



DAILY SOFTS COMMENTARY

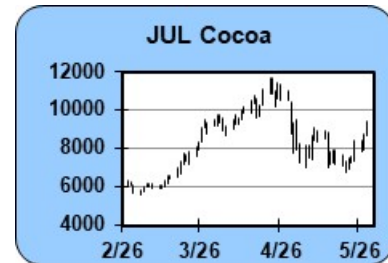
Thursday May 30, 2024

DAILY COCOA COMMENTARY

5/30/2024

ICCO quarterly update coming soon.

July cocoa extended its rally overnight but gave back those gains as the session progressed. The market came up short of testing the 0.618 retracement of the selloff from the April high to the May low, and this may put the bulls back on their heels. The ICCO is due to release its quarterly update on the cocoa supply/demand balance in the next few days, and this could be making traders cautious. A large global deficit is expected for the 2023/24 season. The arrival of the rainy season in west Africa could boost late mid-crop production, but growing areas need consistent rainfall over the next few weeks. Nigeria reported that their April cocoa exports were 111% above last year but were 5.7% below March. The Ghana Cocoa Board (COCOBOD) is set to introduce aggressive measures aimed at addressing the problem of growers leasing their farms for something other than cocoa production, such as illegal gold mining. This follows efforts on COCOBOD's part to help restore farms.



TODAY'S MARKET IDEAS:

Anticipation of the ICCO update could put coffee in a back-and-forth mode. Global supplies are expected to remain tight this year, but the market knows it. Look for support in July cocoa at 8669, with resistance at 9844.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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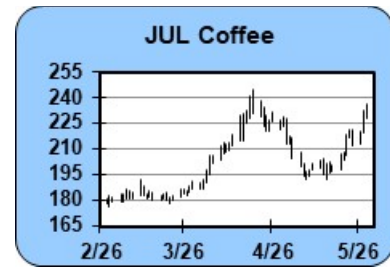
COCOA (JUL) 05/30/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside target is 9962. The next area of resistance is around 9694 and 9962, while 1st support hits today at 8924 and below there at 8422.

DAILY COFFEE COMMENTARY

5/30/2024

Vietnam expects production to be down 20% in 2024.

July NY coffee saw a modest reversal yesterday after failing to approach the April contract highs. July London coffee reached a new contract high yesterday, and this could lend support to NY coffee if London resumes its uptrend today. Vietnam's Agriculture Ministry said that their 2023/24 coffee production will be down 20% from last season due to the earlier than normal dry season this year. The departure of El Nino this spring is expected to bring wetter conditions, but it appears that too much damage has been done to the current crop. The Vietnam Statistics Office said that their January-May coffee exports were down 3.9% from the same period last year. Brazil's Conab is estimating the nation's 2024 coffee growing area at 2.25 million hectares, with 1.9 million in production and another 345,000 in the development stage. Of the area in production, 1.53 million hectares are growing arabica and 384,000 robusta. Conab expects Brazil to produce 58.81 million bags of coffee this season, up 6.8% from 2023. Farmers report harvest is going well, but uneven fruit ripening is a concern. ICE exchange coffee stocks increased by 10,045 bags yesterday and have reached their highest level since the first quarter of 2023. This buildup could eventually weigh on prices.



TODAY'S MARKET IDEAS:

Strength in London coffee could spill over to the NY market. Look for support in July NY coffee at 219.40, with resistance at 236.25 and 245.40.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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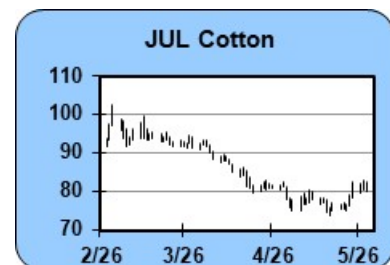
COFFEE (JUL) 05/30/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 239.00. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 233.55 and 239.00, while 1st support hits today at 225.35 and below there at 222.60.

DAILY COTTON COMMENTARY

5/30/2024

Better growing conditions for US crop; plantings uncertain.

July cotton has stalled in its recovery move, as initial US production prospects are strong. The weekly crop progress report on Tuesday showed 60% of the US crop was in good/excellent condition versus a 10-year average of 48% for this time of year. Last week's Drought Monitor showed only 6% of the US crop was in an area experiencing drought versus 36% a year ago and 52% the year before that. The Dollar Index reached its highest level since May 14 overnight, and this makes US cotton less competitive on the global market. There will be some uncertainty about final acreage given the low prices during the planting season. This could keep market action choppy ahead of the USDA acreage report at the end of June. Monsoon rains hit India's southernmost Kerala coast a few days earlier than expected today, and this a beneficial sign for their cotton crop. Last year's monsoon was late and rain amounts were below average. The expected



departure of El Nino and the subsequent arrival of La Nina this summer is expected to bring above average rainfall. The arrival of the monsoon should also bring relief from the heat wave that has seen daily highs reach 122 degrees Fahrenheit. The Punjab region of Pakistan missed the cotton sowing target for 2024/25. There were an estimated 3.4-3.5 million acres sowed, 19% less than the 4.15-million-acre target. The weekly US Export Sales report is delayed until Friday due to the holiday this week.

TODAY'S MARKET IDEAS:

The rally in December cotton off the mid-month lows has established some cushion against bad weather, and the US crop appears to be starting off fine. Final acreage is still a question. Look for support in July cotton at 78.36 with resistance at 83.21 and 85.68.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 05/30/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next upside objective is 83.48. The next area of resistance is around 82.22 and 83.48, while 1st support hits today at 79.98 and below there at 78.99.

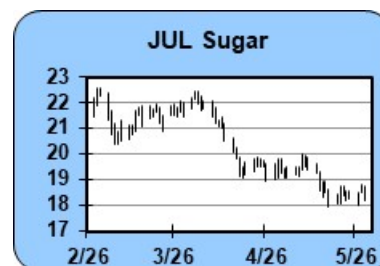
COTTON (DEC) 05/30/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The market setup is somewhat negative with the close under the 1st swing support. The next upside objective is 79.72. The next area of resistance is around 78.82 and 79.72, while 1st support hits today at 77.38 and below there at 76.83.

DAILY SUGAR COMMENTARY

5/30/2024

Early monsoon in India but eyes on upcoming Unica report.

July sugar is lower this morning and is threatening to take out its 14-month low from earlier this month. Monsoon rains hit India's southernmost Kerala coast today, a few days earlier than normal, and this should be beneficial to their cane crop. Rain usually begins around June 1 and spreads around the county by mid-July. This will also bring relief from a heat wave that has seen maximum temperatures of 122 degrees Fahrenheit. India's Meteorological Department is expecting the monsoon rainfall to come in 106% of their long period average. The Brazilian real fell to its lowest level in five weeks yesterday. This increases the incentive for mills to sell sugar. The Unica Brazil Center-South sugar production report for the first half of May is due out any day. An S&P Global survey calls for production to be up 6.3% from last year. Second-half April production was 84% higher than last year. The marketing year officially began on April 1, and it got off to a quick start due to dry weather, but this could haunt production as the season progresses. The CEO of Tereos, Brazil's second-largest sugar producer, said he was reasonably bullish for raw sugar futures due to dry weather in the Center-South region of his country. He was less clear on the European beet crop due to wet weather and the threat of yellows disease.



TODAY'S MARKET IDEAS:

Brazilian production has gotten off to a fast start, and the trade apparently expects the Unica report to show a more modest 6.5% increase over last year for first half of May. A move below 17.95 in July sugar would leave a downside target of 16.94, and a move above 18.96 would leave an upside target of 19.97.

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) 05/30/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market is in a bearish position with the close below the 2nd swing support number. The near-term upside target is at 18.92. The next area of resistance is around 18.60 and 18.92, while 1st support hits today at 18.10 and below there at 17.91.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 05/30/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 464.90. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 485.40 and 497.75, while 1st support hits today at 469.00 and below there at 464.90.

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	18.35	40.62	39.58	23.99	24.78	18.44	18.41	18.83	19.81	20.22
CTAN24	81.10	58.49	53.41	66.91	77.81	81.44	78.85	78.11	82.19	85.06
CTAZ24	78.10	57.96	53.73	66.64	77.64	78.46	76.84	76.22	78.57	79.85
CCAN24	9309	65.74	58.37	50.09	70.56	8623.00	7931.00	8015.17	9083.76	8572.02
OJAN24	477.15	80.00	78.99	94.39	91.94	476.85	462.18	426.43	389.85	381.78
KCAN24	229.45	70.35	64.98	72.96	83.64	223.58	215.91	207.34	211.76	204.63
MAN24	19.91	52.15	55.78	53.92	39.66	19.90	20.15	19.97	18.77	18.54

Calculations based on previous session. Data collected 05/29/2024

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	17.90	18.09	18.41	18.60	18.92
CTAN24	Cotton	78.98	79.97	81.23	82.22	83.48
CTAZ24	Cotton	76.82	77.37	78.27	78.82	79.72
CCAN24	Cocoa	8422	8924	9192	9694	9962

OJAN24	Orange Juice	464.85	468.95	481.30	485.40	497.75
KCAN24	Coffee	222.60	225.35	230.80	233.55	239.00
MAN24	Milk	19.49	19.73	19.84	20.08	20.19

Calculations based on previous session. Data collected 05/29/2024

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