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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar weakened yesterday as protracted selling pressure triggered a close on the back foot at 17.80. The stochastics are falling, with %K/%D converging on the downside and now declining, and the RSI has also edged lower, sending a sell signal. The MACD diff is negative, however, it lacks the conviction to suggest an outlook. A full bearish candle suggests growing selling pressures; this could set the scene for lower prices to break below the 17.62 support level. This would confirm the trend for falling prices, down to the 17.48 level. On the upside, resistance at 18.17 has proven to be strong, and support above that level would strengthen the bullish momentum. This could also trigger gains towards the 40 DMA at 18.20. The bearish engulfing pattern suggests an impending market downturn, and we expect prices to continue to fall in the near term.

| | | | |
|-----------------------------|------------------|--------|---------|
| 10 Day % K Stochastic | 35.24 Falling | | |
| 10 Day % D Stochastic | 39.02 Falling | | |
| 14 Day RSI | 44.33 Falling | | |
| Support | 17.62 | 17.48 | 17.30 |
| Resistance | 18.17 | 18.20 | 18.44 |
| Moving Averages (10,40,100) | 17.95 | 18.20 | 18.77 |
| Open Interest | 772,533 (+7,524) | Volume | 198,167 |

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures softened yesterday after finding support above 530.20. The market closed at 531.50. The stochastics are converging on the downside, with %K/%D near the overbought, and the MACD diff is positive and converging, suggesting we could see lower prices in the near term through the support of 530.20. A break below this level would bring into play the 100 DMA level at 527.29, which could set the scene for support at 10 and 40 DMAs at 525.68 and 519.02, respectively. On the upside, futures need to gain back above 534.40– the previous day’s high - in order to confirm upside momentum. The reaffirmation of support here could trigger gains towards the level at 547.90; this could strengthen the trend in the long run on the upside. The long candle body points to an increased appetite on the downside, and we could see prices edge lower in the near term.

| | | | |
|-----------------------------|---------------|--------|--------|
| 10 Day % K Stochastic | 69.31 Falling | | |
| 10 Day % D Stochastic | 63.98 Rising | | |
| 14 Day RSI | 55.78 Falling | | |
| Support | 530.20 | 527.39 | 525.68 |
| Resistance | 540 | 547.90 | 550 |
| Moving Averages (10,40,100) | 525.68 | 519.02 | 527.39 |
| Open Interest | 81,004 (+223) | Volume | 25,000 |

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures opened lower yesterday, but the support level of 226.85 caused the futures to close higher at 230.25. The RSI is rising, however, %K/%D are diverging on the downside out of the overbought, and the MACD diff is positive and converging. On the downside, futures need to break below the support of 230 completely in order to confirm the bearish trend to 100 DMA at 220.92. Alternatively, the appetite back above 10 DMA at 234.35 could set the scene for higher prices back to test the 240 level, confirming the hammer formation. Indeed, the trend support level has been robust in the last couple of weeks, and we expect this level to hold in the near term.

| | | | |
|-----------------------------|-----------------|---------|--------|
| 10 Day % K Stochastic | 61.56 | Falling | |
| 10 Day % D Stochastic | 71.27 | Falling | |
| 14 Day RSI | 56.21 | Falling | |
| Support | 225 | 220.92 | 217.36 |
| Resistance | 234.35 | 240 | 244.75 |
| Moving Averages (10,40,100) | 234.35 | 217.36 | 220.92 |
| Open Interest | 193, 829 (-922) | Volumes | |

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures rallied yesterday as protracted buying pressure triggered a close on the front foot at 2262. The RSI is rising, while %K/%D are converging on the upside out of the oversold. The MACD diff is negative and converging, confirming waning selling pressures. On the upside, finding support above the 10 DMA at 2263 could trigger gains through 2281 towards 2300 – recent highs. On the downside, a break below the key support level of 2215, the level the futures struggled to break below recently, could trigger losses back towards 2200. The futures were capped at 10 DMA yesterday, and a break above that level could set the scene for higher prices in the near term. The bullish engulfing formation highlights that the selling pressure is subsiding, and the bullish outlook is on the horizon.

| | | | |
|-----------------------------|---------------|---------|------|
| 10 Day % K Stochastic | 26.86 Rising | | |
| 10 Day % D Stochastic | 33.58 Falling | | |
| 14 Day RSI | 61.29 Rising | | |
| Support | 2215 | 2200 | 2185 |
| Resistance | 2263 | 2281 | 2300 |
| Moving Averages (10,40,100) | 2263 | 2118 | 2088 |
| Open Interest | 98,533 (-446) | Volumes | |

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures weakened yesterday as resistance at 2420 held on, causing the market to close at 2369. The stochastics are falling, with %K/%D converging on the downside, and the MACD diff just flipped into negative territory, a very strong sell signal, suggesting protracted selling pressure in the near term. To confirm the outlook for lower prices, futures need to close below 10 and 40 DMA at 2393 and 2381 completely and then target 2333. On the upside, a break above the 2420 level could set the scene for 2500, the highs not seen since June. A bearish candle with a long candle body after a similar bullish candle points to a rejection of higher prices, and the indicators point to a growing downside momentum in the near term.

| | | | |
|-----------------------------|------------------|---------|------|
| 10 Day % K Stochastic | 59.46 | Falling | |
| 10 Day % D Stochastic | 60.55 | Falling | |
| 14 Day RSI | 47.12 | Falling | |
| Support | 2333 | 2300 | 2236 |
| Resistance | 2420 | 2500 | 2512 |
| Moving Averages (10,40,200) | 2393 | 2381 | 2512 |
| Open Interest | 291,229 (+2,363) | Volumes | |

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures weakened as prices struggled above 1884 once again and closed on the back foot at 1865. The stochastics are about to converge on the downside with %K/%D in the overbought. The MACD is positive and converging, suggesting a strong sell signal in the near term. The rejection of higher prices may prompt a break back towards support at 1850, a subsequent breach of this level could trigger losses towards 1837. On the upside, a break of current resistance may prompt futures to test 1900. A subsequent breach of this level would prompt prices to regain upside momentum in the near term. Futures have struggled above the near-term resistance, and the technical are pointing to a growing selling momentum in the near term.

| | | | |
|------------------------------|----------------|---------|------|
| 10 Day % K Stochastic | 85.22 Falling | | |
| 10 Day % D Stochastic | 86.93 Falling | | |
| 14 Day RSI | 59.97 Falling | | |
| Support | 1850 | 1837 | 1800 |
| Resistance | 1885 | 1865 | 1850 |
| Moving Averages (50,100,200) | 1787 | 1778 | 1761 |
| Open Interest | 245,198 (+204) | Volumes | |

Source: ICE

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