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FRI 09 SEPTEMBER 2022 10:05

Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures held their nerve yesterday after futures tested the support at 17.62 once again to close at 17.72. Stochastics are falling, and %K/%D is diverging on the downside further into the oversold, confirming continued downside momentum. The MACD diff is negative and diverging, but the moves have been marginal, suggesting we could see some marginal downside pressure before a trend reversal in the near term. To confirm the bearish indicators in the meantime, futures need to take out the support at 17.62 and then target 17.48. On the upside, futures need to close above 10 DMA at 17.92 and then target 40 DMA at 18.10 in order to confirm the outlook of higher prices. Long upper wick points to an appetite for lower prices; however, weakness was marginal during the day as the support level held firm.

10 Day % K Stochastic	23.93	Falling		
10 Day % D Stochastic	29.89	Falling		
14 Day RSI	44.60	Rising		
Support	17.62	17.48	17.30	
Resistance	17.92	18.00	18.10	
Moving Averages (10,40,100)	17.92	18.10	18.70	
Open Interest	757,903	(-2,532)	Volume	

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures edged higher yesterday as intraday trading saw prices supported above 530.20. The market closed at 533.70. The RSI is rising; meanwhile, %K/%D are both tailing off on the upside, signalling a potential change of trend. The MACD diff is positive and converging, suggesting growing selling pressure. The indicators point to lower prices in the near term, and to confirm the rejection of the support, prices need to take out 530.20. A break below this level towards the 100 DMA level at 526.86 would confirm the strong bearish momentum down to 40 DMA at 518. Conversely, appetite for prices above 540 could trigger a test of 547.90, tertiary resistance stands at 550. Two spinning tops in the last couple of days point to marginal appetite on the upside, and with the indicators showing signs of convergence, we expect the momentum to wane in the near term.

10 Day % K Stochastic	69.81 Rising		
10 Day % D Stochastic	67.32 Rising		
14 Day RSI	58.95 Rising		
Support	530.20	526.87	520
Resistance	540	547.90	550
Moving Averages (10,40,100)	530.77	518.04	526.87
Open Interest	83,434 (-250)	Volume	25,000

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures softened marginally yesterday as moderate selling pressures saw futures test appetite at 100 DMA. This level held firm, and the future closed at 222.20. The stochastics are continuing to diverge on the downside, however, the speed of that decline is seen slowing. The %K/%D is falling, now close to the oversold. Likewise, the MACD diff is negative and diverging on the downside. To suggest the outlook for higher prices, futures need to break above the resistance at 225, which could set the scene for futures to take out the 10 DMA at 230.82. On the downside, the market needs to take out support at 100 DMA at 220 and then support at 40 DMA at 218.95. If the support at the current level holds, we would expect to see a change of momentum in the near term.

10 Day % K Stochastic 28.40 Falling

10 Day % D Stochastic 43.41 Falling

14 Day RSI 51.47 Rising

Support 220.91 218.95 212.60

Resistance 230.82 240 244.75

Moving Averages (10,40,100) 230.82 218.95 220.91

Open Interest 194,364 (+1,426) Volumes

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures opened higher yesterday, but the resistance of 2281 caused futures to close below at 2276. The stochastics are seen diverging on the upside, with the %K/%D now rising higher in the neutral territory, and the MACD diff is negative and converging. A break of the 2281 level could trigger gains through 2300, with the tertiary level at 2355, the recent highs. On the downside, a break below the 10 DMA at 2253 could set the scene for bearish momentum towards 2215. The long candle body with little shadow has been formed, which points to the market appetite for higher prices in the near term.

10 Day % K Stochastic	250.13 Rising		
10 Day % D Stochastic	38.13 Rising		
14 Day RSI	63.33 Rising		
Support	2281	2252	2215
Resistance	2300	2350	2355
Moving Averages (10,40,100)	2252	2141	2093
Open Interest	98,902 (-491)	Volumes	

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures weakened yesterday as futures struggled above 2350 and closed at 2328. The stochastics continue to fall as they edge towards oversold. The MACD diff is negative and diverging, pointing to growing selling pressure. A break below 2314 would confirm the outlook for lower prices and the three black crows formation, a clear bearish sentiment. This may pave the way for lower prices to 2300 with the tertiary level at 2236, the July lows. Conversely, the reaffirmation of support above current levels would suggest higher prices and a close above 10 and 40 DMA at 2383. Yesterday's candle body suggests an appetite for lower prices, and the indicators are pointing to a further fall in prices in the near term.

10 Day % K Stochastic	31.68	Falling		
10 Day % D Stochastic	42.98	Falling		
14 Day RSI	45.95	Rising		
Support	2314		2300	2236
Resistance	2383		2400	2420
Moving Averages (10,40,200)	2383		2384	2508
Open Interest	296,334	(+4,881)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures sold off yesterday after prices failed above the 1884 level, prompting a close on the back foot at 1842. The stochastics are falling back out of the overbought territory, and the MACD diff has converged on the downside and now falling, outlining the weakness in the market. Selling pressure has been strong yesterday, suggesting lower prices towards 1837. This support level has been robust, and we expect this level to remain to hold today. Alternatively, if prices can gain a footing above the 1884 level, the bulls could then target 1900 in order to regain upside conviction. We anticipate prices to remain on the back foot in the near term.

10 Day % K Stochastic	52.85	Falling	
10 Day % D Stochastic	71.81	Falling	
14 Day RSI	52.18	Falling	
Support	1837	1815	1800
Resistance	1850	1885	1900
Moving Averages (50,100,200)	1792	1779	1762
Open Interest	246,576 (+487)	Volumes	

Source: ICE

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