

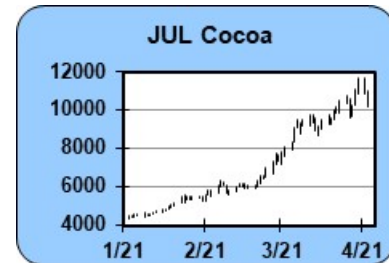


DAILY SOFTS COMMENTARY Wednesday April 24, 2024

DAILY COCOA COMMENTARY 4/24/2024

Uptrend still intact.

July cocoa sold off for the second straight session yesterday and it was down 13% from the contract high at yesterday's low. This was the third time this month the market has pulled back 10% or more from a contract high, but the previous two times it rallied back to new highs. Rainfall over West African growing areas this week is expected to benefit the region's upcoming production and is the first positive news for the crop in quite a while. Ecuador's annual cocoa production is on course to hit 500,000 tonnes in the next two years, potentially overtaking Ghana as the world's second-largest grower, the head of Ecuador's coffee exporters association said. He said that farmers have been expanding their operations in response to high global prices. He pointed out that Ecuadorean growers receive between 80-90% of the world price, which is much better than Ivory Coast and Ghanaian growers, who receive at best 60-70% and are currently being offered less than that. Ecuadorean growers may struggle to sell beans to Europe due to the EU regulations on deforestation, which go into effect at the end of this year. Ecuador does not have the mapping and traceability systems for cocoa needed to verify that their cocoa beans did not come from deforested lands, and they are trying to raise money to establish one. Similar concerns have been raised in West Africa, and the difficulty meeting the new law could roil the market next year. The rapid shift from El Nino to a La Nina expected this summer could benefit next season's production.



TODAY'S MARKET IDEAS:

The decline in open interest, low volume, and divergence with action in the RSI and stochastics suggest a loss of momentum for the cocoa rally. However, there is still no top indicator. Look for support in July cocoa at 10,209 and 9,862. A resumption of the uptrend would leave the next upside target at 12,100.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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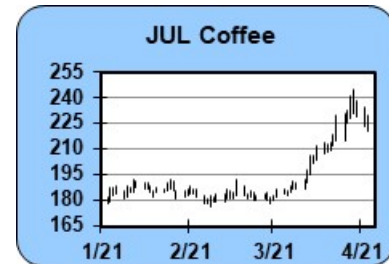
COCOA (JUL) 04/24/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 9693. Short-term indicators on the defensive. Consider selling an intraday bounce. The next area of resistance is around 10866 and 11382, while 1st support hits today at 10022 and below there at 9693.

DAILY COFFEE COMMENTARY

4/24/2024

Early Brazil robusta harvest disappointing.

July coffee staged a mild recovery overnight after a quick four-day selloff from contract highs. The market may see some support today on reports of lower-than-expected yields in Brazil's robusta harvest, which is just getting underway. Growers blame the extreme heat the region experienced during their summer (late last year and early this year). The president of Brazil's largest coffee coop said they are hearing from farmers that beans are smaller than last year, that they did not develop as they should. However, he also pointed out that at the start of the harvest farmers tend to pick beans in early maturing fields that are not the most productive. London Robusta futures were approaching last week's contract highs overnight, and this lends support to the NY Arabica contract. Brazil's robusta regions were more impacted by El Nino than the arabica regions were. ICE exchange coffee stocks rose by 7,860 bags on Tuesday to reach a new 11-month high.



TODAY'S MARKET IDEAS:

The selloff this week has corrected a short-term overbought condition, and the disappointing early results of the Brazilian robusta harvest could inspire further gains. Look for resistance in July coffee at 230.15 and 233.15, with support at 220.15 and 212.25.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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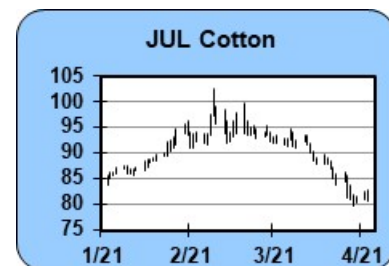
COFFEE (JUL) 04/24/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 213.82. The next area of resistance is around 226.67 and 233.11, while 1st support hits today at 217.03 and below there at 213.82.

DAILY COTTON COMMENTARY

4/24/2024

Reluctance to push lower this early in the growing season.

July cotton is consolidating after last week's selloff, as it assesses the relatively low price for the start of a crop year. US soil moisture conditions are better than they were this time last year and two years ago. US plantings are off to a decent start but close to average. There isn't much weather premium built into the market, and this may provide support as we go into the growing season. US plantings are expected to increase by 440,000 acres this year, up 4% from last year. Near-term US export prospects are limited by a small carryout and by expected competition from Brazil and Australia. The dollar was lower yesterday, and this could benefit US export prospects if this trend continues, but bear in mind that the nearby Dollar Index is near its highest level since October. ICE exchange stocks increased by 170 bales on Monday to 176,785. These



have reached their highest level since July 2017, but Monday's increase was the smallest since April 4.

TODAY'S MARKET IDEAS:

Sellers may have a difficult time pressing cotton too much lower right in front of the growing season. Look for support in July cotton at 79.65 and 77.66, with resistance at 83.70.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 04/24/2024: 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 could take on a defensive posture with the daily closing price reversal down. It is a slightly negative indicator that the close was under the swing pivot. The next upside objective is 84.08. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 82.88 and 84.08, while 1st support hits today at 80.56 and below there at 79.43.

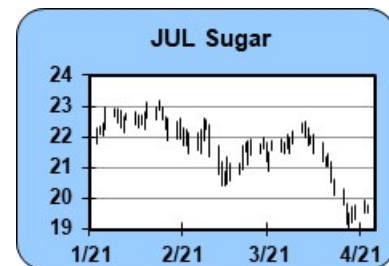
COTTON (DEC) 04/24/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 79.35. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 78.69 and 79.35, while 1st support hits today at 77.47 and below there at 76.90.

DAILY SUGAR COMMENTARY

4/24/2024

Heat wave in Thailand; high expectations for UNICA report.

July sugar has seen choppy, two-sided action this week after a minor bounce last week. UNICA is expected to release their bi-monthly report on Brazilian sugar production for the first half of April later this week. A private survey of analysts conducted by S&P Global Commodity Insights is calling for sugarcane crush to be nearly 15% above year ago levels. However, hotter-than-normal weather is expected for Thailand in the days ahead, which is struggling after a poor cane crop last year. The excessive heat is being attributed to El Nino, which is expected to last until June. Thailand had its hottest day of the year on Monday at 44.2 degrees Celsius (111.6 F), which is close to their all-time high of 44.6 C from 2016 and 2023. The Brazilian real has staged a recovery this week after falling to its lowest level since October last week. The stronger currency eases pressure on Brazilian mills and growers to sell.



TODAY'S MARKET IDEAS:

Trader expectations calling for a 15% increase in Brazilian sugar production for the first half April could put a lot of focus on the UNICA report later this week. A heat wave in Thailand could increase worries about their sugar output. The market is technically oversold and could be open for a bounce. A move above this week's high at 19.92 in July sugar would leave the next upside target at 20.42. Look for support at 19.08.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/24/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The upside daily closing price reversal gives the market a bullish tilt. The market tilt is slightly negative with the close under the pivot. The next upside target is 19.95. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 19.80 and 19.95, while 1st support hits today at 19.51 and below there at 19.36.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/24/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 351.20. The next area of resistance is around 364.45 and 371.05, while 1st support hits today at 354.55 and below there at 351.20.

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	19.66	29.97	32.50	13.00	14.75	19.58	19.73	20.72	21.24	21.57
CTAN24	81.72	29.32	31.46	10.90	14.46	81.44	82.80	86.22	90.87	90.72
CTAZ24	78.08	27.83	29.40	9.91	10.50	77.88	78.95	81.05	82.62	82.66
CCAN24	10444	57.13	62.16	80.45	74.03	11001.00	10534.89	9974.39	8052.96	7317.80
OJAK24	359.50	45.05	47.20	39.07	32.54	361.13	364.41	365.76	365.23	363.31
KCAN24	221.85	56.10	61.18	78.32	67.57	228.11	227.32	215.31	196.08	193.79
MAK24	18.13	71.27	66.66	87.45	92.96	17.92	17.28	16.73	16.84	17.08

Calculations based on previous session. Data collected 04/23/2024

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	19.36	19.51	19.66	19.80	19.95
CTAN24	Cotton	79.42	80.55	81.75	82.88	84.08
CTAZ24	Cotton	76.89	77.46	78.12	78.69	79.35
CCAN24	Cocoa	9692	10021	10537	10866	11382
OJAK24	Orange Juice	351.15	354.50	361.10	364.45	371.05
KCAN24	Coffee	213.81	217.02	223.46	226.67	233.11
MAK24	Milk	17.57	17.86	18.10	18.39	18.63

Calculations based on previous session. Data collected 04/23/2024

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