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Daily Softs Technical Charts

NY 2nd Month Sugar Futures



NY futures sold off yesterday as selling pressure prompted a break below the support at 15.00. The market closed at 14.78. The stochastics are falling, yet still remaining in the overbought area. The MACD diff is positive and converging, confirming the appetite for lower prices. Yesterday's full candle and the bearish engulfing pattern formation suggest a strong appetite for lower prices, and we could see futures continue to edge lower in the near term down to 10 DMA at 14.60. Secondary and tertiary supports stand at 14.52 and trend support at 14.47, with the latter holding firm in recent weeks. Conversely, support above 15.30 could set the scene for higher prices to test the 76.4% fib level at 15.34. A break above that level would help to gain upside conviction. We believe that there is an appetite for lower prices in the near term.

10 Day % K Stochastic	76.81	Falling		
10 Day % D Stochastic	81.68	Falling		
14 Day RSI	61.84	Rising		
Support	14.60		14.52	14.47
Resistance	15.29		15.30	15.34
Moving Averages (10,40,100)	14.69		14.18	13.73
Open Interest	1,087,616	(+995)		

Ldn 2nd Month Sugar Futures



Ldn sugar futures weakened yesterday, falling below the 420 level. The market closed at 419.10. The stochastics are falling, and the MACD diff is also negative and converging, pointing to a near-term decline in prices. The ADX and DMI outline the outlook for deteriorating prices, yesterday's bearish engulfing candle suggests lower prices. Prices need to break below support at 420 before targeting 10 DMA at 410.85. This would break the ascending triangle pattern. Conversely, appetite for prices below 420 could trigger gains towards the resistance at 430. A breach of this level would confirm outlook for higher prices, with gains seen towards 435. In the longer run, prices need to break below the lower trend channel. We expect the momentum to remain on the back foot, but the ascending triangle needs to be confirmed.

10 Day % K Stochastic	81.76 Falling		
10 Day % D Stochastic	83.30 Falling		
14 Day RSI	64.21 Rising		
Support	420	413	410
Resistance	430	435	440
Moving Averages (10,40,100)	413.79	401.44	387.71
Open Interest	98,274 (+1,436)		

NY 2nd Month Coffee Futures



NY coffee futures failed into 125 yesterday as prices closed at 122.95. The stochastics are falling, and the MACD diff is negative and diverging. The rejection of higher prices may prompt a break back towards 40 DMA at 121.69, a subsequent breach of this level could trigger losses towards 120. On the upside, a break of 76.4% fib level at 125.80 and 10 DMA at 126.56 may prompt futures to retest 130. A subsequent breach of this level would prompt prices to regain upside momentum. Three black crows pattern formation confirms indicators' outlook for lower prices in the near term.

10 Day % K Stochastic	26.51	Falling	
10 Day % D Stochastic	44.48	Falling	
14 Day RSI	46.45	Rising	
Support	121.69	120	119.95
Resistance	125.80	126.56	130
Moving Averages (10,40,100)	126.13	121.99	118.25
Open Interest	264,275 (+1,314)	Volumes	34,443

Ldn 2nd Month Coffee Futures



London coffee futures buckled yesterday as protracted selling pressure triggered a close at 1336. The stochastics are falling, with %K entering into the oversold territory. The MACD diff is negative, and a break of the support at the 61.8% fib level at 1337 could trigger losses through 1331, with the secondary level at 1316. On the upside, a break above 1356 could set the scene for a test of 100 DMA of 1364. A break below all DMAs and trend support in recent sessions points to a long-term downward trend. We believe that the momentum will favour the downside, and after yesterday's long candle body, we expect prices to soften today.

10 Day % K Stochastic	43.14	Falling	
10 Day % D Stochastic	77.92	Falling	
14 Day RSI	55.95	Rising	
Support	1337	1331	1316
Resistance	1356	1364	1467
Moving Averages (10,40,100)	1367	1378	1363
Open Interest	98,632 (+560)	Volumes	18,508

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures edged higher on yesterday as intraday trading caused futures to test appetite at the 10 DMA once again and then close at 2488. The stochastics are improving, and the MACD diff is negative and converging. In order to confirm the outlook of higher prices, futures need to close back above 10 DMA at 2492 and then target 50.0% fib level at 2513.50. On the downside, if prices fail into the 50% fib level, this could trigger losses towards 2414 in the medium term. We believe that the market may be due to a correction on the upside in the near term; however, a break of near term resistance would help solidify the outlook.

10 Day % K Stochastic	37.12	Neutral	
10 Day % D Stochastic	42.87	Falling	
14 Day RSI	46.89	Rising	
Support	2434	2414	2400
Resistance	2492	2500	2513
Moving Averages (10,40,200)	2492	2554	2415
Open Interest	221,826 (+860)	Volumes	20,746

Ldn 2nd Month Cocoa Futures



London futures gained ground yesterday as protracted buying pressure prompted a test of 10 DMA resistance level at 2241 to close on the front foot at 2242. The stochastics are flat, and the %K/%D are converging, suggesting a buy signal in the near term. The MACD diff is also seen converging, however, lack conviction to suggest an improving sentiment. To confirm the bullish candle, futures need to break above the 10 and 100 DMA and then target the 40 DMA at 2303. On the downside, the break below 2200 could set the scene for lower prices towards the support of 2179. However, the market was well supported above that level in recent weeks, and the bullish engulfing pattern suggests a strong buy signal. Firm support at that level suggests a lack of appetite below the level, and we expect prices to firm in the near term.

10 Day % K Stochastic	43.95 Falling		
10 Day % D Stochastic	43.69 Neutral		
14 Day RSI	45.48 Rising		
Support	2200	2179	2150
Resistance	2240	2261	2303
Moving Averages (10,40,100)	2240	2303	2261
Open Interest	98,632 (+560)	Volumes	8,481

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