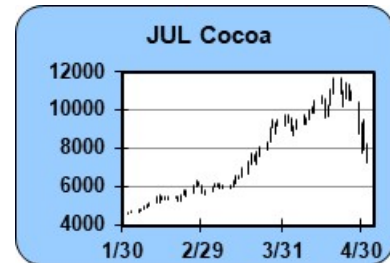




DAILY COCOA COMMENTARY
5/3/2024

Price down 40% from their peak, funds could be nearly flat.

July cocoa extended its losses overnight and fell to its lowest level since March 15, but it bounced off its lows and is higher on the day this morning. The market found support at the 0.618-retracement of the rally from the January low to the April high. There is concern that today's quarterly earnings report from Hershey will reflect softer demand due to higher retail prices. The managed money net long as of April 28 was 13,944 contracts, down from 70,661 in January. The net position could be close to flat after the selloff this week. The non-reportable position had reached 6,105 contracts as of April 16, the highest since May 2022, which suggests small trader forced liquidation may have also contributed to the recent selloff. They too could be close to neutral. A recent shift towards wetter weather over West African growing areas has improved the outlook for the mid-crop production and next season's main crop. Citi Research analysts said they believe cocoa prices have peaked for this cycle. They left their average price forecasts unchanged at \$7000 for 2024 and \$5000 for 2025. They anticipate deeper demand destruction this quarter than last, and they think that there could be a balanced or even surplus setup for 2024/25 after three deficit years in a row.



TODAY'S MARKET IDEAS:

At the low overnight, July cocoa had fallen 40% since the April peak. Short-term technical indicators have reached oversold levels, and we may see a bounce off retracement support. Look for resistance at 7841 and 8583, with support at 6926 and 6450.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

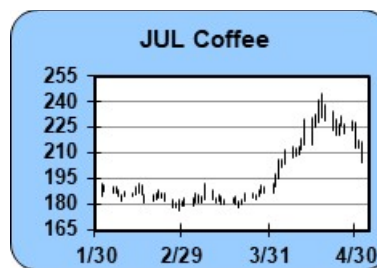
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COCOA (JUL) 05/03/2024: The major trend has turned down with the cross over back below the 60-day moving average. The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 6667. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 8061 and 8658, while 1st support hits today at 7065 and below there at 6667.

DAILY COFFEE COMMENTARY
5/3/2024

April Honduras and Costa Rica exports beat year ago levels.

Fund long liquidation has been the theme for the past week or so after the managed money net long reached record levels in mid-April. A shift from El Niño to La Niña weather could bring better rainfall amounts to Vietnam and Indonesia this summer, which could improve the outlook for robusta supplies after their poor crops last year. Up until last week, reports of record temperatures and low rainfall in Vietnam sent robusta prices to all-time highs and supported arabica as well. ICE exchange arabica stocks rose another 14,660 bags yesterday to reach their highest level in a year. This suggests ample supply and/or lukewarm demand. Honduras exported 762,231 bags of coffee in April, up 2.3% from the same period last year, according to IHCAFE. Cumulative exports since the marketing year began in October have reached 2.7 million bags, down 1.7% from last year. Honduras is Central America's largest coffee producer. Costa Rica exported 138,323 bags in April, up 18% from last year, according to ICAFE. Their cumulative exports have reached 452,328 bags, down 6.6% from a year ago.



TODAY'S MARKET IDEAS:

With ICE exchange stocks continuing to build, coffee could remain under pressure. The market is approaching a technically oversold condition, but more fund liquidation is possible. Look for support in July coffee at 199.90, with resistance at 208.80 and 212.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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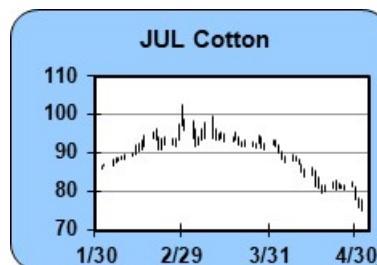
COFFEE (JUL) 05/03/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 2nd swing support number puts the market on the defensive. The next downside target is 196.08. The next area of resistance is around 212.25 and 220.67, while 1st support hits today at 199.95 and below there at 196.08.

DAILY COTTON COMMENTARY

5/3/2024

Exports disappoint but market is technically oversold.

July cotton fell through Wednesday's low and traded to its lowest level since November 2022 yesterday and it was slightly lower again overnight. Yesterday's weekly export sales report was a disappointment after the relatively strong sales of the previous weeks. The report showed US cotton sales for the week ending April 25 at 97,408 bales for the 2023/24 (current) marketing year and 34,407 for 2024/25 for a total of 131,815. This was down from 242,812 the previous week and was the lowest since March 28. Sales have reached 99% of the USDA forecast for the marketing year versus a five-year average of 104% for this point in the season. Shipments totaled 179,980 bales for the week, the lowest since January 18. The three largest buyers this week were Vietnam at 38,796 bales, Pakistan at 22,818, and China at 17,158. The weekly drought monitor showed approximately 8% of US cotton production was within an area experiencing drought as of



April 30, down from 9% the previous week, 38% a year ago, and 56% two years ago. Soil conditions certainly suggest this year's crop could get off to a strong start. Crop planting progress was near average levels as of Sunday, but rain expected across Texas, the Delta and the southeastern US over the next five days could slow plantings. ICE exchange certified stocks totaled 186,121 bales as of May 1, up 3,007 from the previous day and the highest since July 2017.

TODAY'S MARKET IDEAS:

The main trend in cotton is down, and the market apparently sees little need for a weather premium. Funds may be starting to build a net short position. The market is technically oversold and could be open for a corrective bounce. Near term support for July cotton comes in at 74.82, with additional support a 72.18. Trendline resistance comes in at 80.52.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 05/03/2024: 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. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 73.28. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 77.06 and 79.03, while 1st support hits today at 74.18 and below there at 73.28.

COTTON (DEC) 05/03/2024: 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 close below the 1st swing support could weigh on the market. The next downside target is 72.44. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 75.29 and 76.87, while 1st support hits today at 73.07 and below there at 72.44.

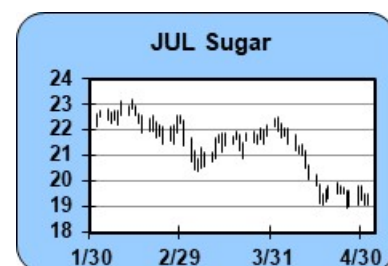
DAILY SUGAR COMMENTARY

5/3/2024

Indian output better than feared.

July sugar remains inside its April/May consolidation. The market has managed to hold support at the one year low from mid-April despite some bearish first-half April production numbers out of Brazil. At the April 25 low, prices were down 26% from their high last November, and traders viewed the market's reluctance to push lower on bearish news as an indicator that prices had fallen too far, too fast. Unlike the coffee market, funds have been mostly flat since early this year, so there is little or no long liquidation pressure. However, if the production outlook improves for Brazil, Thailand, or India, it could encourage active selling.

One caveat is the dry conditions in Brazil earlier this year, which could slow the cane harvest as the season progresses. India's NFCSF trade organization said that their nation's 2023/24 sugar production through the end of April was 31.59 million tonnes, well above their early season forecast of 29 million but still 1.8% below 2022/23, as increased output from the state of Maharashtra was offset by lower production in Uttar Pradesh and Karnataka. This suggests India will stay out of the global export market through the end of the season in September. The government has been reluctant to allow exports because it wants to support India's ethanol industry and ensure adequate sugar supply for domestic consumption.



TODAY'S MARKET IDEAS:

The longer the sideways pattern extends, the bigger the potential breakout. Consolidation often indicates continuation, which suggests the eventual breakout will be to the downside, perhaps from some more bearish production news. The end of El Nino this summer could help Thailand's crop. Look for support in July sugar at 18.95, with resistance at 19.92.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 05/03/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The close below the 9-day moving average is a negative short-term indicator for trend. The market tilt is slightly negative with the close under the pivot. The near-term upside target is at 19.66. The next area of resistance is around 19.44 and 19.66, while 1st support hits today at 19.06 and below there at 18.89.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 05/03/2024: A bullish signal was given with an upside crossover of the daily stochastics. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 379.30. The next area of resistance is around 376.45 and 379.30, while 1st support hits today at 369.35 and below there at 365.05.

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	19.25	36.43	36.07	17.14	18.38	19.42	19.44	19.75	20.83	21.20
CTAN24	75.62	16.73	21.86	10.39	7.28	78.02	79.91	81.95	88.50	89.73
CTAZ24	74.18	18.75	21.87	6.79	4.49	76.11	77.07	78.36	81.53	82.08
CCAN24	7563	28.16	35.82	38.42	21.03	8515.25	9776.00	10041.94	8619.78	7864.78
OJAN24	372.90	57.75	55.80	58.46	61.62	368.60	368.22	366.76	362.20	361.43
KCAN24	206.10	34.52	43.03	38.71	21.93	216.56	221.53	223.03	202.09	197.65
MAK24	18.32	66.88	64.47	91.37	94.00	18.28	18.18	17.55	16.88	17.11

Calculations based on previous session. Data collected 05/02/2024

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	18.88	19.05	19.27	19.44	19.66
CTAN24	Cotton	73.27	74.18	76.15	77.06	79.03

CTAZ24	Cotton	72.43	73.07	74.65	75.29	76.87
CCAN24	Cocoa	6666	7065	7662	8061	8658
OJAN24	Orange Juice	365.00	369.30	372.15	376.45	379.30
KCAN24	Coffee	196.07	199.95	208.37	212.25	220.67
MAK24	Milk	18.07	18.20	18.30	18.43	18.53

**Calculations based on previous session. Data collected 05/02/2024
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