

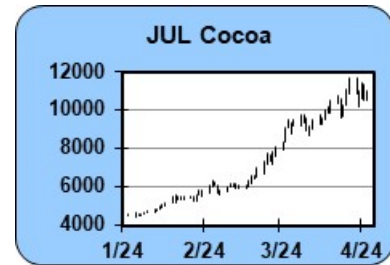


DAILY SOFTS COMMENTARY
Monday April 29, 2024

DAILY COCOA COMMENTARY
4/29/2024

Gap lower does chart damage; IC arrivals still lagging.

July cocoa gapped lower this morning and fell to its lowest level since April 17. It also fell below the 21-day moving average for the first time since January 11. Ivory Coast cocoa arrivals totaled 17,000 tonnes for the week ending April 28, down from 48,000 for the same week last year. Total arrivals since the marketing year began have reached 1.354 million tonnes, down from 1.907 million for the same period last year, a 29% decline. The market finished last week with a loss of 867 points (down 7.6%), which broke a nine-week winning streak. A shift towards wetter weather over West African growing areas is expected to benefit the region's upcoming production, and that weighed on prices last week. First quarter grindings from the major demand regions were stronger than expected, due in part to processors working down their cocoa stocks. Those processors will have to build those stocks back up at some point. Friday's Commitments of Traders report showed managed money traders were net sellers of 2,192 contracts of cocoa for the week ending April 23, reducing their net long to 13,944 contracts. This was down from a peak of 66,521 last June. Open interest has declined sharply since the February, and the later stages of this rally has been led by commercials anxious to cover their needs.



TODAY'S MARKET IDEAS:

It is not as though there were a huge speculator net long position to spark a selloff, but the chart shows the most technical damage in some time, and a lower close last week may attract sellers banking on a top. However, end users could be waiting in the wings to cover their needs. Look for support in July cocoa at 9603 and 8702, with resistance at 10,594.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/16/2024 - 4/23/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Softs						
Cocoa	20,248	-1,521	-25,859	+2,434	5,610	-912

COCOA TECHNICAL OUTLOOK:

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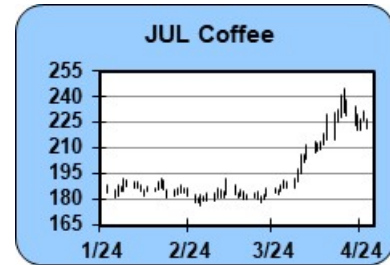
COCOA (JUL) 04/29/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is

10178. The next area of resistance is around 10847 and 11189, while 1st support hits today at 10341 and below there at 10178.

DAILY COFFEE COMMENTARY
4/29/2024

Vietnamese Jan-Apr exports up 5.4% from year ago.

Dry conditions in Vietnam have supported a rally in London robusta futures this year, and this helped lift July NY futures to new contract highs earlier this month. However, Brazil and Colombia are both expected to see increased Arabica production later this year, ICE exchange stocks have reached their highest level since March 2023, and the fund net long is near record highs, which leaves the market vulnerable to long liquidation. Growers in Vietnam have been complaining about hot and dry weather that has pushed lake levels and water tables down, limiting irrigation supply. There have been ongoing reports of Vietnamese farmers holding onto their remaining supply from this season in anticipation of higher prices. However, Vietnamese government data showed the nation exported 756,000 tonnes of coffee from January through April, which was up 5.4% from a year ago. ICE arabica coffee stocks fell by 4,835 bags on Friday, but they were still more than 61,000 bags above their March 31 level and up more than 405,000 since the start of the year. Friday's Commitments of Traders report showed managed money traders were net sellers of 3,628 contracts of coffee for the week ending April 23, reducing their net long to 68,183. This is still close to the record high, which leaves the market vulnerable to long liquidation if support levels are taken out.



TODAY'S MARKET IDEAS:

Brazil's Arabica harvest is expected to reach full speed by the end of May, which should help to soothe tight near-term supply. A break below last week's low in July coffee at 220.15 could spark a decline to 211.85. Look for resistance at 228.10 and 236.15.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/16/2024 - 4/23/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Coffee	73,859	-3,073	-77,115	+2,469	3,257	+605

COFFEE TECHNICAL OUTLOOK:

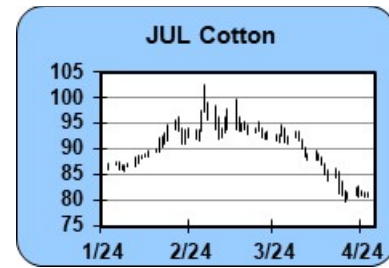
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COFFEE (JUL) 04/29/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 218.48. The next area of resistance is around 226.80 and 229.67, while 1st support hits today at 221.20 and below there at 218.48.

DAILY COTTON COMMENTARY
4/29/2024

Market may need a bigger weather premium.

July cotton has traded in a relatively narrow range over the past few sessions and has managed to hold the April 18 five-month low. Supportive fundamentals are few, except that the market may be interested in building some sort of weather premium heading into the US growing season, even if soil moisture conditions are good. Last week's drought monitor showed 9% of US cotton production was in an area experiencing drought versus 39% a year ago and 55% two years ago. Export sales held up surprisingly well last week, coming in at their highest level since February 1. A technical reversal higher in the dollar on Friday could spell trouble for US export prospects if it is the start of a new leg higher for the currency. Recoveries in the stock and crude oil markets last week are supportive to cotton demand. ICE certified stocks increased another 3,283 bales on April 26 to reach 181,430. This is up from 985 bales on February 27 and is their highest since July 2017. Friday's Commitments of Traders report showed managed money traders were net sellers of 26,641 contracts of cotton for the week ending April 23, reducing their net long to 9,501. This is a huge drop from the net long of 94,000 posted on February 27 and indicates that the funds have mostly liquidated their net long. The drop this week came mostly on additional selling, as longs fell 10,779 and shorts increased 15,862. The selling trend is short-term negative. The 6-10 and 8-14-day forecasts call for above to much above temperatures across cotton growing regions, with normal to above-normal chances of rain. The heat may become a concern if moisture comes up short.



TODAY'S MARKET IDEAS:

Soil moisture looks good across most US regions, but how far lower does the market want to go ahead of the growing season? Look for resistance in July cotton at 82.96 and 83.84, with support at 80.66 and 79.70.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/16/2024 - 4/23/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Cotton	29,125	-23,451	-31,180	+24,766	2,056	-1,315

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 04/29/2024: 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. It is a slightly negative indicator that the close was under the swing pivot. The next upside target is 82.04. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 81.40 and 82.04, while 1st support hits today at 80.40 and below there at 80.03.

COTTON (DEC) 04/29/2024: 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. A negative signal was given by the outside day down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 76.65. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 77.73 and 78.34, while 1st support hits today at 76.89 and below there at 76.65.

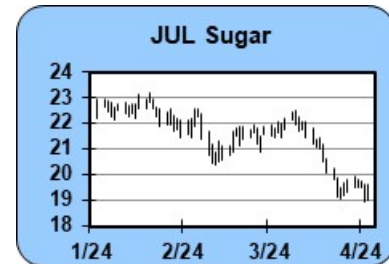
DAILY SUGAR COMMENTARY

4/29/2024

Bounce off bearish supply news is bullish.

May sugar was higher overnight, as the selling last week seemed to dry up when the market failed to make new lows on Friday in the wake of bearish Brazil supply data. The Brazilian trade group Unica released their sugar supply report for the first half of April on Friday, the first for the 2024/25 season. The report put Center-South cane crush at 15.81 million tonnes, up 14.1% from the same period last year and slightly below trade forecasts calling for a 15% gain. Sugar production came in at 710,000 tonnes, up 31% from last year and above trade expectations calling for 689,000 (based on a pre-report survey by S&P Global).

Sugar's share of crushing was 43.6% versus 38.0% last year. Domestic ethanol sales were 31.5% below last year. Friday's Commitments of Traders report showed managed money traders were net sellers of 23,254 contracts of sugar for the week ending April 23, reducing their net long to 11,664. This was down from 188,000 as recently as late November and close to a neutral position. This leaves little threat of long liquidation and plenty of buying fuel if the funds get interested in taking long positions.



TODAY'S MARKET IDEAS:

The bounce off bearish news suggests July sugar is capable of a short covering rally, perhaps to 19.92 or 20.32. Key support is last week's low at 18.97, and a break below there would suggest a resumption of the downtrend. There is a long-term downside target of 18.59 on the nearby chart.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/16/2024 - 4/23/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Sugar	20,955	-20,235	-14,530	+14,136	-6,425	+6,099

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/29/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 18.60. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 19.39 and 19.80, while 1st support hits today at 18.79 and below there at 18.60.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/29/2024: The upside crossover (9 above 18) of the moving averages suggests a developing short-term uptrend. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving

average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The next upside target is 403.25. The next area of resistance is around 397.65 and 403.25, while 1st support hits today at 378.25 and below there at 364.40.

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	19.09	23.98	28.17	13.31	11.33	19.42	19.46	20.25	21.06	21.41
CTAN24	80.90	27.00	29.89	12.89	13.51	81.18	81.46	84.34	90.09	90.43
CTAZ24	77.31	23.60	26.39	8.17	6.07	77.68	77.98	79.93	82.24	82.47
CCAN24	10594	56.11	60.75	72.19	65.25	10714.75	10700.44	10198.22	8397.22	7625.45
OJAK24	387.90	66.52	61.50	55.79	74.34	374.11	367.59	367.52	365.89	365.08
KCAN24	224.00	56.00	60.51	64.52	55.30	224.96	228.80	220.97	198.84	195.69
MAK24	18.03	63.78	62.09	87.34	86.97	18.03	17.80	17.09	16.86	17.09

Calculations based on previous session. Data collected 04/26/2024

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	18.60	18.79	19.20	19.39	19.80
CTAN24	Cotton	80.02	80.39	81.03	81.40	82.04
CTAZ24	Cotton	76.64	76.88	77.49	77.73	78.34
CCAN24	Cocoa	10177	10341	10683	10847	11189
OJAK24	Orange Juice	364.35	378.20	383.80	397.65	403.25
KCAN24	Coffee	218.47	221.19	224.07	226.80	229.67
MAK24	Milk	17.36	17.69	18.04	18.37	18.72

Calculations based on previous session. Data collected 04/26/2024

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