCAN24	217.35	86.81	80.32	91.42	94.27	212.83	206.57	195.65	188.59	187.70
MAK24	16.02	41.45	41.69	46.09	49.86	16.53	16.18	16.25	16.89	17.06

Calculations based on previous session. Data collected 04/11/2024

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	19.99	20.18	20.69	20.88	21.39
CTAN24	Cotton	83.55	84.16	85.73	86.34	87.91
CTAZ24	Cotton	79.66	80.10	80.84	81.28	82.02
CCAN24	Cocoa	9667	9748	9952	10033	10237
OJAK24	Orange Juice	356.20	359.00	367.50	370.30	378.80
KCAN24	Coffee	209.49	213.89	216.39	220.79	223.30
MAK24	Milk	15.57	15.72	16.16	16.31	16.75

Calculations based on previous session. Data collected 04/11/2024

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