

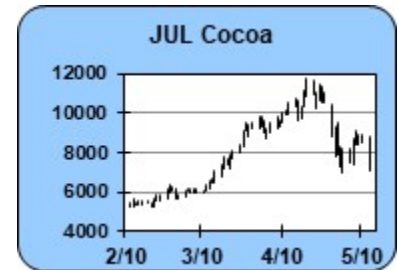


## DAILY SOFTS COMMENTARY Tuesday May 14, 2024

### DAILY COCOA COMMENTARY 5/14/2024

#### West Africa outlook improves but rain still needed.

July cocoa recovered slightly overnight after finishing yesterday with its biggest single-day loss since 1960. A shift towards wetter weather over West African growing areas has become a significant source of pressure, along with the general idea that the market priced in the tight supply setup with its move to all-time highs. However, West African trees still face stress from the hot and dry conditions earlier this year, and global supplies are still tight. Rabobank said over the weekend that it expects a fourth straight global supply deficit in 2024/25, but that it would be smaller than the one for 2023/24. Farmers across most of Ivory Coast's main growing region said that so far there has not been enough rainfall to ensure good production during the last stage of the mid-crop. The only exception was Abengourou, where rains were well above average last week and have been throughout the month of May. Maxar Technologies senior meteorologist Donald Keeney said on Monday that rains should improve conditions quite a bit in Ghana and northern Indonesia. He stated that Ivory Coast should benefit from wet weather but still needs more rain to completely end the dryness stressing the crops.



#### TODAY'S MARKET IDEAS:

Key support for July cocoa could be the May 3 low of 6990, as a move below there would suggest a resumption of the selloff. Additional support can be found at the 100-day moving average at 6738. Look for resistance at 8381.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### COCOA TECHNICAL OUTLOOK:

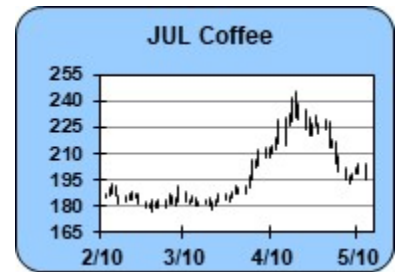
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COCOA (JUL) 05/14/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is 5741. The next area of resistance is around 8069 and 9354, while 1st support hits today at 6263 and below there at 5741.

### DAILY COFFEE COMMENTARY 5/14/2024

## Brazil coffee exports up 61% from year ago in April.

The coffee market received more bearish news yesterday with the Brazilian trade group Cecafe reporting that Brazil exported 3.9 million bags of green coffee during April, up 61% from the same period last year. January-April shipments totaled 16.2 million bags, up 42% from last year. Arabica shipments totaled 3.22 million, up 40%, and conilon (robusta) shipments totaled 677,000, five times what they were a year ago. ICE exchange coffee stocks rose by 9,852 bags on Monday and were up 61,000 bags for the month so far. Crop weather in Vietnam has turned favorable recently after hot and dry conditions earlier this year.



### TODAY'S MARKET IDEAS:

Vietnam is forecast to have increased rainfall during the second half of May, which improves the outlook for their upcoming crop. Key support in July coffee comes in at last week's low at 192.15. A break below there would leave the next downside target at 184.35.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### COFFEE TECHNICAL OUTLOOK:

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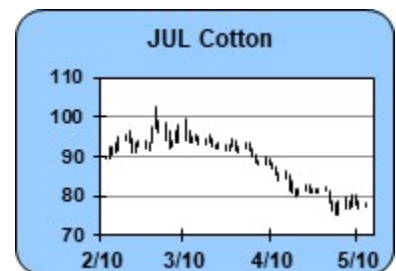
COFFEE (JUL) 05/14/2024: The major trend has turned down with the cross over back below the 60-day moving average. The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The outside day down and close below the previous day's low is a negative signal. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 188.55. The next area of resistance is around 200.75 and 207.35, while 1st support hits today at 191.35 and below there at 188.55.

### DAILY COTTON COMMENTARY

5/14/2024

#### Planting progress ahead of a year ago.

Soil moisture conditions in Texas are much better than they were a year ago, which puts the crop in a good position at the start of the season. At the low earlier this month, prices had fallen 27% from the February high, which may leave the market vulnerable to short covering if there is a weather scare. The weekly Crop Progress report showed 33% of the US cotton crop was planted as of Sunday, up from 24% the previous week and slightly ahead of a year ago and the 10-year average, both of which are 31%. The top producing state of Texas was 28% (+4% from last week), Georgia 35% (+14%), Arkansas 46% (+16%), Mississippi 54% (+22%), and North Carolina 34% (+17%). Heavy rain is forecast for Mississippi, Alabama, and Georgia over the next week, which could slow planting progress. A stronger than expected Chinese CPI number on Monday may have been encouraging for the bulls, as it seemed to suggest that the government's stimulus measures are boosting Chinese consumer confidence, which could support stronger demand. China's agriculture ministry forecast their 2024/25 cotton output at 5.58 million tonnes, down from 5.62 million in 2023/24. Imports are expected to fall to 2.0 million tonnes from 2.8 million, and domestic consumption is expected to increase to 7.8 million from 7.7 million.



### TODAY'S MARKET IDEAS:

Not much of a weather premium, but growing conditions look extremely favorable for the US crop. Look for support in July cotton at 76.64 and 74.93, with resistance at 79.84.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**COTTON TECHNICAL OUTLOOK:**

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COTTON (JUL) 05/14/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 79.02. The next area of resistance is around 78.29 and 79.02, while 1st support hits today at 76.97 and below there at 76.38.

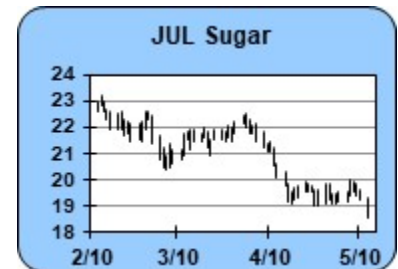
COTTON (DEC) 05/14/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 76.52. The next area of resistance is around 76.09 and 76.52, while 1st support hits today at 75.16 and below there at 74.64.

**DAILY SUGAR COMMENTARY**

5/14/2024

**Trade expecting a bearish for UNICA report this week.**

July sugar broke below its April/May consolidation yesterday, leaving a downside target of 17.94. UNICA is expected to issue a report on Brazil Center South sugar production for the second half of April in the next few days, and traders are looking for a 50% increase from a year ago. Output in the first half of April was up 31% from the same period last year. Dry conditions this year in Brazil have gotten the harvest off to a fast start, but there are concerns that it could lead to lower yield as the season progresses. China's agriculture ministry forecast a 10.6% increase in sugar output in 2024/25, to 11 million tonnes. Louis Dreyfus Co. has asked ICE to intervene in a dispute over delays to sugar deliveries. They have yet to receive some of the sugar sold by Wilmar International Ltd. against the March contract. Louis Dreyfus accused Wilmar of exploiting a loophole in the delivery specs in that ICE does not state a timeframe for vessels to be loaded provided the seller pays demurrage. Dreyfus reportedly bought 1.3 million tonnes when the March expired and Wilmar delivered more than 80% of the total. The slow delivery suggests that sugar supplies could be tighter than thought or there is some problem with the sugar.



**TODAY'S MARKET IDEAS:**

The breakout below the four-week consolidation leaves a downside target of 17.94 for July sugar. The trade may be counting too much on a strong UNICA number, which could leave the market vulnerable to a reversal if the second-half April production comes up short of a 50% increase from last year.

**NEW RECOMMENDATIONS:**

Long an August sugar 20.00/23.00 bull call spread at 0.32 with an objective of 2.50. Risk the entire spread premium on the trade.

## PREVIOUS RECOMMENDATIONS:

None.

## SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 05/14/2024: A bearish signal was triggered on a crossover down in the daily stochastics. 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 2nd swing support number puts the market on the defensive. The next downside objective is 18.04. The next area of resistance is around 19.01 and 19.55, while 1st support hits today at 18.25 and below there at 18.04.

## OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 05/14/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside objective is at 411.05. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 408.75 and 411.05, while 1st support hits today at 399.60 and below there at 392.75.

## 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	18.63	30.11	32.97	39.15	29.77	19.28	19.37	19.43	20.59	20.83
CTAN24	77.63	39.82	37.73	31.96	35.44	78.40	77.59	79.28	85.89	88.08
CTAZ24	75.63	41.71	39.78	32.92	36.05	76.23	75.70	76.70	80.38	81.19
CCAN24	7166	33.00	37.61	28.56	24.60	8346.50	8175.11	9344.94	8968.76	8197.12
OJAN24	404.15	78.96	71.34	77.35	89.06	388.60	378.47	372.24	365.55	364.84
KCAN24	196.05	32.24	38.49	15.06	14.31	199.05	201.21	213.64	204.35	199.04
MAM24	21.26	88.67	82.19	94.38	96.14	20.58	19.76	18.97	17.82	17.83

Calculations based on previous session. Data collected 05/13/2024

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	18.03	18.25	18.79	19.01	19.55
CTAN24	Cotton	76.38	76.97	77.70	78.29	79.02
CTAZ24	Cotton	74.64	75.16	75.58	76.09	76.52
CCAN24	Cocoa	5740	6262	7547	8069	9354
OJAN24	Orange Juice	392.65	399.55	401.85	408.75	411.05
KCAN24	Coffee	188.55	191.35	197.95	200.75	207.35
MAM24	Milk	20.33	20.89	21.07	21.63	21.81

Calculations based on previous session. Data collected 05/13/2024

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