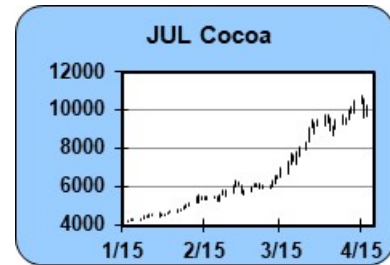




DAILY COCOA COMMENTARY
4/19/2024

Grind numbers defy expectations.

North American first quarter cocoa grindings came in at 113,683 tonnes, up 3.7% from a year ago, which was in sharp contrast to trade estimates calling for a 4% to 8% decline. This was also the first time since the third quarter of 2021 that grindings were above year ago levels. This followed better than expected numbers from Europe and Asia yesterday, and the cocoa market responded with a gap higher overnight and a move to new contract highs in the July contract and all-time highs on the nearby chart. As reported yesterday, European first quarter grindings were down 2.2% from last year versus estimates calling for a 3-6% decline, and Asian grindings were down just 0.2% versus expectations calling for a decline of 8%. Cocoa analyst Judith Gaines said that one possible explanation for the increasing grind is that there was panic buying in the chocolate industry, with chocolate makers rushing to buy before supplies become even smaller and prices even higher. She expects the grind numbers to eventually taper off.



TODAY'S MARKET IDEAS:

Grind numbers defying expectations by coming in much higher than expected has left the next round-number target for cocoa at 12,000. Look for support in July cocoa at 11,311 and 10,530. We expect the market resume its focus on West African weather and Mid-Crop production next week.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

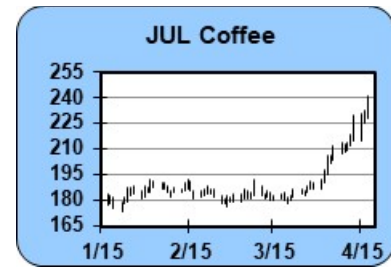
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COCOA (JUL) 04/19/2024: The daily stochastics have crossed over up which is a bullish indication. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside objective is at 11717. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 11459 and 11717, while 1st support hits today at 10611 and below there at 10020.

DAILY COFFEE COMMENTARY
4/19/2024

Strong Brazilian robusta exports in March.

July coffee was higher overnight and managed to take back some of its losses from yesterday's wide sweeping reversal lower from a new contract high. However, given the magnitude of the gains this month, the market could see additional long liquidation or profit taking. The NY arabica market is being led higher by the tight supply situation in robusta coffee, with recent downgrades in forecasts for 2024/25 Vietnamese production following a 20% decline in their output in 2023/24. Reports of a sharp increase in Brazilian robusta exports last month have eased some of those concerns about the tight supply. The negative shift in global risk sentiment this week may have also lowered expectations for restaurant and retail shop consumption. ICE exchange arabica stocks increased by 4,254 bags yesterday to 635,110, and they are approaching an 11-month high. Last week's Commitments of Traders report showed managed money traders were net long a record 66,885 contracts, which leaves the market vulnerable to heavy selling if support levels are taken out. But keep in mind that the cocoa market kept reaching new all-time highs even as the funds liquidated their long positions. That rally was driven by end users desperate to cover their needs.



TODAY'S MARKET IDEAS:

The wide-sweeping reversal yesterday was negative technical action, but it could be just a short-term setback. The relatively low volume and the fact that the market did not take out the previous day's low on the move lessens the reversal's viability. Look for resistance in July coffee at 253.10 and 253.70, with support at 239.50 and 226.00. The next upside target on the nearby chart comes in 260.45, which equates to around 251.15 for the July contract.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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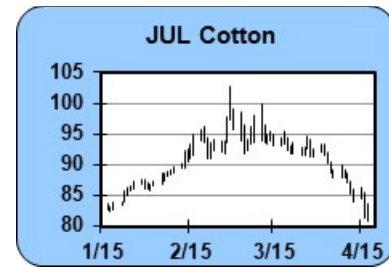
COFFEE (JUL) 04/19/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal down is a negative indicator for prices. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 219.57. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 238.57 and 249.46, while 1st support hits today at 223.63 and below there at 219.57.

DAILY COTTON COMMENTARY

4/19/2024

Could funds liquidation be complete?

July cotton fell to its lowest level since November 10 yesterday as it faced long liquidation pressure despite an improvement in weekly export sales. The US Drought Monitor indicated that approximately 9% of US cotton production was in an area experiencing drought as of April 16, down from 11% the previous week, 40% a year ago and 55% two years ago. This points to a decent start for the US cotton crop. US cotton export sales for the week ending April 11 came in at 146,112 bales for the 2023/24 (current) marketing year and 80,077 for 2024/25 for a total of 226,189. This was up from 117,161 the previous week and was the highest since February 1. Cumulative sales for 2023/24 have reached 96% 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 reports. Shipments totaled 266,732 bales for the week, the lowest since February 1. The largest buyer this week was China at 92,593 bales, followed by Honduras at 45,318. Recent strength in the dollar, weakness in the stock market, and lower crude oil are negative factors for cotton. Crude oil spiked higher overnight on reports that Israel retaliated against for Iran after their strike over the weekend, but the market eased back as it appeared that Israel had acted with some forbearance.



TODAY'S MARKET IDEAS:

There is a good chance that the selloff in July cotton to its lowest level since November has neutralized the overbought fund position, and this may remove the impetus for further selling. The selling has also left the market in a technically oversold condition. Key support for July cotton comes in at 79.65, the low from November 10 and the bottom of the November-January consolidation. Additional support comes in at 77.66, with trendline resistance at 80.64 today.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 04/19/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 78.52. 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 81.70 and 82.89, while 1st support hits today at 79.52 and below there at 78.52.

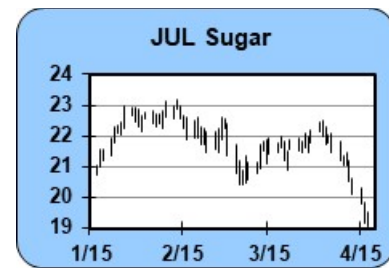
COTTON (DEC) 04/19/2024: Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 76.08. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 78.26 and 79.48, while 1st support hits today at 76.56 and below there at 76.08.

DAILY SUGAR COMMENTARY

4/19/2024

Conab cuts 2023/24 Brazilian sugar production.

After a brutal start to April, sugar prices have benefited from some bullish supply/demand news and have lifted clear of Wednesday's one-year low. The Brazilian government agency Conab cut their 2023/24 nationwide sugar production estimate by 1.2 million tonnes to 45.7 million, which is still a record. They increased the 2023/24 Brazil cane crop estimate by 35.6 million tonnes to a record 713.2 million and raised ethanol production by 1.56 billion liters to 35.61 billion. This shows an upward shift in ethanol demand and a possible downward shift in cane yields. Reports earlier this week indicated that the 2024/25 production was off to a decent start, but the dry conditions over the past few months are expected to eventually pull cane yields down. Thailand's Sugar and Cane Board said it expects their nation's 2023/24 sugar production to total 8.71 million tonnes, down 21.2% from 2022/23. Earlier this week, S&P Global put Thailand's 2023/24 output at 8.8 million tonnes, and it forecast 2024/25 production at 11.8 million. The Brazilian real has traded sideways after a collapse to its lowest level since October earlier this week, and that has helped stabilize the sugar market. Lower currency values encourage Brazilian producer selling, and traders will be watching the currency closely, as a resumption of the downtrend in the real could spark a similar action in sugar.



TODAY'S MARKET IDEAS:

There is a growing consensus that Brazil's 2024/25 Center-South sugar production will be down from 2023/24, but sugar market could be vulnerable if the Brazilian real were to resume its downtrend. Look for support in July sugar is at 19.35 and 19.08, with resistance at 20.38.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/19/2024: Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is 19.00. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 19.79 and 20.00, while 1st support hits today at 19.29 and below there at 19.00.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/19/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal down is a negative indicator for prices. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 350.80. The next area of resistance is around 364.75 and 372.00, while 1st support hits today at 354.20 and below there at 350.80.

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	19.54	24.57	29.47	12.45	9.75	19.54	20.26	21.10	21.42	21.73
CTAN24	80.61	16.84	24.36	7.08	7.03	82.55	84.81	88.04	91.73	90.99
CTAZ24	77.41	13.85	20.30	11.40	6.80	78.92	80.20	82.02	83.06	82.81
CCAN24	11035	75.59	76.14	82.66	82.87	10369.75	10088.22	9673.72	7679.44	6995.22
OJAK24	359.50	43.60	46.77	50.86	39.71	365.11	365.66	367.39	365.22	360.64
KCAN24	231.10	73.39	73.97	89.58	86.35	231.68	222.05	208.69	193.20	191.71
MAK24	17.38	67.25	61.64	74.25	86.98	17.19	16.81	16.42	16.80	17.03

Calculations based on previous session. Data collected 04/18/2024

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	19.00	19.29	19.50	19.79	20.00
CTAN24	Cotton	78.51	79.51	80.70	81.70	82.89
CTAZ24	Cotton	76.08	76.56	77.78	78.26	79.48
CCAN24	Cocoa	10019	10610	10868	11459	11717
OJAK24	Orange Juice	350.75	354.15	361.35	364.75	372.00
KCAN24	Coffee	219.56	223.62	234.51	238.57	249.46
MAK24	Milk	17.06	17.23	17.35	17.52	17.64

Calculations based on previous session. Data collected 04/18/2024

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