

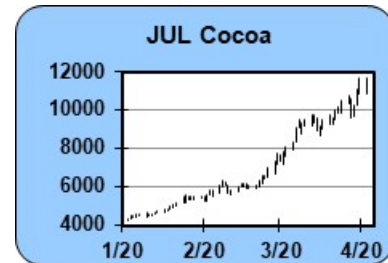


## DAILY SOFTS COMMENTARY Tuesday April 23, 2024

### DAILY COCOA COMMENTARY 4/23/2024

#### Buyers back off from all-time highs.

The cocoa market is looking topy for the first time in a long while. The market sold off modestly yesterday after failing to extend last week's rally, and it was lower again overnight. Last week's grindings data for the first quarter showed smaller than expected declines in Europe and Asia and a surprise increase for North America, but the market seems ready to discount that news. Rainfall over West African growing areas this week is expected to benefit the region's upcoming production and is the first positive news for crop prospects in quite a while. The region's mid-crop harvest is expected to ramp up by the middle of May and reach full speed by mid-June. Reports this week of plantations being established in Liberia on deforested land complicates efforts to discourage similar activity in Ivory Coast, Ghana, and other producing nations. Over the past few months as futures prices have rallied to new all-time highs, open interest has declined, volume has dropped off, and technical indicators have diverged with the market action. There is no top indicator, but the rally could be running out of steam.



#### TODAY'S MARKET IDEAS:

Cocoa's supply situation remains extremely tight, but a wet forecast this week offers a chance for some improvement in expectations for the upcoming crop. Look for support in July cocoa at 10,459. A break below there could set the market back to 9763. Look for resistance at 11,086 and 11,500.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### COCOA TECHNICAL OUTLOOK:

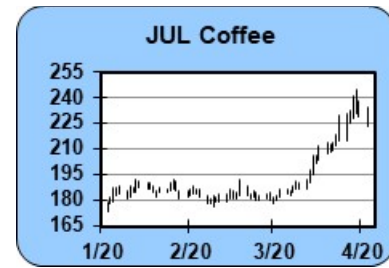
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COCOA (JUL) 04/23/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 10401. The next area of resistance is around 11448 and 11936, while 1st support hits today at 10680 and below there at 10401.

### DAILY COFFEE COMMENTARY 4/23/2024

## Record fund net long leaves little buying fuel.

July coffee continues to back off from last week's high, and perhaps the market got ahead of itself with its rally this month. The fund net long posted a new record last week, leaving the market short of buying fuel and vulnerable to a correction. Tensions in the Mideast have eased a bit this week, which also eases concerns about Red Sea shipping blockages. Uganda coffee exports plunged 32% year on year in March, hurt by a poor harvest in one of the major growing areas, according to the Ugandan Coffee Development Authority. A large portion of European robusta coffee originates in Vietnam and Indonesia, both of which are having production issues due to drier than normal conditions over the past few months. This is supposed to be Vietnam's rainy season, and a heatwave is damaging the crop.



### TODAY'S MARKET IDEAS:

Poor prospects for the Vietnam crop provide underlying support, but the large net long held by managed money traders has left NY coffee vulnerable to a selloff. A break below support at 219.80 in July coffee would leave the next downside target at 211.90.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### COFFEE TECHNICAL OUTLOOK:

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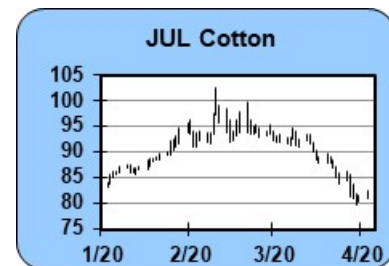
COFFEE (JUL) 04/23/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 217.33. The next area of resistance is around 233.14 and 239.32, while 1st support hits today at 222.15 and below there at 217.33.

## DAILY COTTON COMMENTARY

4/23/2024

### Tight old crop stocks and growing season just starting.

May cotton has seen a modest rally off last week's lows, and the oversold condition of the market after the steep selloff from the March contract high would seem to justify the move higher. The weekly Crop Progress report showed the crop planting pace is very close to last year and to the average. That and the improved soil moisture relative to a year ago suggest a good start to the crop. The progress report showed 11% of the US cotton crop was planted as of Sunday, up from 8% last week and on par with 11% a year ago and a 10-year average of 10%. Texas was 16% planted versus 13% last week, 17% a year ago and a 10-year average of 14%. A modest recovery in the stock market and a slightly weaker dollar were supportive to cotton, but the US dollar is still hovering around its highest level since last October, which does not bode well for US exports. ICE exchange stocks were up another 530 bales on Friday to 176,610, which is their highest since July 2017.



### TODAY'S MARKET IDEAS:

After a 22% decline from the February highs and with a tight old crop supply situation and the growing season just starting, traders may be reluctant to press cotton too much lower. Look for support in July cotton at 79.65, with resistance at 83.69 and 83.36.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**COTTON TECHNICAL OUTLOOK:**

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COTTON (JUL) 04/23/2024: 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 market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 83.64. The next area of resistance is around 83.18 and 83.64, while 1st support hits today at 81.66 and below there at 80.60.

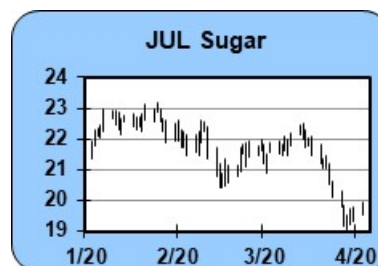
COTTON (DEC) 04/23/2024: A bullish signal was given with an upside crossover of the daily stochastics. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 79.27. The next area of resistance is around 78.97 and 79.27, while 1st support hits today at 78.01 and below there at 77.34.

**DAILY SUGAR COMMENTARY**

**4/23/2024**

**More dry weather in Brazil.**

July sugar has found modest support over the past several sessions, as dry weather forecast for Brazil over the next 10 days has raised more concerns about their upcoming crop. The Brazilian real has made an impressive bounce after plunging lower last week, which reduces pressure on Brazilian growers to sell their supplies. A pullback in energy prices this week also puts pressure on sugar, as it reduces the attraction of diverting cane crushing to ethanol. India's sugar consumption is expected to hit a record high this year due to the extreme heat that nation is experiencing this summer. Their summer, which lasts from mid-March to mid-June (ahead of the monsoon), is peak demand season for cold drink and ice cream consumption. Thailand's Sugar and Cane Board said this week that their nation's 2023/24 production will come in at 8.71 million tonnes, down 21.7% from 2022/23.



**TODAY'S MARKET IDEAS:**

Despite a wave of bullish news items and a firmer Brazilian real, July sugar has staged only a modest recovery from last week's lows. A key resistance area this week could be 20.38-20.41, which coincides with the 0.382 retracement of the selloff from the April high to last week's low and a previous low from early March. Look for support at 19.08.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

## SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/23/2024: The daily stochastics have crossed over up which is a bullish indication. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's short-term trend is negative as the close remains below the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 20.05. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 19.80 and 20.05, while 1st support hits today at 19.42 and below there at 19.28.

## OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/23/2024: The major trend could be turning up with the close back above the 60-day moving average. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. 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 downside objective is 356.90. The next area of resistance is around 372.05 and 374.25, while 1st support hits today at 363.40 and below there at 356.90.

## 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	19.61	28.10	31.43	12.12	12.65	19.48	19.89	20.85	21.30	21.62
CTAN24	82.42	31.65	32.98	9.11	12.59	81.35	83.39	86.76	91.15	90.80
CTAZ24	78.48	30.11	31.04	9.61	9.82	78.00	79.33	81.34	82.76	82.70
CCAN24	11064	69.26	71.47	83.66	83.25	10906.50	10471.22	9911.83	7937.29	7219.27
OJAK24	367.75	52.83	52.04	42.33	38.29	361.96	366.09	366.36	365.44	362.54
KCAN24	227.65	65.74	68.43	83.70	76.66	232.74	226.29	213.54	195.27	193.23
MAK24	18.38	78.47	71.33	84.70	94.56	17.70	17.11	16.61	16.82	17.06

Calculations based on previous session. Data collected 04/22/2024

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	19.27	19.41	19.66	19.80	20.05
CTAN24	Cotton	80.60	81.66	82.12	83.18	83.64
CTAZ24	Cotton	77.33	78.00	78.30	78.97	79.27
CCAN24	Cocoa	10400	10680	11168	11448	11936
OJAK24	Orange Juice	356.85	363.35	365.55	372.05	374.25
KCAN24	Coffee	217.32	222.14	228.32	233.14	239.32
MAK24	Milk	17.58	18.06	18.22	18.70	18.86

Calculations based on previous session. Data collected 04/22/2024

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