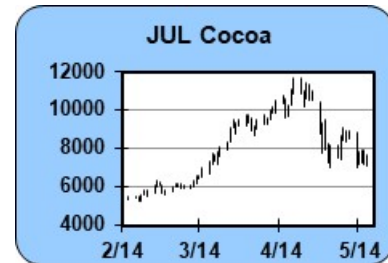




DAILY COCOA COMMENTARY
5/21/2024

Bounce off retracement support?

Above average rains in Ivory Coast's main cocoa regains last week are expected strengthen the development of the April-September mid-crop. West Africa is in its rainy season, which runs from April to mid-November, and up until early this month, most regions were experiencing below-normal rains. Ivory Coast cocoa arrivals totaled 31,000 tonnes for the week ending May 19, down from 41,000 for the same week last year. Total arrivals since the season began on October 1 have reached 1.437 million tonnes, down 29% from last year. Dealers said hoarding of beans by cooperatives may have contributed to the year-on-year decline, possibly cutting this season's arrivals by 60,000 tonnes. Crop prospects are improving, but there is still the threat of a fourth straight global supply deficit in 2024/25.



TODAY'S MARKET IDEAS:

The 50% retracement of the rally from the March 2021 low to the all-time high in April for nearby cocoa comes in at 7080, and that could be a key bull/bear line this week. July cocoa fell below that level yesterday and close back above it, and it did the same overnight. It also bounced off the 100-day moving average at 6900. Look for support at 6900 today followed by 6767, with resistance at 8000 and 8660.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

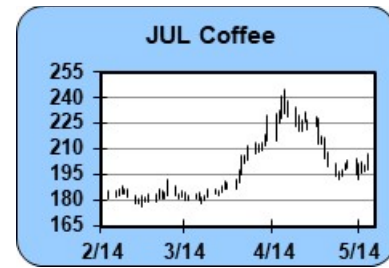
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COCOA (JUL) 05/21/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is 6537. The next area of resistance is around 7519 and 7749, while 1st support hits today at 6913 and below there at 6537.

DAILY COFFEE COMMENTARY
5/21/2024

Minas Gerais, Brazil has had no rain for four weeks.

July NY coffee extended its rally overnight and traded to its highest level since May 2. Dry weather concerns continue in Brazil. Somar Meteorologia reported yesterday that the Minas Gerais region received no rain over the past week, which was the fourth consecutive week of no rainfall. In their annual report on Colombian coffee output, USDA projected that nation's 2024/25 production at 12.4 million bags, up from 12.2 million in 2023/24. The 2023/24 number was revised up from 11.5 million in the previous forecast. They said that pace of the production recovery this year has been hindered by dry conditions brought on by El Nino, which has led to increased rates of borer infestation and affected some crops. The USDA expects a slow start to Indonesia's harvest, but they also forecast the nation's 2024/25 coffee production to come in at 10.9 million bags, which would be a sharp increase from 7.65 million in 2023/24. That was their smallest crop in at least six years. USDA projected Mexico's 2024/25 coffee production at 3.89 million bags, which would be a slight increase over 2023/24. ICE exchange coffee stocks increased 7,005 bags yesterday, bringing them to a new 14-month high.



TODAY'S MARKET IDEAS:

USDA expects only a modest increase in Colombia's production in 2024/25, and traders are getting concerned about the extended dry spell in Brazil. July coffee reached the 0.382 retracement of the selloff from the April high to the May low at 212.50 overnight. Additional retracements objectives include 218.80 and 225.05. Look for support at 214.15.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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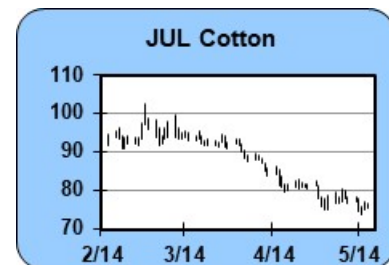
COFFEE (JUL) 05/21/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The intermediate trend could be turning up with the close back above the 18-day moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 210.55. The next area of resistance is around 208.85 and 210.55, while 1st support hits today at 204.55 and below there at 201.95.

DAILY COTTON COMMENTARY

5/21/2024

US planting is close to the average pace.

July cotton was slightly lower overnight but was still above last Wednesday's 19-month lows. The weekly Crop Progress report showed US plantings are continuing along at an average pace. The report showed 44% of the US cotton crop was planted as of Sunday, up from 33% the previous week, 42% a year ago and just below the 10-year average of 45%. Texas was 37% planted, up from 28% the previous week and above 34% a year ago and 36% on average. Georgia was 47% planted versus 51% on average, Arkansas 68% vs 71%, and Mississippi 73% versus 62% on average. There was no indication of a slowdown in the Delta or southeast from the rains last week. Heavy rainfall is expected in the northern Delta this week, but other areas look dry. So far, US planting/growing conditions look decent, especially compared to the



past couple of years. Prices are down 28% from the February high, but traders apparently do not see much of a need to build a weather premium.

TODAY'S MARKET IDEAS:

Technical indicators suggest a loss of downside momentum, which may allow the market to build a base. It probably needs some sort of weather scare to work higher, and nothing like that has appeared. Key support is last week's low at 73.66. Look for resistance around 78.27.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 05/21/2024: The crossover up in the daily stochastics is a bullish signal. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The upside closing price reversal on the daily chart is somewhat bullish. The market tilt is slightly negative with the close under the pivot. The near-term upside target is at 77.61. The next area of resistance is around 76.77 and 77.61, while 1st support hits today at 75.29 and below there at 74.66.

COTTON (DEC) 05/21/2024: A bullish signal was given with an upside crossover of the daily stochastics. 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside objective is 75.94. The next area of resistance is around 75.41 and 75.94, while 1st support hits today at 74.61 and below there at 74.33.

DAILY SUGAR COMMENTARY

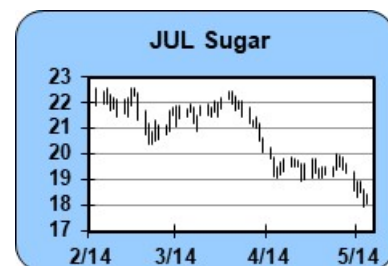
5/21/2024

Low prices attracting buyers.

July sugar was slightly lower overnight following yesterday's outside reversal higher. The nearby contract fell below the 50% retracement of the rally from the 2020 low to last November's high last week, and the move back above that level this week is bullish technical action. There was some supportive supply and demand news as well. A shift towards cooler temperature for Brazil's Center-South cane growing regions is not expected to bring freezing conditions, but it could have a negative impact on cane yields. The Brazilian 2024/25 harvest as gotten off to a strong start, with sugar production in April up 66% from a year ago.

Chinese sugar imports this year are running 23% ahead of last year. Egypt's GASC announced a tender to import at least 50,000 tonnes of raw cane sugar from any origin for arrival from early September to mid-October.

Philippines is allowing for 200,000 tonnes of additional imports for the balance of the year. Friday's COT report showed managed money traders having a modest net short position, which may have fueled some short covering.



TODAY'S MARKET IDEAS:

The outside-day higher was bullish technical action, but July sugar could see heavy resistance around 19.00, the bottom of the April-mid-May consolidation, with additional resistance at 20.00, the top of that same consolidation. Lower prices appear to have attracted commercial buyers. Look for support around 18.00.

NEW RECOMMENDATIONS:

None.

PREVIOUS 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.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 05/21/2024: 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. A positive signal was given by the outside day up. 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 next downside objective is now at 17.81. The next area of resistance is around 19.05 and 19.29, while 1st support hits today at 18.31 and below there at 17.81.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 05/21/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 458.90. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 452.15 and 458.90, while 1st support hits today at 439.75 and below there at 434.05.

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	18.68	41.61	39.89	25.44	24.33	18.45	18.86	19.13	20.24	20.54
CTAN24	76.03	39.18	37.45	27.01	28.75	75.89	76.87	77.69	83.84	86.63
CTAZ24	75.01	42.06	40.11	26.25	26.86	74.87	75.40	75.83	79.39	80.46
CCAN24	7216	36.39	39.53	18.76	16.61	7450.00	7834.22	8350.56	9054.51	8347.18
OJAN24	445.90	86.36	80.41	92.67	94.98	440.35	415.56	392.56	374.43	370.62
KCAN24	206.70	52.57	50.53	23.63	32.54	202.65	200.85	206.59	206.55	200.59
MAM24	21.23	74.44	73.57	88.55	87.10	21.17	20.87	19.81	18.24	18.07

Calculations based on previous session. Data collected 05/20/2024

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	17.81	18.31	18.55	19.05	19.29
CTAN24	Cotton	74.65	75.29	76.13	76.77	77.61
CTAZ24	Cotton	74.32	74.60	75.13	75.41	75.94
CCAN24	Cocoa	6537	6913	7143	7519	7749
OJAN24	Orange Juice	434.00	439.70	446.45	452.15	458.90
KCAN24	Coffee	201.95	204.55	206.25	208.85	210.55
MAM24	Milk	20.37	20.77	21.29	21.69	22.21

**Calculations based on previous session. Data collected 05/20/2024
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