

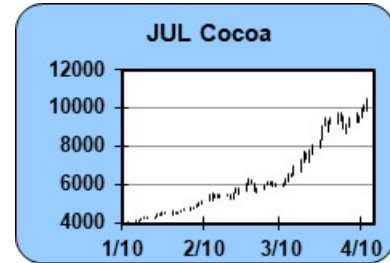


DAILY SOFTS COMMENTARY
Monday April 15, 2024

DAILY COCOA COMMENTARY
4/15/2024

Ivory Coast arrivals slip further behind.

After a lower close on Friday, July cocoa gapped higher overnight and traded to new a contract high, with the nearby contract trading to a new all-time high. Ivory Coast port arrivals for the week ending April 14 totaled 13,000 tonnes, down from 29,000 for the same week last year. Total arrivals for the 2023/24 marketing year have reached 1.317 million tonnes, down 28% from the same period last year. The mid-crop appears to be starting out weak after the prolonged heat wave and record temperatures last month. The slow arrivals may also be reflecting growers' frustration that the Ivory Coast marketing board, the CCC, was not more aggressive in raising the official farmgate price. Farmer groups are asking authorities for increase to 2,500 West African francs (\$4) per kilo from the 1,500 (\$2.50) announced earlier this month, which itself was an increase of 50% from the previous level. It had been hoped that the 50% increase would be enough to draw more cocoa to port, but that does not appear to be the case, especially with futures prices up 227% since the start of the marketing year. European and North American grind numbers are due to be released this week, and that may present an opportunity for some negative demand news. The trade is already expecting modest a decline due to lower availability of beans. The funds continue to back away from longs, while the commercials are gradually covering their net shorts. Friday's Commitments of Traders showed managed money traders were net sellers of 53 contracts of cocoa for the week ending April 9, reducing their net long to 19,666. This is down from a net long of 64,000 in January. Commercial traders were net buyers of 1,544, reducing their net short to 28,906. This is their smallest net short since February 2023.



TODAY'S MARKET IDEAS:

Ivory Coast arrivals continue to slip behind year ago as mid-crop appears to be starting off slow and farmers are chafing at the official price. The next upside objective in July cocoa could be around 11,500. Look for support at 10,800.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/2/2024 - 4/9/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Cocoa	22,872	-1,526	-28,906	+1,544	6,033	-19

COCOA TECHNICAL OUTLOOK:

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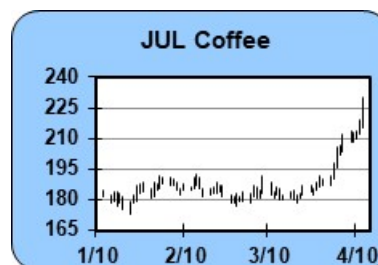
COCOA (JUL) 04/15/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next upside objective is 10951. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 10780 and 10951, while 1st support hits today at 10170 and below there at 9730.

DAILY COFFEE COMMENTARY

4/15/2024

Funds hold a record net long.

July coffee closed well off its highs on Friday after reaching its highest level since January 2022, and this makes Friday's high at 229.75 a formidable resistance area. Vietnam's rainy season is normally well advanced by now, but a prolonged heatwave this year is viewed at damaging for their 2024/25 robusta crop. This follows a 2023/24 crop that is estimated to be down 20% from 2022/23. Houthi attacks in the Red Sea have forced shippers to take a much longer route around South Africa instead of the Suez Canal, and this has slowed the arrival of robusta supplies in Europe and forced European grinders to rely more on coffee from Brazil. There are also concerns about Brazil's 2024/25 crop after heavy rains earlier this month reportedly damaged trees. Friday's Commitments of Traders report showed managed money traders were net buyers of 9,650 contracts of coffee for the week ending April 9, increasing their net long to 66,885. This was a new record, which leaves the market vulnerable to heavy selling if support levels are violated. The net long was probably more extreme by Friday given the market had climbed another 18 cents since the data was collected.



TODAY'S MARKET IDEAS:

There is no sign of a top, but July coffee's close well off its highs on Friday is an indication of exhaustion, and short-term technical indicators are flashing overbought. Look for resistance at 225.30 and 229.75, with support at 210.00 and 204.00.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/2/2024 - 4/9/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Coffee	72,928	+7,565	-76,172	-9,061	3,243	+1,496

COFFEE TECHNICAL OUTLOOK:

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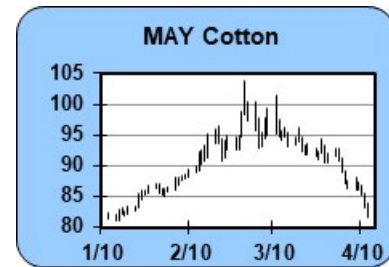
COFFEE (JUL) 04/15/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. A positive signal for trend short-term was 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 next downside objective is 206.98. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 227.70 and 235.97, while 1st support hits today at 213.20 and below there at 206.98.

DAILY COTTON COMMENTARY

4/15/2024

Oversold after an 18% decline from contract high.

July cotton was higher overnight, as the market seems to have fallen too far to fast after an 18% decline from its February peak. Last week's USDA supply demand report held few surprises, but it did come in at the bullish end of expectations, with US 2023/24 ending stocks unchanged at 2.5 million bales versus an average expectation of 2.56 million and world ending stocks at 83.08 million bales versus 83.38 million expected. USDA left Brazilian and Australian production unchanged, but they did increase Brazilian exports to 11.7 million from 11.2 million in March and Australian exports to 6.00 million from 5.75 million. Crude oil was down overnight in the wake of the Iranian attack on Israel, as the damage was less than feared after the warnings of the past couple of weeks, but the rally in crude oil since the start of the year does lend support to cotton. However, the strength in the dollar undermines support as it makes US cotton more expensive on the export market. Friday's Commitments of Traders report showed managed money traders were net sellers of 18,556 contracts of cotton for the week ending April 9, reducing their net long to 62,032. This is down from 2 1/2 year high of 94,038 from March. The selling trend is short-term negative.



TODAY'S MARKET IDEAS:

The market could see a sharp short-covering rally and still be in a downtrend. Heavy consolidation in July cotton between 84.00 and 80.00 acts as strong support. Look for resistance at 86.29 and 87.73.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/2/2024 - 4/9/2024						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Cotton	77,412	-15,325	-83,738	+17,160	6,327	-1,834

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 04/15/2024: 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 tilt is slightly negative with the close under the pivot. The next downside objective is 82.67. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 85.62 and 86.79, while 1st support hits today at 83.56 and below there at 82.67.

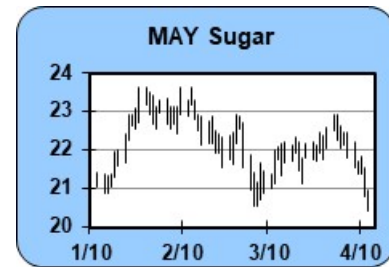
COTTON (DEC) 04/15/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 79.32. More downside action may be limited by the RSI under 20 putting the market in extremely oversold territory. The next area of resistance is around 80.58 and 81.21, while 1st support hits today at 79.64 and below there at 79.32.

DAILY SUGAR COMMENTARY

4/15/2024

India rules out exports for now.

The sugar market may draw some support today from a statement by an Indian senior food ministry official that the government is not considering allowing sugar exports for the 2023/24, despite requests to do so from sugar manufacturers. The key industry group ISMA had requested that exports be allowed in the wake of improved production reports since the start of the year. Last week a government official said that they would like to see any additional cane output go towards ethanol production. The Indian government also reported today that it expects average monsoon rains in this year, with amounts coming in at 106% of the long-term average. Below average monsoon last year hurt sugar production, which is what led to the export restriction. Today's statement confirms unofficial reports from last week. Friday's Commitments of Traders report showed managed money traders were net sellers of 10,789 contracts of sugar for the week ending April 9, reducing their net long to 78,374. This is relatively neutral compared to a record net long of 285,000 and a record net short of 235,000.



TODAY'S MARKET IDEAS:

July sugar prices have fallen 11% since April 2, leaving the market short-term oversold. India appears to have ruled out exports this year, which is supportive to sugar prices, but the weather looks more conducive to strong production in 2024/25. If the overnight low of 19.94 in July sugar cannot hold, the next support is the December low at 19.68. Look for resistance at 20.50 and 20.98.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/2/2024 - 4/9/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Sugar	85,448	-18,451	-91,626	+28,447	6,178	-9,996

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/15/2024: Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 19.69. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 20.40 and 20.80, while 1st support hits today at 19.85 and below there at 19.69.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/15/2024: The major trend could be turning up with the close back above the 40-day

moving average. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The upside closing price reversal on the daily chart is somewhat bullish. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is 357.70. The next area of resistance is around 374.40 and 377.35, while 1st support hits today at 364.60 and below there at 357.70.

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	20.13	22.14	30.47	28.14	11.03	20.72	21.29	21.55	21.70	21.90
CTAN24	84.59	22.37	30.17	4.94	4.39	86.19	87.94	90.22	92.53	91.18
CTAZ24	80.11	17.91	26.69	19.24	8.14	80.90	82.30	83.13	83.44	82.90
CCAN24	10475	85.83	83.98	88.64	91.29	9957.75	9574.56	9120.06	7239.91	6598.65
OJAK24	369.50	53.02	52.73	61.21	59.06	368.68	366.86	365.80	364.08	356.53
KCAN24	220.45	88.38	81.90	90.42	88.42	215.58	209.83	197.86	189.33	188.44
MAK24	16.39	51.18	48.59	47.71	50.97	16.44	16.24	16.24	16.86	17.04

Calculations based on previous session. Data collected 04/12/2024

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	19.68	19.84	20.24	20.40	20.80
CTAN24	Cotton	82.67	83.56	84.73	85.62	86.79
CTAZ24	Cotton	79.31	79.63	80.26	80.58	81.21
CCAN24	Cocoa	9729	10169	10340	10780	10951
OJAK24	Orange Juice	357.65	364.55	367.50	374.40	377.35
KCAN24	Coffee	206.97	213.20	221.47	227.70	235.97
MAK24	Milk	15.88	16.17	16.32	16.61	16.75

Calculations based on previous session. Data collected 04/12/2024

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