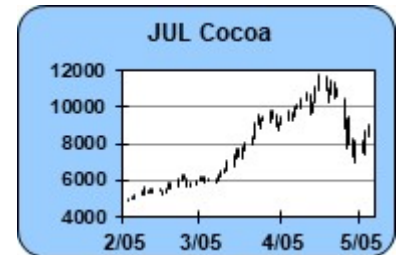




DAILY COCOA COMMENTARY
5/9/2024

West Africa expects daily rainfall through next week.

July cocoa is approaching a 50% retracement of the steep selloff from all-time highs in April. Recent rains have eased the worst fears for the west African mid-crop, but dry conditions persist. There have been reports of early-harvested beans being smaller than normal. For the late-harvest beans to have a consistently normal size, the region will need to see decent, regular rainfall over the next few weeks. They are expected to see daily rainfall through late next week. West Africa is at the start of the rainy season, which runs from April to mid-November. Global supplies are expected to remain tight through the 2023/24 marketing year, but demand worries are cropping up, despite better-than-expected grind numbers for the first quarter. The switch from El Niño to La Niña later this summer could improve the production outlook for 2024/25.



TODAY'S MARKET IDEAS:

The rainy season could provide some occasional good news for the crop, but 2023/24 is still expected to see a third straight global production deficit, which could keep the market on edge. Look for support in July cocoa at 8034, with resistance at 9356.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

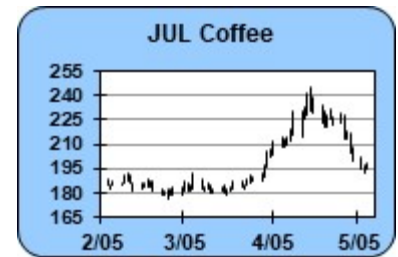
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COCOA (JUL) 05/09/2024: The daily stochastics gave a bullish indicator with a crossover up. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market's short-term trend is positive on the close above the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 9339. The next area of resistance is around 8956 and 9339, while 1st support hits today at 8312 and below there at 8051.

DAILY COFFEE COMMENTARY
5/9/2024

Vietnam rainfall still coming up short.

July coffee traded up to the 50-day moving average overnight, and that level could be a key resistance area today. Fund long liquidation appears to have eased. Dry conditions in Vietnam persist, despite recent rains, and this could inspire a recovery in robusta prices (and arabica as well). Rain in Dak Lak, Vietnam, which represents one-third of the nation's harvest, typically averages around 200 millimeters in May. So far this month they have only received about 20-30 millimeters. Brazilian arabica growing regions continue to see drier than normal conditions, which could negatively impact their harvest later this season. Colombia's April coffee production came in at 742,000 bags, which was 31% above year-ago. Their 12-month total from May 2023 to April 2024 was 11.617 million bags. This was their highest 12-month total since September 2022 and was up from 10.881 million at this point last year. ICE exchange arabica stocks fell 13,750 bags yesterday after reaching a one-year high on Tuesday. There are more than 119,000 bags pending review. The stock build suggests supplies are ample.



TODAY'S MARKET IDEAS:

July coffee needs a close over 201.30 to embark on a corrective rally. Retracement objectives include 212.50 and 218.75. Look for support at 192.15 and 178.30.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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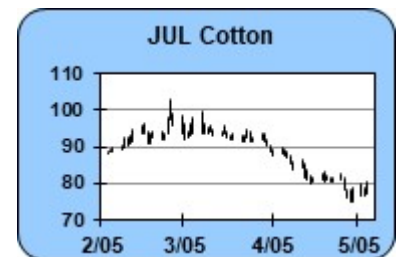
COFFEE (JUL) 05/09/2024: Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 193.02. The next area of resistance is around 199.52 and 200.91, while 1st support hits today at 195.58 and below there at 193.02.

DAILY COTTON COMMENTARY

5/9/2024

Trade expects a moderate increase in US production.

The steep selloff in cotton since it put in a contract high in February has left the market with little or no weather premium right ahead of the growing season. The US crop is starting off with strong expectations, with the planting pace ahead of last year and the 10-year average and US soil moisture conditions much better than the past two years. For Friday's USDA supply demand report, a Bloomberg survey shows an average trade expectation for US 2024/25 cotton production at 15.73 million bales, with a range of 13.50-17.50 million. This would be up from 12.10 million in 2023/24 and would be in the middle of a 10-year range of 12.1-19.9 million. Exports are expected to come in around 13.14 million bales (range 12.10-14.00) versus 12.30 million in 2023/24. Ending stocks are expected at 3.49 million (range 2.70-4.25) versus 2.50 million in 2023/24 and 4.25 million in 2022/23. World production is expected to be around 116.74 million bales and consumption at 115.86 million. Ending stocks are expected to come in at 83.49 million, which would be up from 83.08 in 2023/24 and the highest since 2019/20. Traders could react negatively to today's weekly export sales report if shipments do not show an improvement over last week. Last week's report showed shipments of 179,980 bales as of April 27, which was the lowest since January.



TODAY'S MARKET IDEAS:

The lack of a weather premium may spark a corrective bounce once we get past the USDA supply/demand report tomorrow. Look for resistance in July cotton 80.95 and 82.96, with support at 76.75. First retracement resistance is up at 85.53. Key support is the May 3 low at 74.93.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 05/09/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is positive on the close above the 9-day moving average. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside target is at 82.44. The next area of resistance is around 81.57 and 82.44, while 1st support hits today at 78.55 and below there at 76.40.

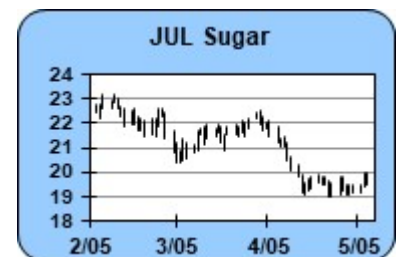
COTTON (DEC) 05/09/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The intermediate trend could be turning up with the close back above the 18-day moving average. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside objective is at 79.46. The next area of resistance is around 78.81 and 79.46, while 1st support hits today at 76.59 and below there at 75.02.

DAILY SUGAR COMMENTARY

5/9/2024

Thai output expected to improve but Brazil uncertain.

July sugar broke out of a three-week consolidation this week but backed off yesterday after Brazilian consultancy Datagro forecast a 2024/25 global production surplus of 1.62 million tonnes. They attributed this in part to a 20% increase in Thailand's production. The shift from El Nino to La Nina this summer could lead to increased rainfall that would help improve Thailand's cane crop. Datagro estimated Brazilian 2024/25 Center-South production at 41.6 million tonnes, which was close to forecasts from Alvean and others, but it would be down from 42.425 million in 2023/24. Datagro increased its forecast from 40.45 million in March. Brazil's new crop harvest has gotten off to a strong start, but dry weather earlier this year could result in lower yields as the season moves forward. An official from India said that their government is not ready to decide whether to resume sugar exports this season and that it may take several more months to do so. The official added that the government is unlikely to allow further exports until it has guarantees that there will be enough to satisfy local demand plus 2 1/2 months' worth of supplies. The government has stated that it sees ethanol production as a priority over exporting sugar.



TODAY'S MARKET IDEAS:

The breakout of a three-week trading range in July sugar leaves an upside target of 20.87. Buying support comes in around 19.15.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 05/09/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's short-term trend is positive on the close above the 9-day moving average. The close below the 1st swing support could weigh on the market. The next upside target is 20.10. The next area of resistance is around 19.81 and 20.10, while 1st support hits today at 19.38 and below there at 19.23.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 05/09/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 378.10. The next area of resistance is around 375.75 and 378.10, while 1st support hits today at 370.30 and below there at 367.15.

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	19.60	47.14	43.78	36.97	50.76	19.58	19.45	19.50	20.71	20.98
CTAN24	80.06	48.56	42.97	22.47	34.52	78.17	78.41	80.17	87.05	88.88
CTAZ24	77.70	51.91	46.44	22.47	37.94	76.18	76.27	77.31	80.90	81.62
CCAN24	8634	44.99	46.61	27.27	27.91	8244.25	8625.78	9661.17	8821.96	8058.05
OJAN24	373.00	57.03	55.39	61.28	65.41	370.49	369.96	367.71	363.38	362.62
KCAN24	197.55	30.91	38.49	15.67	9.80	197.54	208.93	219.03	203.43	198.29
MAM24	20.18	82.54	76.26	93.48	96.50	19.58	18.96	18.43	17.58	17.70

Calculations based on previous session. Data collected 05/08/2024

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	19.22	19.38	19.66	19.81	20.10
CTAN24	Cotton	76.39	78.55	79.42	81.57	82.44
CTAZ24	Cotton	75.02	76.59	77.24	78.81	79.46
CCAN24	Cocoa	8051	8312	8695	8956	9339
OJAN24	Orange Juice	367.10	370.25	372.60	375.75	378.10
KCAN24	Coffee	193.01	195.57	196.96	199.52	200.91
MAM24	Milk	19.32	19.83	20.00	20.51	20.69

Calculations based on previous session. Data collected 05/08/2024

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