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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures softened yesterday as selling pressure saw futures test appetite at 17.50 once again. This level held firm, and the future closed at 17.59. The stochastics are falling, with %K/%D about to converge on the downside. Likewise, the MACD diff just converged on the downside, suggesting we could see prices fall further. To confirm the outlook for lower prices, futures need to break below the robust support at 17.50, which could set the scene for futures to take out the 17.00. On the upside, the market needs to take out resistance at 10 DMA at 17.72 and then resistance at 40 DMA at 17.94. The 10 DMA level continues to support the futures on the upside, however, seen flattening, and with a longer upper wick on Thursday, we could see the bears' strength grow in the near term.

10 Day % K Stochastic	47.56	Falling	
10 Day % D Stochastic	48.58	Falling	
14 Day RSI	43.50	Falling	
Support	17.62	17.50	17.00
Resistance	17.72	17.94	18.00
Moving Averages (10,40,100)	17.72	17.94	18.53
Open Interest	722,252 (-1,685)	Volume	124,423

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures softened yesterday after breaking support below 495.80. The market closed at 493.10. The stochastics are falling further into the oversold territory, and the MACD diff is negative and has remained flat in recent sessions, pointing out a lack of appetite on the downside. Yesterday's selling pressure suggests that we could see lower prices in the near term through the support of 487.60. A break below this level would bring into play the 480 level. On the upside, futures need to gain back above 505.40 in order to confirm upside momentum. The reaffirmation of support there could trigger gains towards the level at 10 DMA at 511.18; this could strengthen the trend in the long run on the upside. The bearish engulfing points to an increased appetite on the downside, and we could see the price edge lower in the near term.

10 Day % K Stochastic	9.36 Falling		
10 Day % D Stochastic	18.43 Falling		
14 Day RSI	36.38 Falling		
Support	487.60	480	450
Resistance	505.40	512.90	519.43
Moving Averages (10,40,100)	511.18	519.43	526.27
Open Interest	80,545 (+1,168)	Volume	6,112

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures opened higher yesterday, but the resistance of 40 DMA caused futures to close lower on the day at 216.30. The stochastics are seen rising, with the %K/%D converging on the upside and now increasing higher in the neutral territory, a strong buy signal, and the MACD diff is negative and converging. A break of the 40 DMA at 221.21 could trigger gains through 230. On the downside, a break back below 10 DMA at 217.18 could set the scene for bearish momentum towards the 209.65 level. The longer candle wick has been formed, which suggests the markets tested higher prices before retreating. Likewise, the indicators point to further upside momentum in the near term.

10 Day % K Stochastic	32.39 Rising		
10 Day % D Stochastic	31.51 Rising		
14 Day RSI	45.30 Rising		
Support	217.18	212.60	209.65
Resistance	221.21	230	240
Moving Averages (10,40,100)	217.28	221.21	220.63
Open Interest	186,285 (-3,160)	Volumes	

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee sold off sharply yesterday, as protracted selling pressure triggered a breakthrough of 2200 support level and a close on the back foot at 2178. The stochastics are falling, with the %K/%D diverging on the downside close to the oversold, and the RSI has also edged lower, sending a sell signal. The MACD diff is negative and diverging, suggesting growing selling pressures; this could set the scene for lower prices towards the 2160 level. A break below this would confirm the trend for falling prices, down to the support at 100 DMA at 2108. On the upside, resistance at 2215 has proven to be robust in the last couple of sessions, and support above that level would strengthen the bullish momentum. This could also trigger gains towards the resistance at 2281 and then 2300. The strong bearish candle and a break below the robust support level suggest further weakness in the near term.

10 Day % K Stochastic	29.88	Falling		
10 Day % D Stochastic	37.72	Falling		
14 Day RSI	42.86	Falling		
Support	2160	2108	2100	
Resistance	2215	2221	2281	
Moving Averages (10,40,100)	2221	2206	2108	
Open Interest	94,220	(+1,467)	Volumes	

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa edged higher yesterday, causing futures to test appetite for prices above 2270; the market closed at 2276. Stochastics are rising, and %K/%D is seen converging on the upside, confirming positive momentum. The MACD diff is negative and converging. The indicators converging suggests an end to the downside trend in the near term. To maintain positive momentum, prices need to close above 10 DMA at 2316 and then target trend resistance at 2368. On the downside, the rejection of prices above 10 DMA could trigger losses back to 2236 before targeting 2200. Buying pressure is growing, and the indicators confirm it. We expect prices to test the 10 DMA level today.

10 Day % K Stochastic	31.47 Rising		
10 Day % D Stochastic	32.18 Rising		
14 Day RSI	41.35 Rising		
Support	2236	2200	2190
Resistance	2316	2368	2400
Moving Averages (10,40,200)	2316	2368	2501
Open Interest	312,640 (-374)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures edged higher yesterday, breaking above resistance at 1884 and closing at 1893, the September 2020 highs. The stochastics are rising, with %K/%D diverging on the upside and %K entering the overbought. The MACD diff just converged on the upside, sending a buy signal. The reaffirmation of support at 1884 could set the scene for higher prices back to test the 1900 level. On the downside, futures need to break below the support of 1850 in order to end the recent sessions' bull trend. Indeed, the 10, 40 and 100 DMAs are providing robust support levels. Three white soldiers' formation in the previous sessions confirms the outlook for higher prices, and a break above 1884 highlights the appetite for higher prices. The market needs to gain a footing above the 1900 level in the immediate term to improve the outlook.

10 Day % K Stochastic	77.05 Rising		
10 Day % D Stochastic	65.17 Rising		
14 Day RSI	62.48 Rising		
Support	1884	1850	1819
Resistance	1900	1910	1915
Moving Averages (50,100,200)	1819	1786	1772
Open Interest	261,284 (+1,501)	Volumes	

Source: ICE

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