

## Authors

Geordie Wilkes  
Head of Research

WED 05 AUGUST 2020 09:51

# Daily Softs Technical Charts

## NY 2nd Month Sugar Futures



NY sugar futures gained ground yesterday, as appetite for prices below 13.20 and futures closed at 13.35. The RSI and stochastics are rising but the MACD diff is positive and diverging suggesting higher prices. The indicators are rising and to confirm the bullish engulfing candle and reaffirm the challenge of trend support, prices need to take out 13.50 and then 13.80. The three white soldiers are a positive indication for prices and we expect momentum to remain on the upside in the near term. On the downside, apprehension in the market at 13.50 could trigger losses back to 13, in order to confirm the outlook of lower prices, futures need to break trend support and the 40 DMA at 12.40. The market is on the front foot and we expect this to remain the case in the near term.

# Ldn 2nd Month Sugar Futures



Ldn sugar futures edged lower yesterday as selling pressure prompted a test of support at 367.50 and the 50% fib level before closing at 373.50. The stochastics are in positive territory but are starting to top out the MACD diff is positive and starting to converge synonymous with the two hanging man candles. The RSI are falling after testing overbought territory, the two hanging man candles and two inside days suggests a rejection of resistance at 380, forming a double top. To confirm the double top and hanging man candles suggest we could see prices weaken in the near term through the 50% fib level and test the 40 DMA. Buying momentum has faded and resistance at 380 has held firm and we expect the market to weaken in the near term, to indicate lower prices in the longer term, prices need to close below 334.80.

# NY 2nd Month Coffee Futures



NY coffee futures were well bid yesterday as protracted buying pressure prompted a close on the front foot at 123.45. The stochastics are starting to top out but prices action is still firmly on the upside despite the long-legged doji. The MACD diff is positive and the ADX and DMI suggest we could see higher prices towards 125. The full candle and close above 38.2% fib level indicate higher prices towards 128 in the medium term. On the downside, the market rejected the uncertainty of the long-legged doji yesterday as prices buying pressure prevailed. Lack of appetite for prices above 123 could trigger losses back to 115 in the medium term. The market has moved quickly and a reaffirmation of support would benefit the trend in the long run.

# Ldn 2nd Month Coffee Futures



Ldn coffee futures surged higher on Friday as protracted buying pressure prompted a close at 1386. The stochastics are in overbought territory and the MACD diff has converged in positive territory, outlining the selling pressure towards 1320. However, appetite for prices below 1330 has triggered gains back to test resistance at 1400 where the market has failed recently. The downside tail on Monday and yesterday's strong upside candle suggests buying pressure and a breach of 1400 would confirm the outlook of higher prices towards 1450. On the downside, a rejection of 1400 could trigger losses towards 1350 and then 1330. We anticipate apprehension in the market to prompt some consolidation today.

# NY 2nd Month Cocoa Futures



NY cocoa edged lower on the day yesterday as prices consolidated the previous day's gains. The market closed at 2447. The indicators are all in favour of higher prices as the stochastics are overbought and the MACD diff is positive and diverges on the upside. The 200 DMA has held firm in recent months and if this remains the case, we could see futures retreat back through 2400 towards the 10 DMA at 2318 which is closing in fast. The 40 DMA at 2252 is expected to provide robust support if prices reaffirm support at trend support this could trigger another leg higher in the long run. Conversely, buying pressure has been strong in recent weeks and if futures take out the 200 DMA this may prompt a test of 2600 in the medium term, and suggest a change in trend.

# Ldn 2nd Month Cocoa Futures



Ldn cocoa consolidated yesterday as lack of appetite for prices above 2200 triggered a close at 2187. The stochastics are overbought and the ADX and DMI are also positive. The MACD diff is positive and diverging but resistance at 2200 prevent further gains yesterday and failed to confirm the close above the 200 DMA. Lack of appetite for prices above 2200 could trigger losses back through support towards 2100 in the medium term. On the upside, if prices break 2200 in the near term this could trigger gains towards 2300, helping to confirm the ascending triangle. The 10 DMA has crossed above the 40 DMA and this suggests higher prices in the immediate term but this cross can be reactionary rather than proactive.

## Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers ([www.sucdenfinancial.com/en/risk-warning-and-disclaimers](http://www.sucdenfinancial.com/en/risk-warning-and-disclaimers)).