



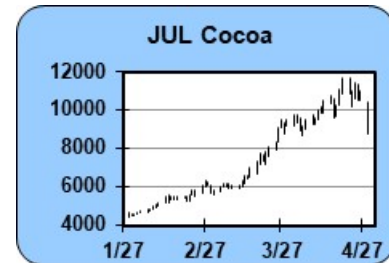
DAILY SOFTS COMMENTARY Wednesday May 01, 2024

DAILY COCOA COMMENTARY

5/1/2024

Commercial buying emerges but wide ranges possible.

July cocoa bounced off its low yesterday and closed higher on the day, but it set back slightly overnight. The market has seen a \$3966 correction from its contract high in April, for a 34% decline, and end users may have taken the opportunity to cover some of their needs. Open interest was down to 153,000 contracts as of Monday from 334,000 in January and 403,000 a year ago. This is the lowest since 2010. Low OI reduces liquidity and makes the market susceptible to wild moves. Increased rainfall in West Africa in recent weeks has improved the outlook for the mid-crop, but it is too early to tell if it is making much difference. Global cocoa supply is still on track for a third straight global production deficit for 2023/24, and there are concerns that this could stretch into a fourth year if the weather does not cooperate. Too many old, diseased trees may make it difficult for production to recover quickly. Bloomberg is reporting that Ivory Coast has suspended their Fairtrade cocoa program due to indications that a large amount of beans in the program have not been certified. Mondelez International beat market expectations for first-quarter sales and profits, helped by steady demand for pricy products including chocolate. Prices increased 6.3%, while volumes fell 2.1%.



TODAY'S MARKET IDEAS:

The selloff in cocoa has allowed the market to correct a technically overbought condition. Low prices may bring in more buyers, but traders may also believe that a top is finally in place. Look for resistance in July cocoa at 9730 and 10,134. A move below 7756 would leave the next downside target at 6930.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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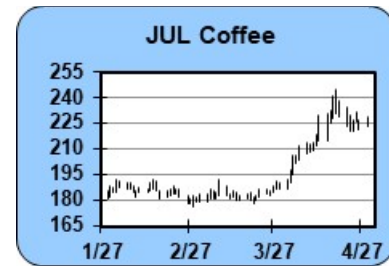
COCOA (JUL) 05/01/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. The upside closing price reversal on the daily chart is somewhat bullish. The market tilt is slightly negative with the close under the pivot. The next downside target is 7324. The next area of resistance is around 10080 and 10512, while 1st support hits today at 8486 and below there at 7324.

DAILY COFFEE COMMENTARY

5/1/2024

Long liquidation selling after some tech failures.

July coffee was slightly lower overnight following yesterday's steep selloff. Reports of extreme heat in southeast Asia raise concerns about upcoming robusta crops, but the NY futures remain under the influence of a reversal top from April 18. The market also fell below the 21-day moving average for the first time since late March. Funds were holding a near-record net long position as of the recent Commitments of Traders report, and this left the market vulnerable to heavy selling as support levels were taken out. A negative shift in global risk sentiment may have also dampened the demand outlook. After Tuesday's close, Starbucks reported lower than expected earnings and revenue in the first quarter, and this could reinforce concerns about lukewarm out-of-home demand. A more than 1% decline in the Brazilian real may encourage Brazilian growers to market their remaining 2023/24 coffee supplies. ICE exchange coffee stocks fell by 1,594 bags on Tuesday and finished April at 659,758. This was 64,549 bags above their March 31 total and was the highest month-end since April 2023.



TODAY'S MARKET IDEAS:

The huge fund net long left the market overbought, especially in the wake of a move to two-year highs last month. July coffee may find support at 211.85, but a break below there would leave the next downside target at 203.95. Look for resistance at 220.00 and 225.70.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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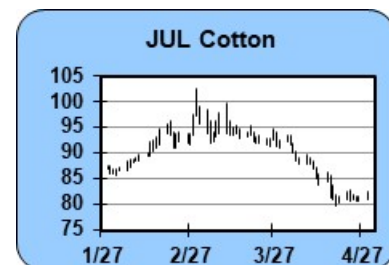
COFFEE (JUL) 05/01/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 204.15. The next area of resistance is around 223.90 and 233.15, while 1st support hits today at 209.40 and below there at 204.15.

DAILY COTTON COMMENTARY

5/1/2024

Limited demand and ample world supply.

July cotton collapsed yesterday after it fell below the five-month low from earlier in the month. This took the market to its lowest level since last June, which it extended slightly overnight. 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. Traders are also expecting the US to see heavy export competition from Brazil and Australia. The decline in the Brazilian real increases the incentive for Brazilian producers to sell for export. The stock market was lower yesterday ahead of the FOMC meeting results on Wednesday, where Fed Chair Powell is expected to reinforce recent messaging that the Fed will not cut rates until it is more confident that inflation is under control. The Employment Cost Index was released yesterday, and it increased 1.2% during the first quarter versus expectations for a 1% increase, and this reinforced concerns that inflation was proving to



be more stubborn than hoped. The bears seem to have the upper hand.

TODAY'S MARKET IDEAS:

Yesterday's selloff leaves the next support level in July cotton at 77.60, followed by 74.77, with resistance at 79.70 and 81.52.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 05/01/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is 75.77. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 80.07 and 82.33, while 1st support hits today at 76.79 and below there at 75.77.

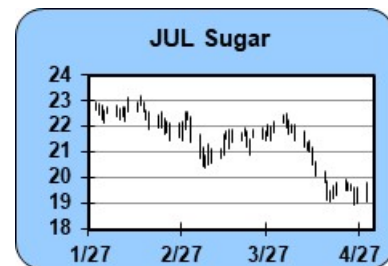
COTTON (DEC) 05/01/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market is in a bearish position with the close below the 2nd swing support number. The near-term upside objective is at 78.71. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 77.64 and 78.71, while 1st support hits today at 76.01 and below there at 75.44.

DAILY SUGAR COMMENTARY

5/1/2024

Huge deliveries against May contract is bearish.

July sugar sold off yesterday and again overnight, but it has managed to hold above last week's 12-month lows. A strong start to Brazil's Center-South harvesting and crushing this season continues to be a source of pressure. The expiring May ICE Sugar 11 contract saw roughly 1.67 million tonnes delivered against it, which would be the fourth largest delivery on record. Large deliveries are usually seen as bearish, as it suggests there is no better deal to be had in the cash market, but there were two large producers among the receivers, which suggests there is demand as well. Weaker energy prices, with crude oil falling to the lowest level since March overnight, lowers the incentive to crush cane for ethanol. That and a selloff in the Brazilian real may encourage mills to produce more sugar for export. Sugar beet planted area for 2024/25 is expected to be 6% higher in France this year and up 2.5% in Poland and 2% in Germany.



TODAY'S MARKET IDEAS:

Large deliveries against the May sugar contract and lower crude oil prices may put additional pressure on the sugar market. A break below 19.01 in July sugar would leave the next support at 18.60. Look for resistance at 19.92.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 05/01/2024: 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 daily closing price reversal down is a negative indicator for prices. The close below the 1st swing support could weigh on the market. The next upside target is 20.05. The next area of resistance is around 19.70 and 20.05, while 1st support hits today at 19.12 and below there at 18.90.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 05/01/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend has turned down with the cross over back below the 18-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 355.40. The next area of resistance is around 367.75 and 372.35, while 1st support hits today at 359.30 and below there at 355.40.

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	19.41	38.50	37.40	16.01	18.39	19.36	19.50	19.99	20.97	21.31
CTAN24	78.43	22.48	26.40	13.21	12.02	80.48	80.97	83.29	89.50	90.15
CTAZ24	76.83	28.83	29.62	8.93	9.09	77.51	77.69	79.24	81.97	82.33
CCAN24	9283	41.00	47.32	55.47	41.28	9903.00	10514.78	10205.78	8530.89	7767.93
OJAN24	363.55	47.59	49.65	57.71	52.51	368.58	366.00	364.97	361.54	360.98
KCAN24	216.65	45.11	51.74	54.56	41.87	224.06	226.07	222.94	200.76	196.79
MAK24	18.38	68.82	65.65	88.44	90.97	18.17	18.02	17.36	16.86	17.10

Calculations based on previous session. Data collected 04/30/2024

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	18.90	19.12	19.48	19.70	20.05
CTAN24	Cotton	75.77	76.79	79.05	80.07	82.33
CTAZ24	Cotton	75.43	76.00	77.07	77.64	78.71
CCAN24	Cocoa	7324	8486	8918	10080	10512
OJAN24	Orange Juice	355.35	359.25	363.85	367.75	372.35
KCAN24	Coffee	204.15	209.40	218.65	223.90	233.15
MAK24	Milk	18.09	18.26	18.32	18.49	18.55

Calculations based on previous session. Data collected 04/30/2024

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