

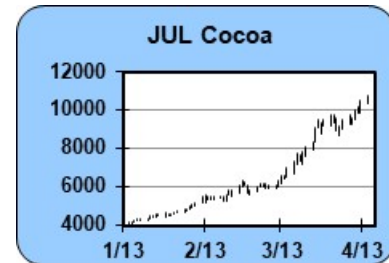


## DAILY SOFTS COMMENTARY Wednesday April 17, 2024

### DAILY COCOA COMMENTARY 4/17/2024

#### Choppy ahead of grind data.

July cocoa was slightly higher overnight after yesterday's sharp setback. The trade is expecting tomorrow's European, Asian, and North American first-quarter grind stats to come in lower than a year ago due to the tight bean supply rather than because high prices are curbing demand, but the selloff yesterday does suggest some trader nervousness after prices reached new all-time highs again this week. This was the second time this month that prices had fallen \$1100 or more after making a new contract high. Keep in mind that all three regions saw year-over-year declines in their grind stats in the fourth quarter, and that was when prices were half of what they are now. The European grind will be released several hours before the market's opening tomorrow, Asia is expected just after the open, and North America after the close. Daily rainfall is in the forecast for West African growing areas starting on Friday, which could be beneficial for crops down the road.



#### TODAY'S MARKET IDEAS:

The potential for a second quarter in a row with a "clean sweep" of declines in year-over-year grinding for the three major regions is starting to weigh on cocoa prices. A break below yesterday's low of 9603 in July cocoa could spark a move back to 9145 or 8702.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### COCOA TECHNICAL OUTLOOK:

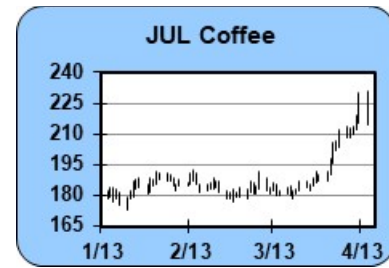
Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data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

COCOA (JUL) 04/17/2024: The daily stochastics gave a bearish indicator with a crossover down. 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 is in a bearish position with the close below the 2nd swing support number. The next downside target is now at 8926. The next area of resistance is around 10342 and 11019, while 1st support hits today at 9296 and below there at 8926.

### DAILY COFFEE COMMENTARY 4/17/2024

## Vietnam crop concerns and fund buying.

July NY coffee managed to move to new highs overnight despite a collapse in the Brazilian real yesterday to its lowest level since March 2024. The market still seems to be drawing support from tight robusta supplies and fund buying interest. Vietnam's robusta production fell 20% in 2023/24, and dry conditions have sparked concerns that the 2024/25 crop will be even worse. Concerns that an escalation in the conflict in the Middle East would further disrupt the flow of coffee from Asia to Europe may have added to rally this week. July robusta futures traded to new all-time highs yesterday and were slightly higher overnight, which lends support to the NY arabica futures. ICE exchange coffee stocks fell by 1,064 bags on Tuesday, down for the second straight day after weeks of stock builds. Following below normal rainfall last week, Brazil's major Arabica growing regions have only one day with rain in the forecast through the middle of next week, which may have a negative impact on the upcoming crop. Global supply tightness could start to ease as Brazil's robusta harvest advances over the next few weeks.



### TODAY'S MARKET IDEAS:

July NY coffee prices are up 46.45 (24%) this month, RSI is flashing overbought at 91, and the managed money net long reached a record high of 66,885 as of last Tuesday, and prices have increased 22.60 since that data was collected. An argument can be made that this market is due for a correction, but that may take a negative demand shock or a sudden improvement in the weather in Vietnam. Look for resistance in July coffee at 240.10, with support at 220.40.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### 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.

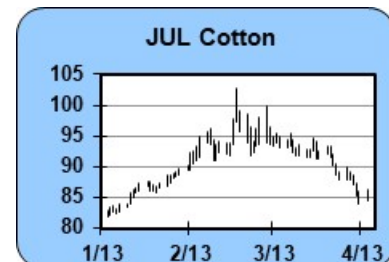
COFFEE (JUL) 04/17/2024: The daily stochastics have crossed over up which is a bullish indication. Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 235.66. The market is giving an extremely overbought indicator with the RSI over 90. The next area of resistance is around 231.87 and 235.66, while 1st support hits today at 224.93 and below there at 221.77.

## DAILY COTTON COMMENTARY

4/17/2024

### Fund selling and good US soil moisture.

The steep selloff yesterday in July cotton was attributed to long liquidation, as funds appeared to be throwing in the towel. Unlike the past two years, US cotton growing areas have decent soil moisture at the start of the season. As of April 9, only 11% of US cotton production was within an area experiencing drought versus 40% a year ago and 60% two years ago. US production fell to 12.10 million bales in 2023/24, the lowest since 1986/87 and down from 14.47 million the previous year and 17.52 million the year before that. Ending stocks fell to 2.50 million



bales, which was the lowest since 2013/14. The world situation is not nearly as tight, with ending stocks down from last year but the second highest since 2019/20. As of last Tuesday, the managed money net long was down from the March peak of 96,000 but was still a hefty 62,000 and in the upper third of the historic range, leaving plenty of liquidation potential. With crops in Brazil and Australia becoming available, the trade expects heavy competition for export sales in the months ahead. The recent gains in the dollar, with the nearby Dollar Index reaching its

highest level since October this week, make US exports less competitive on the world market. ICE exchange stocks were up 3,240 bales on Monday at 169,431. This was the largest they have been since July 6, 2017.

#### **TODAY'S MARKET IDEAS:**

July cotton has reached short-term oversold levels, but a relatively large net long held by the funds could keep long liquidation pressure on the market. Look for support at 78.31 and 76.00. The bulls need a weather scare and/or a more optimistic economic tone from China.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **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 (JUL) 04/17/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The close below the 9-day moving average is a negative short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The near-term upside target is at 87.44. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 85.16 and 87.44, while 1st support hits today at 81.02 and below there at 79.16.

COTTON (DEC) 04/17/2024: 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 setup is somewhat negative with the close under the 1st swing support. The next downside target is 76.56. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 80.53 and 82.11, while 1st support hits today at 77.75 and below there at 76.56.

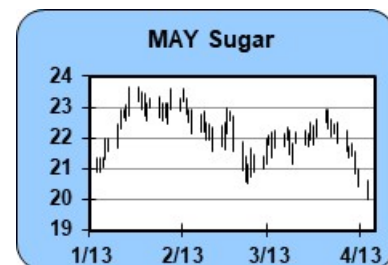
## **DAILY SUGAR COMMENTARY**

**4/17/2024**

### **Global production on the upswing.**

July sugar fell to its lowest level since April 2023 yesterday as it faced a wall of bearish news. India is expected to see slightly above normal monsoon rainfall this summer, which bodes well for the 2024/25 cane crop, and the 2023/24 crop is looking better than previously thought. This Indian Sugar Mills Association said that as of Monday, 2023/24 sugar production had reached 31.09 million tonnes. This was only 0.5% behind 2022/23 versus a mid-January reading that was 5.3% behind.

The Brazilian real was down sharply for the second straight day yesterday, falling to its lowest level since March 2023. This could encourage Center-South mills to produce more sugar for export. Rainfall in Brazil has been close to normal recently, which has improved the outlook for their 2024/25 cane crop after dry conditions earlier this year had lowered expectations. Czarnikow expects global sugar production to reach 187.3 million tonnes in 2024/25, up from 2023/24 and the second highest on record. They pointed to higher cane acreage in Thailand and more European beet plantings, among other factors.



### TODAY'S MARKET IDEAS:

Faced with a storm of bearish supply news, July sugar has fallen 11% in eight sessions. This has left the market short-term oversold, but severe damage was done to the long-term charts last week with a break below the first retracement of the 2020-2024 rally on the nearby chart. The next long-term support comes in at 18.59, followed by 16.34. A swing objective comes in at 16.51. Close in support in July sugar may be found at 18.62, with resistance at 20.00 and 20.41.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### 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 (JUL) 04/17/2024: Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 18.81. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 19.88 and 20.22, while 1st support hits today at 19.18 and below there at 18.81.

### 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.

ORANGE JUICE (MAY) 04/17/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. The daily stochastics gave a bearish indicator with a crossover down. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is 357.55. The next area of resistance is around 368.40 and 374.90, while 1st support hits today at 359.75 and below there at 357.55.

### 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
<b>SOFTS MARKETS COMPLEX</b>										
SBAN24	19.53	17.13	25.82	16.95	8.79	20.00	20.79	21.35	21.56	21.83
CTAN24	83.09	21.64	28.55	7.03	9.61	84.52	86.42	89.27	92.22	91.16
CTAZ24	79.14	19.43	25.75	15.36	13.10	80.13	81.33	82.68	83.30	82.90
CCAN24	9819	60.97	66.76	86.14	79.59	10186.00	9781.44	9411.61	7452.42	6791.95
OJAK24	364.05	47.53	49.30	60.24	56.11	368.08	366.58	367.60	364.32	358.77
KCAN24	228.40	91.40	85.23	90.22	90.25	223.26	215.98	202.98	191.11	190.06
MAK24	17.30	67.31	61.32	60.59	76.29	16.65	16.56	16.30	16.83	17.03

Calculations based on previous session. Data collected 04/16/2024

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

### DAILY SWING STATISTICS

Contract	Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>SOFTS MARKETS COMPLEX</b>					

SBAN24	Sugar	18.80	19.17	19.51	19.88	20.22
CTAN24	Cotton	79.16	81.02	83.30	85.16	87.44
CTAZ24	Cotton	76.55	77.75	79.33	80.53	82.11
CCAN24	Cocoa	8925	9295	9972	10342	11019
OJAK24	Orange Juice	357.50	359.70	366.20	368.40	374.90
KCAN24	Coffee	221.76	224.92	228.71	231.87	235.66
MAK24	Milk	16.79	17.09	17.21	17.52	17.63

**Calculations based on previous session. Data collected 04/16/2024**

**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.*