

Authors

Geordie Wilkes
Head of Research

MON 14 SEPTEMBER 2020 10:00

Daily Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures consolidated again on Friday as intraday trading prompted prices to test support at 12.45. The market closed at 12.60. The MACD diff is negative and the stochastics are in oversold territory. The DMI and ADX are rising on the downside suggesting the trend is strengthening. There is a band of support at 12.35 to 12.50, this has held strong in recent weeks but prices need to break below 12.35 in order to indicate lower prices to 12 where the 100 DMA. On the upside, the downside tails suggest a rejection of lower prices. Friday's dragonfly doji suggests we could see prices edge higher today, however, the close below 12.69 has kept the market on the downside. Futures need to close above 12.70 and then 13 in the near term in order to regain upside conviction.

Ldn 2nd Month Sugar Futures



Ldn sugar futures edged lower on Friday, prices tested support at 348.60 before closing back above 350 at 351.50. The stochastics are in oversold territory and the MACD diff is negative but is converging suggesting an improving outlook. The recovery back above 350 on Friday and close above the 38.2% may set the scene for higher prices to 355 before the 40 DMA at 365.39. A break towards 365 and the 50% fib level would help confirm the rejection of the descending triangle. Support below 350 has helped suggest higher prices. On the downside, the recent trend is on the downside and the market needs to close below 38.2%. We could see futures challenge 340 before the previous trend resistance.

NY 2nd Month Coffee Futures



NY coffee futures gained ground on Friday after the market challenged support at 130. The market closed at 132.45, confirming the inside day. The stochastics are overbought but starting to weaken suggesting lower prices back towards 125. The MACD diff is positive but has converged slightly helping weaken in the near term. The recent trend is still on the upside and the inside day suggests higher prices in the near term back towards 134.40 in the immediate term. A break of 134.40 would help to confirm the ascending triangle and may trigger gains towards 140. On the downside, rejection of prices at 134 may trigger a retracement back to 130. The market needs to take out the recent low at 127 before targeting 125. We expect futures to remain on the front foot in the immediate term.

LDN 2nd Month Coffee Futures



Ldn coffee futures gained ground on Friday as intraday trading caused prices to close at 1433. The MACD diff is negative and starting to converge suggesting higher prices in the near term. The stochastics are negative and falling back towards oversold but the %K stochastics are flattening. Recent buying pressure suggests we could see the market push higher towards 1450, however, the upside tails suggest moderate apprehension at 1450. The market has struggled at this level in recent weeks, and this could trigger losses to 1400. The 40 DMA is still closing in fast and we expect this to support the market. On the upside, futures need to close above 1450 and then take out the recent high to confirm the trend on the upside. We anticipate futures to remain on the front foot.

NY 2nd Month Cocoa Futures



NY cocoa futures edged higher on Friday but the market failed into 2570 and closed at 2548. The stochastics are falling and the gap between them suggests a strengthening trend on the downside. The MACD diff is negative and diverging suggesting lower prices in the near term. The rejection of prices around 2600 may set the scene for a retracement back to 2464 at the 200DMA. Prices need to break immediate support at 2523 in order to pave the way for lower prices. On the upside, futures need to break back above 2600 before targeting 2710. We expect prices to retreat in the near term back towards 2465.

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures gained ground on Friday as buying pressure prompted a close back above 2300 at 2315. The stochastics are falling towards oversold and the MACD diff is also negative suggesting lower prices in the near term. The indicators are negative but Friday's activity suggests we could see the market push back to test resistance at 2345 before targeting 2400. On the downside, rejection of prices above 2300 may trigger losses back towards the 100 DMA but the 40 DMA is rising. The indicators are negative but Friday's close may trigger in the near term.

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).