

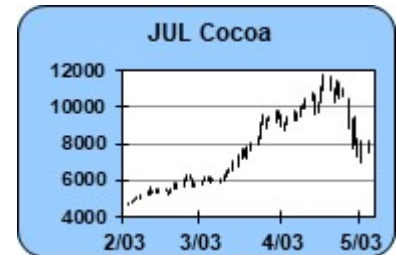


DAILY SOFTS COMMENTARY Tuesday May 07, 2024

DAILY COCOA COMMENTARY 5/7/2024

Rains improve outlook but damage has been done.

Recent rainfall in West Africa has eased the worst fears about the mid-crop, but growers are still concerned about the damage done by the excessive heat earlier this year. The latest weekly reading for Ivory Coast port arrivals came in below the same period for last year and kept their full season total far behind last season's pace. Hershey and Mondelez have reported positive earnings for the first quarter, but they have expressed concern that high cocoa costs will weaken demand in the second quarter. Ivory Coast cocoa exporters have asked to meet with the West African nation's regulator to discuss financial support to cushion market turmoil.



TODAY'S MARKET IDEAS:

Friday's reversal higher from in July cocoa occurred after the market had retraced nearly 50% of the rally from the contract low to the contract high, which opens the door for a corrective rally to 8798 or 9356.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

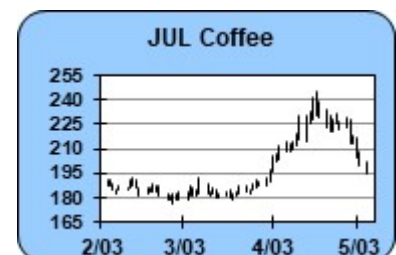
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COCOA (JUL) 05/07/2024: The major trend has turned down with the cross over back below the 60-day moving average. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 7068. The next area of resistance is around 7913 and 8367, while 1st support hits today at 7263 and below there at 7068.

DAILY COFFEE COMMENTARY 5/7/2024

July coffee has fallen back to a key support area.

At the overnight low, July coffee was down 53.25 cents (22%) from its April 18 contract high, and it had fallen to the top of an extended consolidation pattern that could be a key support area. London coffee gapped lower overnight after being closed for the May Day holiday yesterday, and it traded to its lowest level since March 22, down 25% from the April 25 high. Concerns over hot and dry conditions in Vietnam supply had underpinned coffee prices until recent rainfall



and strong competition from Brazil sent local prices lower. Friday's Commitments of Traders reports showed the fund net long was still close to record levels as of April 30, but prices have fallen another 25 cents since the data was collected, which suggests they have liquidated at least a portion of their position. ICE exchange arabica stocks fell 2,220 bags yesterday after reaching their highest level in 11 months at 689,178 bags on Friday, but the number of bags pending approval jumped to 117,977 bags from 85,853 on Friday. The buildup reflects ample near-term supply and lukewarm demand. Central American exports last month came in higher than last year's levels, which reflects improved production. Mexico's Union of Independent Coffee Producers warned Monday that 80%-90% of crops on the southern border of Mexico were at risk because of the drought that has lasted since January. Mexico is the world's eighth-largest exporter of coffee beans.

TODAY'S MARKET IDEAS:

July NY coffee found support near the 100-day moving average at 193.20 overnight, which also happens to be near the top end of a three-month consolidation pattern between 192.50 and 173.10. That area could provide dense support. Look for resistance at 200.60.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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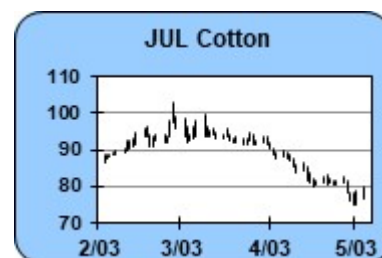
COFFEE (JUL) 05/07/2024: The major trend has turned down with the cross over back below the 60-day moving average. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 189.67. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 198.67 and 203.56, while 1st support hits today at 191.73 and below there at 189.67.

DAILY COTTON COMMENTARY

5/7/2024

Crop planting active, but heavy rains this week could delay.

Friday's reversal higher from new low for the move was supportive, but we could see some back and forth ahead of the USDA supply demand report on Friday. July cotton closed lower yesterday after rallying to its highest level since April 30, but it held Friday's low. The weekly Crop Progress report showed planting is proceeding swiftly, with 24% of the US cotton crop planted as of May 5, up from 15% the previous week and ahead of 20% a year ago and the 10-year average, which was also 20%. Texas was 24% planted versus 19% on average, Georgia 21% versus 16% on average, Arkansas 30% versus 24% on average, and Mississippi 32% versus 21% on average. Heavy rainfall in the Coastal Bend of Texas, the Delta, and the southeast US this week could slow plantings.



TODAY'S MARKET IDEAS:

The market is technically oversold and could be ready for a bounce, as it has little or no weather premium. So far there has been nothing but bearish news on the production front, but keep an eye on heavy rains in some key growing areas this week. Key support for July cotton comes in at 74.93, with resistance at 80.00 and 82.96.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 05/07/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal down puts the market on the defensive. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 80.94. The next area of resistance is around 78.72 and 80.94, while 1st support hits today at 75.40 and below there at 74.29.

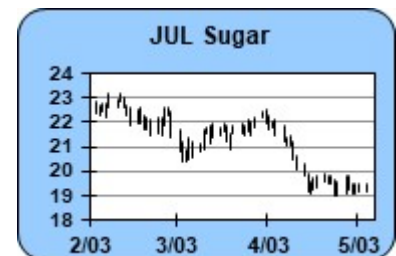
COTTON (DEC) 05/07/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down. The market's close below the pivot swing number is a mildly negative setup. The next upside objective is 78.15. The next area of resistance is around 76.52 and 78.15, while 1st support hits today at 74.10 and below there at 73.32.

DAILY SUGAR COMMENTARY

5/7/2024

Indian millers asking to increase export quota.

July sugar has been holding inside a tight, 0.95-cent range for three weeks, and it could be building a base for a rally or biding time for a new leg down. Brazil's 2024/25 production seems to be getting off to a strong start, but there are concerns that hot and dry weather earlier this year will lower cane yields as the season progresses. The India Sugar and Bio-energy Manufacturers Association said Indian sugar millers are seeking government permission to export 2 million tonnes of sugar this year. The group had earlier asked permission to export 1 million tonnes. India's October-April sugar production totaled 31.4 million tonnes versus 31.9 million a year ago. The government has been reluctant to allow sugar exports, as it seeks to keep domestic prices low, especially ahead of the national election. It has also stated that it would continue to support the ethanol industry. The chances for the export ban to be relaxed could increase after the election is completed in June. After a sharp break in early April, the Brazilian real has increased almost 3%, which eases pressure on mills to aggressively to sell for export.



TODAY'S MARKET IDEAS:

A break below 18.97 in July sugar would leave a downside target of 18.02, while a move above 19.92 would leave an upside target of 20.87.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 05/07/2024: 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 positive on the close above the 9-day moving average. The upside closing price reversal on the daily chart is somewhat bullish. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 19.77. Short-term indicators suggest buying pullbacks today. The next area of resistance is around 19.66 and 19.77, while 1st support hits today at 19.30 and below there at 19.04.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 05/07/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 361.70. The next area of resistance is around 369.85 and 374.05, while 1st support hits today at 363.70 and below there at 361.70.

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	19.48	43.61	40.52	21.85	28.57	19.31	19.38	19.56	20.74	21.09
CTAN24	77.06	31.38	31.18	13.79	17.61	76.81	78.91	80.85	87.69	89.32
CTAZ24	75.31	33.69	32.70	11.30	16.22	75.16	76.48	77.72	81.19	81.83
CCAN24	7588	32.35	37.94	28.30	18.78	7895.00	9134.33	9834.61	8709.11	7950.98
OJAN24	366.75	49.54	50.97	58.38	56.21	369.91	368.87	366.88	362.83	361.57
KCAN24	195.20	26.71	36.00	23.45	9.23	204.51	215.58	221.45	202.80	198.05
MAK24	18.43	68.84	65.74	92.25	92.83	18.38	18.22	17.75	16.93	17.13

Calculations based on previous session. Data collected 05/06/2024

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	19.03	19.29	19.40	19.66	19.77
CTAN24	Cotton	74.28	75.39	77.61	78.72	80.94
CTAZ24	Cotton	73.31	74.09	75.73	76.52	78.15
CCAN24	Cocoa	7067	7263	7717	7913	8367
OJAN24	Orange Juice	361.65	363.65	367.85	369.85	374.05
KCAN24	Coffee	189.66	191.72	196.61	198.67	203.56
MAK24	Milk	18.30	18.36	18.43	18.49	18.56

Calculations based on previous session. Data collected 05/06/2024

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