

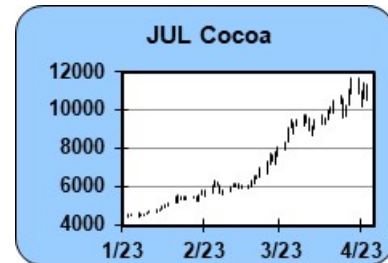


**DAILY COCOA COMMENTARY**  
4/26/2024

**Uptrend losing momentum but still intact.**

July cocoa is consolidating its latest move to all-time highs this month, and there is talk the market has priced in the tight supply. Technical indicators suggest a loss of upside momentum. However, those looking for a top have been burned repeatedly over the past year, and there is no top indicated. The possibility that Ecuador could become the world's second largest producer over the next couple of years may ease supply concerns over the long run, but that doesn't solve the shortage near term. Ivory Coast cocoa arrivals totaled 20,000 tonnes for the week ending April 21, down from 30,000 for the same period last year.

Cumulative arrivals since the marketing year began on October 1 have reached 1.337 million tonnes, down 28.1% from a year ago. There are reports that Ivory Coast and Ghana combined have rolled over 400,000 tonnes of cocoa to next season due to the severe shortage of near-term supply. West African growing areas have rainfall in the forecast on most days starting Sunday and lasting through the end of next week. The increased rainfall during the past few weeks should eventually benefit their late mid-crop and next season's main crop cocoa production.



**TODAY'S MARKET IDEAS:**

The cocoa market finally received some rare bearish news this week with the arrival of rain in west Africa, but there is still no technical sign of a top. Look for support in July cocoa at \$10,209, with resistance at \$11,440.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**COCOA TECHNICAL OUTLOOK:**

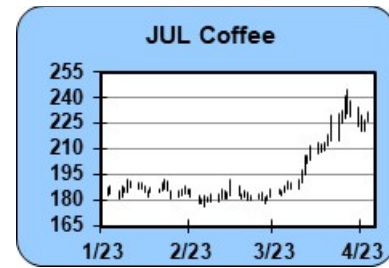
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COCOA (JUL) 04/26/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 9996. The next area of resistance is around 11241 and 11745, while 1st support hits today at 10367 and below there at 9996.

**DAILY COFFEE COMMENTARY**  
4/26/2024

## ICE arabica stocks continue to build.

July NY coffee was lower overnight, and it could be vulnerable to a resumption of the recent downtrend if it takes out Wednesday's low. Vietnam is expected to have drier than normal weather over the next few weeks, and growers are concerned that water shortages could limit irrigation of the upcoming crops. Vietnam cash market premiums to July London robusta futures have reached a record \$1000 per tonne. July London coffee was sharply lower overnight after just barely posting a new contract high yesterday. ICE exchange arabica stocks increased another 8,820 bags yesterday. They are up 66,000 bags since the end of March and at their highest level since March 2023.



### TODAY'S MARKET IDEAS:

Arabica stocks continue to build despite tight robusta supplies. A break below 220.15 in July NY coffee would leave the next downside target at 211.85, with interim support at 215.20. Look for resistance at 229.85 and 232.80.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### COFFEE TECHNICAL OUTLOOK:

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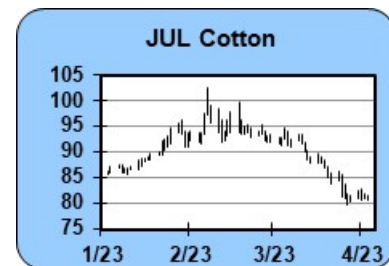
COFFEE (JUL) 04/26/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next downside target is 222.67. The next area of resistance is around 231.02 and 234.36, while 1st support hits today at 225.18 and below there at 222.67.

## DAILY COTTON COMMENTARY

4/26/2024

### Biggest export sales since February 1.

July cotton fell to the bottom of a trading range that lasted from November to mid-January last week, and it has managed to hold that level since. At its low, it was down 23.16 from the high in February, a 23% decline, leaving it in an oversold condition. The weekly US drought monitor showed approximately 9% of US cotton production was in an area experiencing drought as of April 23, unchanged from the previous week. This is a substantial improvement from 39% a year ago and 55% the year before that, which suggests that the crop could start off in good shape. However, sellers may be reluctant to push the market much lower this early in the season. US cotton export sales for the week ending April 18 came in at 177,077 bales for the 2023/24 (current) marketing year and 65,735 for 2024/25 for a total of 242,812. This was up from 226,189 the previous week and was the highest since February 1. This may have provided some encouragement for the bulls yesterday, but not enough to spark a recovery move. Sales have reached 98% of the USDA forecast for the marketing year versus a five-year average of 102% for this point in the season. Shipments totaled 261,698 tonnes for the week, the lowest since February 15. The largest buyer this week was China at 116,701 bales, followed by Pakistan at 28,984. ICE exchange stocks increased 1,170 bales on Wednesday to 178,147, their highest since July 2017. Stocks have increased 177,150 bales since the end of February.



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

The demand outlook is uncertain, and US soil moisture is much better than the last couple of years, but the market may still see the need to build a slight weather premium. Look for support in July cotton at 79.65 and 77.66, with resistance at 82.96 and 83.31.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **COTTON TECHNICAL OUTLOOK:**

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COTTON (JUL) 04/26/2024: 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. The upside daily closing price reversal gives the market a bullish tilt. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 82.14. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 81.58 and 82.14, while 1st support hits today at 80.58 and below there at 80.14.

COTTON (DEC) 04/26/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 77.02. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 77.97 and 78.34, while 1st support hits today at 77.31 and below there at 77.02.

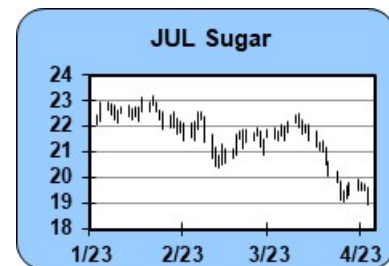
## **DAILY SUGAR COMMENTARY**

**4/26/2024**

### **Overnight bounce suggests bearish already discounted.**

July sugar was higher overnight after falling to its lowest level since March 2023 yesterday in the wake of some bearish supply news from Brazil's government agency Conab. The market awaits the UNICA report on Brazilian production for the first half of April that is due out today. Yesterday's Conab reports put the nation's 2024/25 sugarcane crop (April/March) at 685.86 million tonnes, down 3.8% from the record crop of 2023/24. This was a smaller decline than was expected.

Average yield is expected to be down 7.6%, but planted area has increased 4.1% to 8.67 million hectares. Last week, USDA last week projected the crop to decline 8.5%, estimating a planted area increase of only 1.3%. Conab also projected 2024/25 sugar production at 46.29 million tonnes, 1.3% higher than the record output for 2023/24. Ethanol production (sugar and corn-based) is expected to fall 4% to 34.18 billion liters. Sugar-based ethanol production is expected to fall 8%, as mills allocate more cane to sugar. Corn-based ethanol production is expected to increase by 16%. Earlier this week, an analyst poll by S&P Global had expectations for the UNICA report to show first-half cane crushing 15% higher than a year ago, so a bearish number may already have been absorbed by the market. An outside day lower in the Brazilian real yesterday could set the currency up for a resumption of its downtrend, which could put additional pressure on sugar prices.



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

July sugar's reversal higher overnight after it broke on bearish supply news from Brazil yesterday suggests it may have already priced in bearish news and could be due for a correction. Look for volatility today in the immediate

aftermath of the UNICA report. A modest correction of the selloff from the April high in July sugar to yesterday's low would leave an upside target of 20.31, with interim resistance at 19.92. Look for support at 18.97 and 18.62.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**SUGAR TECHNICAL OUTLOOK:**

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SUGAR (JUL) 04/26/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 18.56. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 19.50 and 19.91, while 1st support hits today at 18.82 and below there at 18.56.

**OJ TECHNICAL OUTLOOK:**

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ORANGE JUICE (MAY) 04/26/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. 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 upside target is 387.90. The next area of resistance is around 385.10 and 387.90, while 1st support hits today at 373.90 and below there at 365.45.

**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	19.16	24.83	28.78	14.30	13.98	19.55	19.54	20.41	21.13	21.47
CTAN24	81.08	27.67	30.31	12.58	13.88	81.56	81.94	84.94	90.37	90.54
CTAZ24	77.64	25.48	27.70	9.21	8.27	77.98	78.35	80.32	82.38	82.54
CCAN24	10804	59.88	63.58	75.67	70.47	10832.25	10696.56	10135.56	8288.56	7527.07
OJAK24	379.50	61.49	57.84	46.52	59.90	369.06	366.05	366.46	365.53	364.47
KCAN24	228.10	62.97	65.53	69.13	60.69	225.88	229.12	219.47	197.91	195.12
MAK24	18.18	67.54	64.58	87.53	88.20	18.12	17.67	16.96	16.86	17.09

Calculations based on previous session. Data collected 04/25/2024

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	18.55	18.81	19.23	19.50	19.91
CTAN24	Cotton	80.14	80.58	81.14	81.58	82.14
CTAZ24	Cotton	77.02	77.31	77.68	77.97	78.34
CCAN24	Cocoa	9995	10366	10870	11241	11745
OJAK24	Orange Juice	365.40	373.85	376.65	385.10	387.90
KCAN24	Coffee	222.66	225.17	228.51	231.02	234.36

MAK24	Milk	17.39	17.84	18.06	18.51	18.73
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