

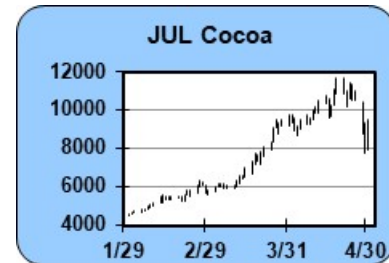


## DAILY SOFTS COMMENTARY Thursday May 02, 2024

### DAILY COCOA COMMENTARY 5/2/2024

#### Ivory Coast and Ghana struggle to deliver on pre-sales.

July cocoa gapped lower overnight and pushed to a new low for the move, but the market did not see the type of panic selling it saw earlier in the week. Industry sources told Reuters that Ivory Coast and Ghana do not have beans available to fulfill up to 500,000 tonnes that were pre-sold at about a quarter of current world prices. This may not be a surprise, but it does drive home the tight supply situation. Indications that commercial firms are delaying some of their purchases until next season have pressured the market and perhaps explain why the bounce this week was so short-lived. There is daily rainfall in the forecast for West African growing areas starting Sunday and going through the rest of next week, which should benefit midcrop production. The weather story has shifted from extremely bullish (record heat and dry) to bearish over the past two weeks.



#### TODAY'S MARKET IDEAS:

West African near-term supply remains tight, but the arrival of the rainy season has opened the door for some relief for the mid-crop. The gap lower in July cocoa overnight leaves the support at 7213, followed by 6973. A key bull/bear line today could be yesterday's close at 8284, as move above there could spark a rally to trendline resistance at 9015.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### COCOA TECHNICAL OUTLOOK:

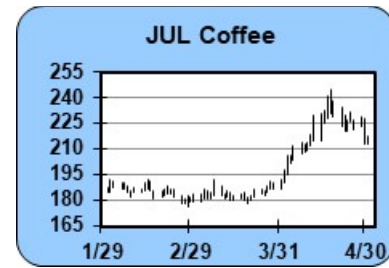
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COCOA (JUL) 05/02/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term 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 swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 6940. The next area of resistance is around 9062 and 10053, while 1st support hits today at 7506 and below there at 6940.

### DAILY COFFEE COMMENTARY 5/2/2024

## Demand concerns and funds overbought.

July NY coffee extended its selloff overnight to fall to its lowest level since April 10, and July London robusta saw an even bigger decline, also to its lowest since April 10. Recall that the latest Commitments of Traders report showed a managed money net long of 68,000+ contracts as of April 23, which was just shy of a record and left the market vulnerable to heavy selling. Hot and dry weather in Vietnam has been a key factor in the rally this spring, but that story could only take the market so far. Starbucks saw a 6% year-over-year decline in same-store sales in the first quarter, and they reduced their guidance for the upcoming quarter. ICE exchange arabica stocks increased by 7,618 bags yesterday to reach an 11-month high, and there are more than 80,000 bags pending review.



### TODAY'S MARKET IDEAS:

The buildup in exchange stocks suggests ample supply and/or soft demand. July coffee found support near the 50% retracement of the January-April rally overnight at 209.95 (it fell to 208.80) and it may find support there today. The next retracement support comes in around 200.00. Look for resistance at 217.80.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### COFFEE TECHNICAL OUTLOOK:

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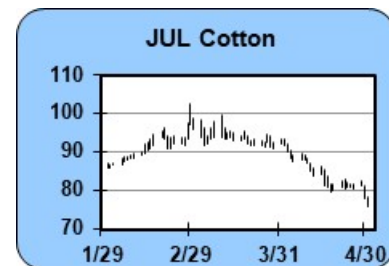
COFFEE (JUL) 05/02/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 210.44. The next area of resistance is around 218.62 and 220.93, while 1st support hits today at 213.38 and below there at 210.44.

## DAILY COTTON COMMENTARY

5/2/2024

### Short covering possible if export sales are strong.

July cotton was higher overnight after selling off for two straight days and falling to its lowest level since December 2022. The lack of a threat to US production this year after two years of drought in west Texas, coupled with abundant global supplies, has left the bulls with little to stand on. Exporters are expecting heavy competition from Brazil and Australia, and the trade may be sensitive to any harvest, production, or export news from those two countries. Traders will be looking to today's US export sales report to see how business is holding up. Last week's report showed net sales of 177,077 bales for the 2023/24 (current) marketing year for the week ending April 18, which was the highest since February 1. The USDA Cotton System report showed extra-long staple cotton consumption at 331,000 pounds in March, down from 507,000 in February but up from 253,000 in March 2023. Stocks on hand as of the last Saturday of the month totaled 652,000 pounds, up from 528,000 in February but down from 1.621 million a year ago.



### TODAY'S MARKET IDEAS:

July cotton could see a short covering rally if export sales come in at or above last week's numbers. Look for resistance around 80.00, the bottom of the two-week consolidation that was broken this week. A resumption of the downtrend will leave next support at 74.74, followed by the October low 72.18.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**COTTON TECHNICAL OUTLOOK:**

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COTTON (JUL) 05/02/2024: Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 74.43. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 77.74 and 79.36, while 1st support hits today at 75.28 and below there at 74.43.

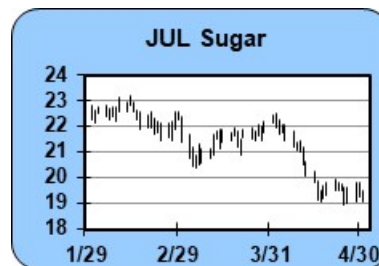
COTTON (DEC) 05/02/2024: The daily stochastics gave a bearish indicator with a crossover down. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 73.78. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 76.09 and 77.45, while 1st support hits today at 74.25 and below there at 73.78.

**DAILY SUGAR COMMENTARY**

5/2/2024

**Market held support despite large deliveries.**

Sugar prices remain inside in their late April consolidation zone after two failed upside breakout moves in as many weeks. Expectations that Brazil's Center-South sugar production will stay ahead of last season's pace through at least mid-May have kept sugar prices close to 13-month lows. Sugar saw a larger share of Center-South crushing during the first half of April than it did last year, as sugar prices have been high enough to entice mills to crush for sugar. A sharp break in crude oil yesterday may have also weighed on sugar prices, as that could weaken Brazilian ethanol demand. The large delivery for the May ICE contract was considered negative as well, but strong stoppers by processors may have neutralized that effect, and the market did not see the selloff that some traders had expected.



**TODAY'S MARKET IDEAS:**

If consolidation means continuation, July sugar could be heading for a resumption of its downtrend. Look for support at 18.97 with resistance at 19.92. A break below support would leave the next downside target at 18.62.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

## SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 05/02/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market tilt is slightly negative with the close under the pivot. The next upside objective is 19.64. The next area of resistance is around 19.41 and 19.64, while 1st support hits today at 19.03 and below there at 18.87.

## OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 05/02/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The intermediate trend could be turning up with the close back above the 18-day moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is 356.10. The next area of resistance is around 376.05 and 380.35, while 1st support hits today at 363.95 and below there at 356.10.

## 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	19.22	35.58	35.52	16.52	17.55	19.38	19.47	19.86	20.90	21.26
CTAN24	76.51	18.33	23.19	11.95	9.45	79.34	80.51	82.66	89.03	89.95
CTAZ24	75.17	21.81	24.36	7.94	5.94	76.89	77.45	78.82	81.75	82.21
CCAN24	8284	32.76	40.08	47.12	30.41	9273.00	10209.11	10148.67	8578.36	7822.68
OJAN24	370.00	54.81	53.97	56.88	55.22	368.70	366.94	365.68	361.64	361.23
KCAN24	216.00	44.36	51.14	47.10	32.20	221.04	224.39	223.22	201.52	197.29
MAK24	18.35	67.89	65.08	90.05	93.27	18.21	18.12	17.47	16.87	17.11

Calculations based on previous session. Data collected 05/01/2024

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	18.86	19.02	19.25	19.41	19.64
CTAN24	Cotton	74.42	75.27	76.89	77.74	79.36
CTAZ24	Cotton	73.78	74.25	75.62	76.09	77.45
CCAN24	Cocoa	6939	7505	8496	9062	10053
OJAN24	Orange Juice	356.05	363.90	368.20	376.05	380.35
KCAN24	Coffee	210.43	213.37	215.68	218.62	220.93
MAK24	Milk	18.09	18.24	18.30	18.45	18.51

Calculations based on previous session. Data collected 05/01/2024

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