



DAILY COCOA COMMENTARY
5/6/2024

Ivory Coast arrivals down 29% from last year.

At Friday's low July cocoa had given back 50% of the rally from the contract low in September 2022 to last month's contract high, and this could provide support considering the supply/demand picture is still tight. Also, the nearby contract fell to the 0.382 retracement of the rally from June 2017 low of 1769. Ivory Coast cocoa arrivals reached 25,000 tonnes for the week ending May 5, down from 38,000 from the same week last year. Cumulative arrivals since the marketing year began on October 1 have reached 1.379 million tonnes, down 29.1% from the same period last year. The market found support on Friday after Hershey reported better than expected earnings and revenues for the first quarter. They also reported larger North American volume, which indicates that demand has been resilient. West African growing areas have rainfall in the forecast for most days through early next week, which should benefit their late mid-crop production and next season's early main crop output. Friday's Commitments of Traders report showed managed money traders were net sellers of 219 contracts of cocoa for the week ending April 30, reducing their net long to 13,725 contracts. This is the lowest it has been since early 2023, and open interest is at a 13-year low.



TODAY'S MARKET IDEAS:

After posting a new low for the move, July coffee reversed and closed higher on the day, which is a bullish indicator. The market has also fallen to major long-term retracement support, which could stem the selling tide. Look for resistance at 8401 and 8798, with support at 6990 and 6490.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/23/2024 - 4/30/2024						
Softs	Non-Commercial		Commercial	Non-Reportable		
	Net Position	Weekly Net Change		Net Position	Weekly Net Change	
Cocoa	15,910	-4,338	-20,717	+5,142	4,806	-804

COCOA TECHNICAL OUTLOOK:

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COCOA (JUL) 05/06/2024: The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up is a positive indicator that could support higher prices. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is 6647. The next

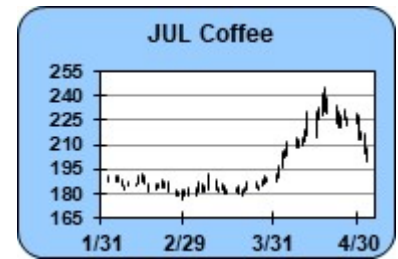
area of resistance is around 8759 and 9102, while 1st support hits today at 7531 and below there at 6647.

DAILY COFFEE COMMENTARY

5/6/2024

Vietnam rains improve crop outlook.

July coffee found support at the 50-day moving average on Friday following a 45.35-cent, 18% decline from the contract highs. Traders are attributing the steep selloff to fund liquidation but also improved weather conditions in Vietnam after recent rainfall in the Central Highlands have boosted confidence in coffee yields. There is also harvest pressure from Brazil. Friday's Commitments of Traders reports showed managed money traders were net buyers of 157 contracts of coffee for the week ending April 30, increasing their net long to 68,340. This was down slightly from the record 71,811 two weeks prior, but the market has fallen another 16.60 since that data was collected. This still suggests there is still more fuel for long liquidation. ICE exchange arabica stocks increased by 7,142 bags on Friday to reach a new 11-month high. The International Coffee Organization reported that world coffee exports rose to 12.99 million bags in March versus 12.02 million a year earlier. Arabica exports rose 9.7% from a year earlier, and robusta exports were up 6.7%. Exports from October through March were up 10.4% from the same period a year ago to 69.16 million bags. Vietnam's January-April coffee exports totaled 756,000 tonnes, up 5.4% from a year ago, and revenue totaled \$2.6 billion up 58%.



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TODAY'S MARKET IDEAS:

A key bull/bear line for June coffee could be the 50-day moving average around 200.30. A close below there would leave next downside targets at 196.00 and 193.05. Look for resistance at 207.70 and 212.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/23/2024 - 4/30/2024						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Coffee	71,528	-2,331	-75,082	+2,033	3,553	+296

COFFEE TECHNICAL OUTLOOK:

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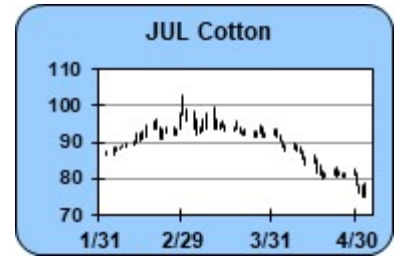
COFFEE (JUL) 05/06/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 194.10. The next area of resistance is around 204.95 and 210.90, while 1st support hits today at 196.55 and below there at 194.10.

DAILY COTTON COMMENTARY

5/6/2024

Reversal higher from oversold level.

An outside reversal higher in July cotton on Friday could provide the market with some support for a change. July fell to its lowest level since November 2022 on Friday, down 27% from the contract high from February. The market seems to have been drained of any sort of weather premium, which may be a bit risky at the start of the growing season. We may also see some choppy action ahead of Friday's monthly USDA supply/demand report, which will have the first official US and world numbers for the 2024/25 marketing year. The March USDA prospective plantings put US cotton plantings this year at 10.67 million acres, up from 10.23 million last year but down from 13.75 million two years ago. This would still be the second lowest since 2016/17. Last week's US Drought Monitor showed 8% of US cotton production was in an area experiencing drought versus 38% a year ago and 56% two years ago, which suggests the US crop could get off to a strong start. Friday's Commitments of Traders showed managed money traders went net sellers of 11,435 contracts of cotton for the week ending April 30, which took them from a net long position to a net short of 1,934. This was down from a net long of 96,000 in March. A report out of India overnight said business volume was extremely low, that there is a slump in demand and that many mills are attempting to sell pre-purchased cotton.



TODAY'S MARKET IDEAS:

The outside reversal from an oversold condition could inspire a short covering rally in cotton. Initial resistance for July cotton comes in at 82.35, with support at 74.83.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/23/2024 - 4/30/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Softs						
Cotton	18,435	-10,690	-18,081	+13,099	-353	-2,409

COTTON TECHNICAL OUTLOOK:

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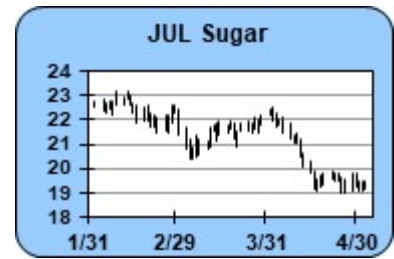
COTTON (JUL) 05/06/2024: The daily stochastics have crossed over up which is a bullish indication. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up on the daily chart is somewhat positive. Market positioning is positive with the close over the 1st swing resistance. The next upside objective is 81.10. The next area of resistance is around 79.90 and 81.10, while 1st support hits today at 76.22 and below there at 73.73.

COTTON (DEC) 05/06/2024: The crossover up in the daily stochastics is a bullish signal. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. 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 upside target is 78.07. The next area of resistance is around 77.19 and 78.07, while 1st support hits today at 74.75 and below there at 73.18.

DAILY SUGAR COMMENTARY
5/6/2024

EU, Ukraine plantings increase; Brazil harvest weather good.

July sugar has held in a relatively narrow zone for the past three weeks and could be building a base for a corrective rally. The Brazilian real saw a sharp rally on Friday to a three-week high, which provides some support to sugar on ideas it will ease pressure on Brazilian mills to market their product aggressively. Ukraine's national sugar union Ukrtsukor said Ukraine could increase its white sugar production by nearly 3% to 1.85 million tonnes in 2024, and the exportable surplus could total 950,000 tonnes for the 2024/25 season.



The European Commission on Friday forecast 2024/25 EU sugar beet planted area at 1.495 million hectares, up 2.3% from last season. They also expect beet yields to hold steady with last year, which would lead to a 7% increase in sugar production 15.6 million tonnes. Russia has imposed a ban on sugar exports effective today and lasting through August 31. The ban is aimed at maintaining the stability of the domestic market, and it was approved on April 5. Brazil's Center-South cane growing regions have mostly dry conditions in the forecast through early next week, which should minimize any delays to harvesting and crushing and keep production running at high levels. However, dry conditions earlier this year could take a toll on yield as the season progresses. Friday's Commitments of Traders report showed managed money traders were net sellers of 11,626 contracts of sugar for the week ending April 30, reducing their net long to just 38 contracts, which means long liquidation pressure is mostly absent.

TODAY'S MARKET IDEAS:

July sugar has been consolidating in a 0.95-cent range for three weeks, which suggests breakout targets of 20.87 on the upside and 18.02 on the downside.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/23/2024 - 4/30/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Softs						
Sugar	14,571	-6,384	-3,848	+10,682	-10,723	-4,298

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 05/06/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market's short-term trend is negative as the close remains below the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 19.65. The next area of resistance is around 19.45 and 19.65, while 1st support hits today at 19.11 and below there at 18.98.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 05/06/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 377.25. The next area of resistance is around 373.50 and 377.25, while 1st support hits today at 366.55 and below there at

363.30.

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	19.28	37.37	36.64	18.49	21.18	19.29	19.40	19.65	20.78	21.14
CTAN24	78.06	34.46	33.17	11.88	14.86	77.16	79.43	81.41	88.06	89.54
CTAZ24	75.97	36.80	34.85	8.84	12.95	75.54	76.79	78.06	81.36	81.96
CCAN24	8145	36.28	41.25	33.06	22.34	8318.75	9451.67	9961.44	8673.44	7914.42
OJAN24	370.00	53.81	53.51	59.46	61.47	369.11	368.25	367.12	362.56	361.44
KCAN24	200.75	30.41	39.40	30.56	14.26	209.88	218.54	222.42	202.49	197.88
MAK24	18.41	68.47	65.51	91.96	93.14	18.37	18.18	17.65	16.90	17.12

Calculations based on previous session. Data collected 05/03/2024

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	18.97	19.11	19.31	19.45	19.65
CTAN24	Cotton	73.72	76.21	77.41	79.90	81.10
CTAZ24	Cotton	73.17	74.74	75.62	77.19	78.07
CCAN24	Cocoa	6646	7531	7874	8759	9102
OJAN24	Orange Juice	363.25	366.50	370.25	373.50	377.25
KCAN24	Coffee	194.10	196.55	202.50	204.95	210.90
MAK24	Milk	18.15	18.27	18.42	18.54	18.69

Calculations based on previous session. Data collected 05/03/2024

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