



DAILY SOFTS COMMENTARY

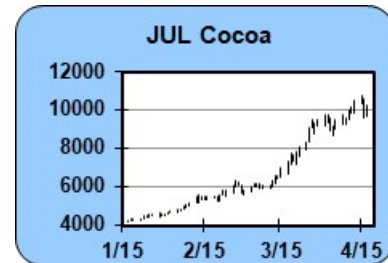
Thursday April 18, 2024

DAILY COCOA COMMENTARY

4/18/2024

EU and Asia grind totals not as bad as expected.

The cocoa market was higher overnight on better than expected first-quarter grinding numbers from Asia and Europe. Asia's first-quarter grind fell 0.2% year on year to 221,530 tonnes versus reported trade expectations for an 8% decline. EU grind was down 2.2% to 367,287 tonnes, versus expectations for a 3-6% decline. Germany's grind was up 3.9% to 105,900 tonnes. July cocoa was higher on the news but was still holding below this week's highs. Next up is the North American grind data, which will be released after the close. The trade is reportedly looking for a 4-8% decline. So far, the grind data appears to be better than expected, and the market has responded bullishly. This could be because demand has been less affected by high prices than thought, but it could also mean that supplies are somewhat better than feared. This was the fourth quarter in a row that European grindings came in below the previous year, and it was their lowest first quarter number in three years.



TODAY'S MARKET IDEAS:

The market has responded bullishly to the Asia and European grindings data, which were down from last year but not as bad as feared. If the North American grind has a similar result, buyers may be emboldened. However, we expect the market to quickly move past this event and resume its focus on West African weather. A move above 10,760 in July cocoa would leave the next upside resistance at 11,049. Look for support at 10,066.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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COCOA (JUL) 04/18/2024: 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 close over the pivot swing is a somewhat positive setup. The next downside target is now at 9452. The next area of resistance is around 10358 and 10619, while 1st support hits today at 9774 and below there at 9452.

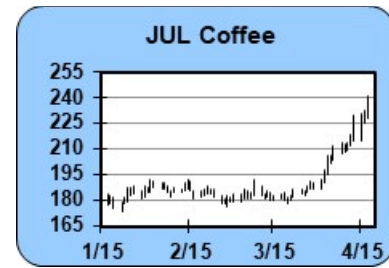
DAILY COFFEE COMMENTARY

4/18/2024

Concerns spread about upcoming Vietnam crop.

The rally in the coffee market continues with no top in sight despite a short-term overbought technical condition. July NY coffee traded to a new contract high overnight, and London robusta reached another new all-time high. A dry weather pattern in Vietnam this spring that is comparable to last year has traders concerned that that nation's 2024/25 (robusta) output will be even lower than 2023/24, which is expected to be the lowest in four years and down 8.6% from 2022/23.

The flareup in tensions between Iran and Israel over the weekend has added to concerns about shipping disruptions through the Red Sea. ICE exchange arabica stocks rose by 7,375 bags yesterday and were more than 35,000 bags above where they were at the end of March, leaving them on track for a fourth straight monthly increase. Somar Meteorologia reported that Brazil's Minas Gerais region received 15.8 mm of rain last week, 74% of the historical average. The recent Commitments of Traders report showed managed money net long in coffee at a record 66,785 contracts as of April 9, and the overnight high in July coffee was up 33.15 (16%) from the close on that date. This suggests that the funds could be running out of buying fuel, but keep in mind that the cocoa market has climbed to new all-time highs this year on commercial buying as the funds have backed away from that market. JDE Peet's said the global coffee industry is finding the timing very tight to comply with a new EU law banning the import of commodities and related goods linked to deforestation. They pointed out that farmers in remote, rural regions might be unable to provide buyers with geolocation coordinates that are required under the regulation to prove their coffee was not grown on land deforested after 2020. Cocoa growers in West Africa face a similar situation.



TODAY'S MARKET IDEAS:

Like the cocoa market, coffee is facing a second straight year of poor weather that is threatening to make a tight supply situation even tighter. However, coffee production has the benefit of being spread out across a wider geographic area than cocoa. Technical indicators are overbought, and the funds are loaded up on the long side, but there is no indicator of a top. The next key resistance level on the nearby chart is the 2022 high at 260.45, which is about 6.75 higher than the overnight high in May coffee. Look for support in July coffee at 247.95 and 240.00.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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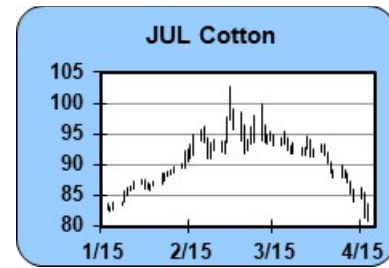
COFFEE (JUL) 04/18/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside target is at 251.48. The 9-Day RSI over 90 suggests the market is extremely overbought. The next area of resistance is around 247.32 and 251.48, while 1st support hits today at 233.38 and below there at 223.59.

DAILY COTTON COMMENTARY

4/18/2024

Specs throwing in the towel.

The selloff in the cotton market continues, on what appears to be spec long liquidation. July cotton fell to its lowest level since December 22 yesterday and was slightly lower again overnight. Open interest has dropped sharply since the beginning of the month, as the market has repeatedly fallen below technical support levels. Soil moisture conditions in the US look favorable for this year's crop, and the trade expects the US to see strong competition in the export market from Brazil and Australia. The dollar has eased back since Monday, but this was after it reached its highest level since October, and this does not help US export prospects. The trade is probably not expecting much improvement in today's export sales report. Last week's report showed net sales of 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 the second lowest since February 29. After being very strong for several weeks, shipments fell to their lowest level since February 22. Cumulative sales had reached 95% of the USDA forecast for the marketing year versus a five-year average of 101% for this point in the marketing year. ICE exchange stocks were up 2,270 bales on Tuesday to 171,700. This was the highest they had been since July 5, 2017. Stocks have increased every day since March 6.



TODAY'S MARKET IDEAS:

The next key support level in July cotton comes in at 79.65, the bottom of the consolidation range that lasted from mid-November to mid-December. So far, this extended consolidation has done little to support the market in the face of an onslaught of long liquidation. The market is oversold and could see a bounce to 86.35 and still be considered in a long-term downtrend.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 04/18/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside objective is 84.72. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 82.77 and 84.72, while 1st support hits today at 79.89 and below there at 78.96.

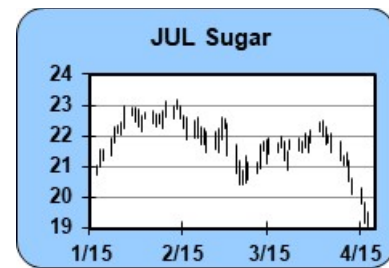
COTTON (DEC) 04/18/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 77.65. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 79.05 and 79.72, while 1st support hits today at 78.02 and below there at 77.65.

DAILY SUGAR COMMENTARY

4/18/2024

Global production on the upswing.

May sugar bounced overnight after falling to its lowest level in a year yesterday. At yesterday's low the market had fallen 16% since April 2, which left it in an oversold situation and due for a bounce. Sugar has been pressured by stronger than expected production in India and Thailand in the later stages of the 2023/24 crop year. Speaking at a company-sponsored event in Geneva, a representative of S&P Global said the company expects global sugar production to exceed consumption by 5.6 million tonnes in 2023/24, due to the strong finish in India and Thailand. He also stated that Brazilian cane crushing has "started on a good note," but that about 598 million tonnes of cane will be available for crushing in 2024/25, down from 654 million last year. Brazil' sugar output is expected at 41.4 million tonnes, down 1 million from last year. Thailand's sugar output is expected to recover to 11.8 million tonnes from an 8.8 million estimated for 2023/24. China imported 10,000 tonnes of sugar in March, down 83.8% from a year ago. Total imports for 2024 have reached 1.2 million tonnes, down 27.1% from a year ago. Ukrainian sugar producer Astarta Holding Plc plans to increase export outside of the European Union, to the Mediterranean and West Africa, for example. They plan to ship 10,000 tonnes this month from the "Big Odesa" ports, which are starting to be used again. They have been primarily exporting via rail and truck to Danube ports since the Russian invasion.



TODAY'S MARKET IDEAS:

Brazil's harvest is off to a strong start, but the dry conditions earlier this year are expected to take a toll on cane yields. After the sharp selloff this month, the market could be due for a bounce. An initial retracement target in July sugar comes in a 20.38, with support at 19.08 and 18.60. The next objective on a resumption of the downtrend would come in at 18.59.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/18/2024: 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 lower than the pivot swing number. The next downside objective is 18.84. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 19.49 and 19.73, while 1st support hits today at 19.05 and below there at 18.84.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/18/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. 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 under the swing pivot. The next downside target is 353.35. The next area of resistance is around 367.30 and 371.10, while 1st support hits today at 358.45 and below there at 353.35.

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 | 19.27 | 15.33 | 24.04 | 13.80 | 7.51 | 19.69 | 20.49 | 21.21 | 21.48 | 21.78 |
| CTAN24 | 81.33 | 18.11 | 25.50 | 7.11 | 7.28 | 83.54 | 85.61 | 88.67 | 91.99 | 91.08 |
| CTAZ24 | 78.54 | 17.21 | 23.65 | 13.70 | 10.38 | 79.59 | 80.78 | 82.38 | 83.19 | 82.86 |
| CCAN24 | 10066 | 64.86 | 69.09 | 82.55 | 75.37 | 10229.75 | 9896.78 | 9525.78 | 7556.13 | 6885.88 |
| OJAK24 | 362.85 | 46.52 | 48.64 | 56.44 | 48.84 | 367.61 | 365.75 | 367.85 | 364.86 | 359.72 |
| KCAN24 | 240.35 | 94.20 | 88.77 | 91.19 | 93.12 | 229.01 | 219.82 | 206.07 | 192.23 | 190.95 |
| MAK24 | 17.22 | 64.81 | 59.71 | 67.89 | 82.50 | 16.95 | 16.70 | 16.35 | 16.81 | 17.03 |

Calculations based on previous session. Data collected 04/17/2024

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 | 18.83 | 19.04 | 19.28 | 19.49 | 19.73 |
| CTAN24 | Cotton | 78.95 | 79.89 | 81.84 | 82.77 | 84.72 |
| CTAZ24 | Cotton | 77.65 | 78.02 | 78.69 | 79.05 | 79.72 |
| CCAN24 | Cocoa | 9451 | 9774 | 10035 | 10358 | 10619 |
| OJAK24 | Orange Juice | 353.30 | 358.40 | 362.20 | 367.30 | 371.10 |
| KCAN24 | Coffee | 223.58 | 233.37 | 237.53 | 247.32 | 251.48 |
| MAK24 | Milk | 16.67 | 16.99 | 17.12 | 17.44 | 17.57 |

Calculations based on previous session. Data collected 04/17/2024

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