

Authors

Geordie Wilkes
Head of Research

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Daily Softs Technical Charts

NY 2nd Month Sugar Futures



Protracted selling pressure saw prices reject previous trend resistance and the lower trend channel to close at 14.95. The indicators are hovering above oversold territory, the MACD diff is negative and diverging on the downside. The RSI is also falling, and to confirm the full bearish candle and the weak indicators, futures need to breach the 100 DMA. This would trigger losses back towards 14.52 with the 38.2% fib level the secondary level at 14.35. Conversely, the reaffirmation of support at the 100 DMA could trigger some of yesterday's losses to be taken back. In order to regain upside conviction, futures need to close above 15.80. Near term, momentum favours the downside and we expect further losses in the near term.

Ldn 2nd Month Sugar Futures



Ldn sugar prices weakened yesterday, are prices rejected the 10 DMA and closed on the back foot at 429.10. The stochastics are falling but are above oversold, the MACD diff is negative but lacks conviction. In order to confirm the outlook of lower prices, futures need to break below the lower trend channel. A breach of this level could trigger losses back to 400, where futures need to break in order to indicate a change in trend. On the upside, support at the lower trend channel has held firm in recent weeks and this could trigger losses back towards the 10 DMA. Futures need to break above 450 in order to confirm the outlook of higher prices.

NY 2nd Month Coffee Futures



NY coffee prices were well supported at 127.30, prompting a close at 128.65. The stochastics are falling towards the oversold territory. The MACD diff is negative and starting to diverge. Yesterday's price action suggests we could see futures break above 130. The market closed marginally in the green which is a hammer candle, but futures need to close above 131 and then 135 in order to confirm the outlook of higher prices. On the downside, rejection of prices at 130 could set the scene for lower prices towards 125.75. A break of this level would help to confirm the descending triangle and could prompt a test of 120.

Ldn 2nd Month Coffee Futures



Ldn coffee prices consolidated yesterday as intraday trading tested support and resistance. Stochastics are declining towards oversold, the MACD diff is negative. Appetite for prices below the trend channel around 1350 could set the scene for higher prices back towards 1400. Futures have been well supported below the trend support in recent months, prompting a rally. The medium-term level on the upside is 1435. On the downside, a break below 1350 would set the scene for a test of support at 1332.72.

NY 2nd Month Cocoa Futures



NY cocoa gained ground yesterday as intraday trading tested resistance at 2500. The market rejected this level and futures closed at 2473. The stochastics are starting are set to give a buy signal, the MACD diff is negative and diverging suggesting strong momentum. Buying pressure is improving, but futures need to close above 2500 and then test 2600 in order to confirm the prospect of higher prices. Conversely, the rejection of 2500 could set the scene for lower prices through trend resistance before targeting 2315.

Ldn 2nd Month Cocoa Futures



Ldn cocoa gained ground yesterday as intraday trading tested resistance at 2373. The market closed at 2342.32. The stochastics are improving but remain oversold, the MACD diff is negative and converging, sentiment is improving but prices need to close above 2400 in order to regain upside momentum. The long term outlook of higher prices could trigger gains towards 2450. On the downside, a rejection of futures at 2373 could set the scene for lower prices through the 50% fib level before targeting the lower trend channel.

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