

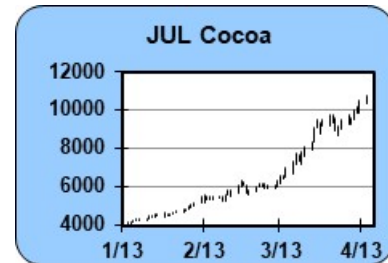


DAILY SOFTS COMMENTARY Tuesday April 16, 2024

DAILY COCOA COMMENTARY 4/16/2024

Mixed rainfall in Ivory Coast, farmers reluctant to sell.

July cocoa saw choppy action overnight after posting new contract highs yesterday. Ivory Coast's center-west region of Daloa reported above-average rains last week, but farmers in other regions complained about a lack of rainfall. Some farmers said small pods were drying out on trees, but the situation was not alarming yet. They need regular and abundant rains through June. European and North American grindings data is due out on Thursday, and the numbers are expected to be down from last year due to tight bean supplies. Ivory Coast weekly port arrivals last week were less than half of a year ago, which could be an indication of the poor crop conditions, but it could also reflect a farmer frustration with the current official price. Over the weekend an Ivory Coast producer trade group asked their government to raise the minimum farmgate purchase price from the current 1,500 West African francs (roughly \$2.50) per kilo to 2,500. This would be a 150% increase from the original 2023/24 farmgate price of 1,000. Several Ivory Coast political parties have indicated their support for the price hike. The low price and the possibility of an increase may be discouraging farmers from marketing their output. A group of major Ivory Coast processors said that their March grindings were 25% below last year's total, and that has put their 2023/24 grindings 7.4% behind last season's pace.



TODAY'S MARKET IDEAS:

The lack of adequate rain in West Africa and producer frustrations with low official prices suggest supply tightness will continue. A move above 10,760 in July cocoa would leave a round-number target of 11,000. Look for support at 10,250 and 10,154.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

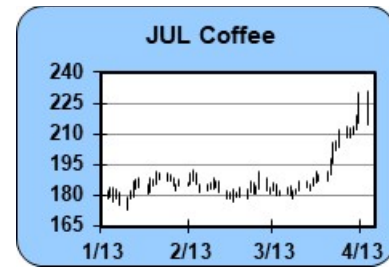
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COCOA (JUL) 04/16/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next upside target is 10963. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 10761 and 10963, while 1st support hits today at 10357 and below there at 10154.

DAILY COFFEE COMMENTARY 4/16/2024

New all-time highs for robusta coffee.

July NY coffee extended its rally overnight to trade to its highest level since December 2021, and London robusta coffee reached new all-time highs. The robusta rally is being driven by concerns about Vietnam's upcoming 2024/25 production due to hot and dry conditions there, and this is lending carryover support to the NY arabica futures. A lower crop in Vietnam this year would add to an already tight global supply situation. Their 2023/24 crop was down an estimated 20% from 2022/23. Lower than average rainfall over Brazil's major Arabica growing regions last week could have a negative impact on their upcoming crop. This comes after a heavy rain event last month that was reported to have damaged trees. ICE exchange coffee stocks fell by 15,105 bags on Monday for their biggest one-day decline since November. However, they were still up 29,000 bags from the end of March. The Brazilian real fell sharply yesterday to its lowest level in six months. This could encourage producers to market their coffee to foreign buyers.



TODAY'S MARKET IDEAS:

The outside-day higher close yesterday in July coffee was bullish technical action, and there is no top indicator. Crop worries in Vietnam are the market's focus right now. Technical momentum indicators are indicating an overbought scenario. The next resistance is 240.00, with support levels today at 226.85, 224.30 and 221.35.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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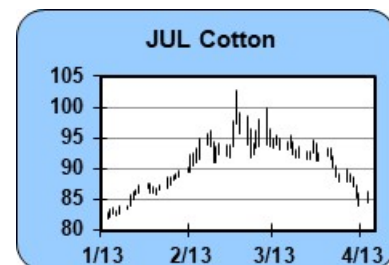
COFFEE (JUL) 04/16/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is 209.02. With a reading over 90, the 9-day RSI indicates the market is extremely overbought. The next area of resistance is around 234.72 and 240.51, while 1st support hits today at 218.98 and below there at 209.02.

DAILY COTTON COMMENTARY

4/16/2024

Not much for bulls to cling to except oversold condition.

July cotton has fallen to the top of a two-month consolidation range, bound by 83.69 and 79.65, and this area may act as key. The fundamentals are pointing negative, but the market has already fallen 18% from its February high. The weekly Crop Progress report showed 8% of the US cotton crop was planted as of April 14, up from 5% the previous week and on par with 7% a year ago and a 10-year average of 8%. Texas was 13% planted versus 8% last week, 12% a year ago and a 10-year average of 12%. Plantings proceeding at an average pace and soil moisture levels much improved over last year present little concern for the upcoming crop. The dollar was up sharply over the past week, and the nearby Dollar Index reached its highest level since October overnight, which does not bode well for US export prospects. Southern Hemisphere crops are becoming available. ICE exchange stocks reached 166,190 bales on Friday, up 6,810 from



Thursday and the highest they have been since June 2021. Stocks are up from 1,547 on March 5. Uncertainty over how Israel will respond to Iran's attacks over the weekend could keep the stock market on edge, and this could have a spillover effect on the cotton market.

TODAY'S MARKET IDEAS:

There is not much for the bulls to cling to except for an oversold technical condition in the wake of an 18% decline in less than two months. Look for support at 83.69, with resistance at 86.33 and 87.73.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 04/16/2024: The daily stochastics have crossed over up which is a bullish indication. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 87.00. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 86.03 and 87.00, while 1st support hits today at 84.27 and below there at 83.47.

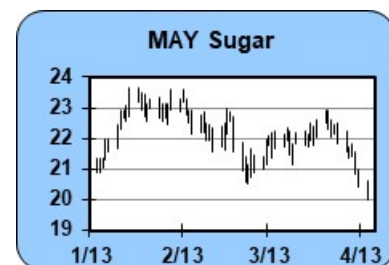
COTTON (DEC) 04/16/2024: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. The close over the pivot swing is a somewhat positive setup. The next downside objective is 79.12. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 81.30 and 82.03, while 1st support hits today at 79.84 and below there at 79.12.

DAILY SUGAR COMMENTARY

4/16/2024

Forecast for strong monsoon & collapse in Brazilian real.

July sugar fell to its lowest level in a year overnight, extending yesterday's selloff that came after the India Meteorological Department (IMD) forecast this year's monsoon rainfall to be 106% of their long-period average. This would be slightly above the range for "normal" monsoon rainfall (96% to 104%) and is in sharp contrast to last year's actual rainfall that was 94.4% of the average. This was also the first time in eight years that the IMD called for above average rain in their initial forecast. A pullback in crude oil as Middle East concerns eased put additional pressure on sugar on ideas this lowers the incentive for mills to crush cane for ethanol. The market is still on edge as it awaits Israel's response to Iran's attack over the weekend. And a steep pullback in the Brazilian real to its lowest level in six months also weighed on sugar yesterday on ideas it would incentivize exports. France's sugar beet seedings are expected to be up 4.9% from last year at 399,000 hectares, but this would be 2.7% below the five-year average.



TODAY'S MARKET IDEAS:

The prospect for an above-average Indian monsoon this year has sent sugar prices to their lowest level in a year. The next support level for July sugar comes in at 18.62, followed by 17.91. Look for resistance at 19.68 and 20.41.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/16/2024: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 1st swing support could weigh on the market. The next downside objective is 19.45. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 20.06 and 20.42, while 1st support hits today at 19.58 and below there at 19.45.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/16/2024: The daily stochastics have crossed over up which is a bullish indication. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. 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 objective is 380.95. The next area of resistance is around 377.75 and 380.95, while 1st support hits today at 370.35 and below there at 366.10.

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	19.82	19.38	27.96	21.03	6.81	20.39	21.04	21.46	21.63	21.87
CTAN24	85.15	27.14	32.80	5.74	7.32	85.52	87.21	89.77	92.42	91.20
CTAZ24	80.57	26.76	32.04	16.49	11.00	80.70	81.89	82.94	83.39	82.91
CCAN24	10559	86.43	84.43	89.42	90.97	10199.00	9696.00	9297.28	7354.69	6702.47
OJAK24	374.05	56.67	55.07	62.31	64.51	370.74	367.45	366.70	364.20	357.81
KCAN24	226.85	90.89	84.65	90.21	89.77	219.33	213.13	200.36	190.26	189.28
MAK24	16.86	60.55	55.76	52.73	62.77	16.48	16.37	16.25	16.84	17.03

Calculations based on previous session. Data collected 04/15/2024

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	19.44	19.57	19.93	20.06	20.42
CTAN24	Cotton	83.46	84.26	85.23	86.03	87.00
CTAZ24	Cotton	79.11	79.84	80.57	81.30	82.03
CCAN24	Cocoa	10153	10356	10558	10761	10963
OJAK24	Orange Juice	366.05	370.30	373.50	377.75	380.95
KCAN24	Coffee	209.01	218.97	224.76	234.72	240.51
MAK24	Milk	16.32	16.63	16.78	17.09	17.24

Calculations based on previous session. Data collected 04/15/2024

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