

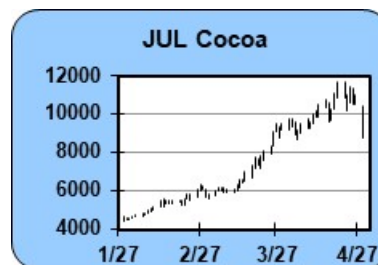


DAILY SOFTS COMMENTARY Tuesday April 30, 2024

DAILY COCOA COMMENTARY 4/30/2024

Will commercial buying emerge after \$4000 selloff?

July cocoa extended yesterday's selloff overnight to fall to its lowest level since March 21, but it has made a big bounce off its lows and is closing in on unchanged from yesterday. Yesterday's decline in NY futures was the largest single-day loss ever. Even with the supply/demand outlook remaining bullish, it took a relatively small amount of bearish news to turn Monday's selloff into a rout. The shift towards wetter weather over West African growing areas over the past few weeks has improved the outlook for this season's mid-crop production, even with last week's total rainfall still being below normal in some regions. Quarterly earnings from Mondelez today and Hershey on Friday will provide more clarity on the impact that high prices have had on North American demand. There is a tendency to blame funds for the selloff, but the most recent Commitments of Traders report showed managed money traders were net long just 13,944 contracts as of last Tuesday, down from a peak of 79,000 in September. The "spec" position, as represented by non-commercial and non-reportable traders combined, was 25,858 versus a September high of 89,935. Index funds were net long 19,037 versus 27,269 in September. Clearly there was spec liquidation potential, but not an overwhelming amount. Commercial traders may emerge now that July cocoa has fallen almost \$4000 (34%) from its peak on April 19.



TODAY'S MARKET IDEAS:

Commercial buying may emerge now that the market has fallen 34% from its high. Upside retracement targets in July cocoa include 9271 and 9739. A resumption of the selloff would leave the next downside target at 6923.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

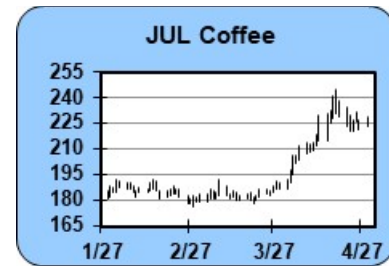
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COCOA (JUL) 04/30/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The gap down on the day session chart is bearish with more selling pressure possible today. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is now at 7613. The next area of resistance is around 9766 and 10953, while 1st support hits today at 8096 and below there at 7613.

DAILY COFFEE COMMENTARY 4/30/2024

Heatwave threatens Vietnam crop.

Coffee prices continue to see coiling action, which has kept the market above last week's lows but unable to sustain a recovery move. There have been repeated reports of Vietnamese farmers holding off on marketing their remaining supply from this season's crop. However, Vietnam's General Statistics office said yesterday that April exports were 3.9% above year-ago and that the January-April total was 5.4% higher than the same period last year. Indonesia exported 3,093.4 tonnes of robusta beans from the island of Sumatra in March, a 60% decline from the same period last year. January-March exports totaled 9,500 tonnes versus 34,500 for the same period last year. Coffee farmers in Vietnam have sharply increased the use of irrigation in the main producing regions because of dryness, but they are running low on water. Many farmers have used irrigation seven times already, when they normally have used it five times at this point, and they are seeing the need to use it an eighth time, according to J. Gaines Consulting. An intense heatwave is spreading through Southeast Asia, with maximum temperatures in northern and central Vietnam ranging from 40.2-44 degrees C (104-111 F), and the heat is not expected to subside until Wednesday. Brazil's main Arabica growing areas had little to no rainfall last week, which may have a negative impact on their 2024/25 crop. ICE exchange coffee stocks rose by 4,692 bags on Monday.



TODAY'S MARKET IDEAS:

The heatwave in southeast Asia is causing problems for the Vietnam, the world's largest robusta grower and second largest coffee grower, but the NY futures are still under the influence of a reversal lower on April 18. Key support for July NY coffee comes in at 220.15, and a break below there would leave a downside target of 211.35. Look for resistance at 231.85 and 234.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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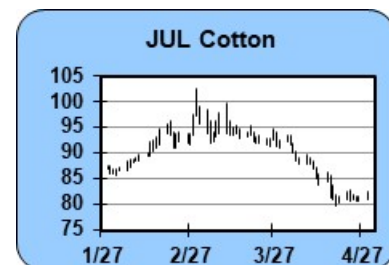
COFFEE (JUL) 04/30/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. A positive setup occurred with the close over the 1st swing resistance. The next downside target is now at 220.93. The next area of resistance is around 230.39 and 232.52, while 1st support hits today at 224.60 and below there at 220.93.

DAILY COTTON COMMENTARY

4/30/2024

US planting pace right on average.

July cotton collapsed overnight and fell to its lowest level since last June. With soil moisture conditions much improved over the past couple of years, the US crop looks well positioned at the start of the growing season. Traders are also expecting the US to see heavy export competition from Brazil and Australia. The weekly USDA Crop Progress report released yesterday afternoon showed 15% of the US cotton crop was planted as of Sunday, up from 11% last week and 14% a year ago and as a five-year average. Texas was 18% planted, up from 16% the



previous week, 19% a year ago and a five-year average of 18%. The forecast this week calls for moderate to heavy rainfall in the Delta with lighter amounts in west Texas, which could slow planting progress but also help newly planted cotton get off to a good start. The 6-10- and 8-14-day forecasts call for above or much above normal temperatures across the cotton belt, with normal to above normal precipitation. Cotlook said last week that global cotton production in 2024/25 is expected to exceed consumption by 429,000 tonnes, up from an estimate of 95,000 in March. The production outlook was raised by 334,000 tonnes, mostly due to bigger production in Brazil and the US, and consumption was left unchanged. The Cotton Association of India put Indian 2023/24 production at 30.97 million Indian (170-kilogram) bales, unchanged from their previous estimate. This is the equivalent of 24.18 million (480-pound) US running bales and is below the USDA forecast at 25.50 million.

TODAY'S MARKET IDEAS:

US weather/soil conditions point to a strong start for the US crop, and the trade apparently sees little urgency to build a weather premium. The next support level for July cotton comes in at 77.66, followed by 74.77 basis the nearby chart. Look for resistance at 79.70 and 81.52.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 04/30/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The close above the 9-day moving average is a positive short-term indicator for trend. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 83.05. Short-term indicators suggest buying dips today. The next area of resistance is around 82.21 and 83.05, while 1st support hits today at 80.83 and below there at 80.28.

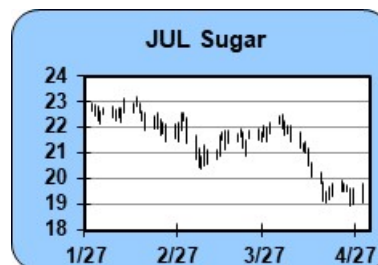
COTTON (DEC) 04/30/2024: A bullish signal was given with an upside crossover of the daily stochastics. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's short-term trend is positive on the close above the 9-day moving average. A positive setup occurred with the close over the 1st swing resistance. The next upside target is 79.12. Daily studies suggest buying dips today. The next area of resistance is around 78.75 and 79.12, while 1st support hits today at 77.75 and below there at 77.13.

DAILY SUGAR COMMENTARY

4/30/2024

Wet conditions could damage European beet crop.

Sugar prices have been unable to break out of their late-April consolidation zone despite three sessions in a row with wide-sweeping action. The market has lifted clear of last week's 13-month low following bearish Brazilian supply news, and that can help it finish the month on an upbeat note. Brazil's Center-South mills saw a 10% shift in sugar's share of crushing from the second half of March to the first half of April (33.5% to 43.6%) which strengthens the case for Conab's forecast of record Brazilian production this year. Drier than normal conditions have had the trade expecting Brazil's sugar output to come up short of last year's record, but the increased emphasis on crushing cane for sugar over ethanol appears to be offsetting those concerns. European farmers planted slightly more sugar beets this year, encouraged by high sugar prices, but the harvest is uncertain after heavy rain delayed planting and mild weather raised the risk of a devastating disease in



some places. Agronomists point to a high risk of aphids carrying yellow virus. An outbreak of the virus in France in 2020 led to a 26% decline in that country's sugar output. Growers have already received permission to use more pesticides.

TODAY'S MARKET IDEAS:

The bounce off bearish news could spark a rally, but the reaction so far has been less than impressive. A move above last week's high in July sugar at 19.92 would leave 20.31 and 20.73 as upside objectives. Look for support at 18.97 and 18.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/30/2024: The daily stochastics gave a bullish indicator with a crossover up. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 20.35. Short-term indicators suggest buying dips today. The next area of resistance is around 20.15 and 20.35, while 1st support hits today at 19.41 and below there at 18.88.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 04/30/2024: 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. The market tilt is slightly negative with the close under the pivot. The near-term upside objective is at 380.40. The next area of resistance is around 373.50 and 380.40, while 1st support hits today at 362.40 and below there at 358.15.

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	19.78	44.89	41.37	14.82	17.84	19.45	19.49	20.14	21.02	21.37
CTAN24	81.52	33.23	33.31	13.80	15.62	81.13	81.29	83.85	89.84	90.32
CTAZ24	78.25	38.16	35.75	8.86	10.24	77.72	77.88	79.61	82.13	82.41
CCAN24	8931	35.95	44.01	62.57	43.32	10336.50	10601.78	10191.61	8463.33	7694.18
OJAN24	367.90	52.69	52.79	60.32	62.39	369.15	365.89	365.05	361.81	360.98
KCAN24	227.50	60.23	63.11	60.90	53.66	226.38	228.70	222.34	199.92	196.31
MAK24	18.08	64.52	62.61	87.18	86.85	18.02	17.89	17.22	16.86	17.09

Calculations based on previous session. Data collected 04/29/2024

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	18.87	19.41	19.61	20.15	20.35
CTAN24	Cotton	80.27	80.82	81.66	82.21	83.05
CTAZ24	Cotton	77.12	77.75	78.12	78.75	79.12
CCAN24	Cocoa	7613	8096	9283	9766	10953
OJAN24	Orange Juice	358.10	362.35	369.25	373.50	380.40
KCAN24	Coffee	220.92	224.60	226.72	230.39	232.52
MAK24	Milk	17.78	17.95	18.04	18.20	18.29

Calculations based on previous session. Data collected 04/29/2024

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