

Authors

Daria Efanova
Head of Research

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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures softened yesterday after finding support above 10 and 40 DMA levels. The market closed at 17.78. The indicators point to a strong change of momentum, with the %K/%D seen converging on the downside in the overbought, and the MACD diff positive and converging, a strong sell signal, suggesting we could see lower prices in the near term through support at 17.77. A break below this level would bring into play 17.62, which could set the scene for robust support at 17.00 in the longer term. On the upside, futures need to gain back above 18.00 in order to confirm upside momentum. The reaffirmation of support here could trigger gains towards the level at 18.17; this could strengthen the trend in the long run on the upside. Longer lower wick, where most of the trading took place in the upper ranges, points to growing selling pressures; however, prices need to break below the current support level to confirm the outlook.

10 Day % K Stochastic	80.84	Falling	
10 Day % D Stochastic	82.51	Falling	
14 Day RSI	50.17	Falling	
Support	17.62	17.48	17.00
Resistance	18.00	18.17	18.30
Moving Averages (10,40,100)	17.78	17.76	18.24
Open Interest	709,933 (+9,040)	Volume	

Ldn 2nd Month Sugar Futures



Ldn sugar futures edged lower but struggled to break below the support level of 10 DMA, closing at 510.90. The stochastics are overbought and have just converged on the downside, a strong sell signal, and the MACD diff is positive and converging, suggesting the upside momentum is waning in favour of more downside in the near term. To confirm this, the futures need to break below the support of 10 DMA at 510.76 before testing 505.40 and 500, respectively. Alternatively, resistance at 512.90 has firmed in recent sessions, and a break back above that level to 40 DMA at 514.60 could suggest further upside. The longer lower wick pointed to appetite below the current price levels but lacked the conviction to break below. The indicators point to growing selling pressures in the near term.

10 Day % K Stochastic	82.15	Falling	
10 Day % D Stochastic	83.20	Falling	
14 Day RSI	50.64	Falling	
Support	505.40	500	495.80
Resistance	510.76	514.60	520
Moving Averages (10,40,100)	510.76	514.60	522.32
Open Interest	89,378 (+614)	Volume	

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures continued to break lower following the recent sell-off, however, the momentum is seen slowing as the prices found support at 190 and closed at 190.30. The stochastics continue to edge lower in the oversold, and the MACD diff is negative and diverging, although the pace of the decline is seen slowing. The candle formed a longer lower wick, a hammer formation, and could be a sign of a trend reversal in the near term. If this materialises, the levels could break back above 194.95 before 200 and 10 DMA at 201.82. On the downside, if the current support level at 190.50 is broken below, the next level of support stands at 182.50. We expect the recent downside momentum to slow in the near term and find support at current levels.

10 Day % K Stochastic	6.80 Rising		
10 Day % D Stochastic	9.93 Falling		
14 Day RSI	28.12 Rising		
Support	190.50	190.00	182.50
Resistance	194.95	200	201.82
Moving Averages (10,40,100)	201.82	218.00	219.10
Open Interest	197,432 (+1,855)	Volumes	

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures softened marginally yesterday, as moderate weakness saw futures test appetite at 2033 before closing at 2034. The stochastics continue to fall further into the oversold, and the MACD diff is negative and diverging, highlighting the recent price weakness. To confirm the outlook for lower prices, futures need to break below the support at 2010 before 2000. On the upside, today's candle broke below 2033 and to regain upside momentum, it would have to trade back above that level to the 10 DMA at 2099 and 100 DMA at 2117. We expect the futures to edge lower in the meantime.

10 Day % K Stochastic	5.94	Falling	
10 Day % D Stochastic	5.80	Falling	
14 Day RSI	25.10	Falling	
Support	2010	2000	1950
Resistance	2033	2099	2100
Moving Averages (10,40,100)	2099	2197	2117
Open Interest	89,267	(-2,285)	Volumes

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa weakened yesterday as protracted selling pressure triggered a close on the back foot at 2310. The stochastics are falling, with %K/%D diverging on the downside. The MACD diff is positive and converging. A full bearish candle with no shadow suggests growing selling pressures; this could set the scene for lower prices to break below the robust level of 2314 and then 2300. This would confirm the trend for falling prices, down to 2236. On the upside, resistance at 10 DMA at 2351 has proven to be strong, and an appetite above that level would strengthen the bullish momentum to 2400. This could also trigger gains towards 2420. Narrowing support and resistance levels are creating a narrow trading range, but we believe that the prices will edge marginally lower today.

10 Day % K Stochastic	37.57 Falling		
10 Day % D Stochastic	51.82 Falling		
14 Day RSI	45.28 Falling		
Support	2314	2300	2236
Resistance	2351	2400	2420
Moving Averages (10,40,200)	2351	2349	2488
Open Interest	301,114 (-541)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures held their nerve yesterday after the previous day's sell-off, closing marginally unchanged at 1879. The stochastics continue to decline, with %K/%D diverging on the downside and the MACD diff just converging on the downside, suggesting a strong sell signal in the near term. To confirm that, the prices need to break below the 50 DMA at 1858 first before testing the 1850 level. On the upside, if the support at 1880 holds firm, we could see the futures edge back to 1900 and 1930, respectively. The indicators suggest further weakness in the near term, however, the narrow candle body yesterday suggests uncertainty surrounding the appetite for lower prices. We expect the futures to edge slightly lower in the near term.

10 Day % K Stochastic	34.74 Falling		
10 Day % D Stochastic	51.19 Falling		
14 Day RSI	48.59 Falling		
Support	1880	1858	1850
Resistance	1900	1930	1950
Moving Averages (50,100,200)	1858	1806	1786
Open Interest	284,506 (+529)	Volumes	

Source: ICE

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