

Authors

Daria Efanova
Head of Research

FRI 28 OCTOBER 2022 09:30

Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar softened marginally as the futures closed at 16.79. The stochastics continue to fall, with %K now in the oversold territory, and the MACD diff is negative and diverging, suggesting we could see prices fall further in the near term to 16.68. If this level is breached, the next line of support is at 16.50. On the upside, if the resistance at 17.00 is broken above, this could set the scene for prices to 10 DMA at 17.43 before 40 DMA at 17.63, which provides robust resistance levels for the prices. A candle body with no shadows suggests continued conviction for more downside pressure, and we expect prices to be supported by 16.68 in the near term.

10 Day % K Stochastic	10.63 Falling		
10 Day % D Stochastic	26.02 Falling		
14 Day RSI	30.76 Falling		
Support	16.68	16.50	16.30
Resistance	17.00	17.43	17.63
Moving Averages (10,40,100)	17.43	17.63	18.09
Open Interest	725,232 (+1,729)	Volume	70,855

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures edged lower yesterday after futures broke below the 487.60 level to close at 485.60, the February low. The stochastics are falling in the oversold, and the MACD diff is negative and diverging, suggesting lower prices in the near term. To confirm the bearish indicators and rejection of prices above 500, futures need to take out support at 480 and then target 471.80. On the upside, futures need to close above 487.60 and then target 495.80 in order to confirm the outlook of higher prices towards 500. Prices need to take out current support to confirm the outlook for lower prices. We expect futures to weaken in the near term back.

10 Day % K Stochastic	9.64 Falling		
10 Day % D Stochastic	23.83 Falling		
14 Day RSI	34.15 Falling		
Support	480	471.80	470
Resistance	487.60	495.80	500.04
Moving Averages (10,40,100)	500.04	510.26	518.63
Open Interest	82,479 (-698)	Volume	8,628

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures held their nerve yesterday after testing the support level of 175. The market closed at 176.95. The stochastics are falling, with %K/%D just diverging on the downside in the oversold, while the MACD diff is negative and converging, painting a mixed picture for the price outlook. The reaffirmation of support at 175 could set the scene for higher prices back to test the 10 DMA level at 185.58, confirming an inverse hammer formation. On the downside, futures need to break below the current support in order to suggest a continuation of the bearish trend to 170, a break below this level would suggest strong conviction on the downside. The longer upper wick with a narrow body suggests that the prices above 180 were rejected to close lower.

10 Day % K Stochastic	5.90 Falling		
10 Day % D Stochastic	7.67 Falling		
14 Day RSI	20.03 Falling		
Support	175	170	165
Resistance	180	185.58	190.50
Moving Averages (10,40,100)	185.58	208.73	215.55
Open Interest	208,601 (+321)	Volumes	

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures softened yesterday after testing the support level of 1872. The market closed at 1878. The stochastics are falling, with %K/%D just diverging on the downside in the oversold, and the MACD diff is negative and diverging. The appetite back above 1900 could set the scene for higher prices back to test the 10 DMA at 1982, confirming the gravestone doji formation. On the downside, futures need to break below the support at 1870 before falling to test the 1827 level, the August 2021 lows. We expect the downside momentum to slow in the near term.

10 Day % K Stochastic	6.28 Rising		
10 Day % D Stochastic	9.79 Falling		
14 Day RSI	20.70 Rising		
Support	1875	1850	1827
Resistance	1900	1914	1982
Moving Averages (10,40,100)	1982	2147	2107
Open Interest	83,635 (+265)	Volumes	

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures edged higher yesterday after testing 2300 once again to close at 2324. The stochastics are converging on the upside near-term oversold, and the MACD diff is negative and is converging on the upside slightly, suggesting lower prices in the near term before the change of trend. On the downside, futures need to take out support at 2300 and then target 2236. On the upside, futures need to close above 10 DMA at 2323 and then target the 40 DMA at 2335 to confirm the outlook on the upside to 2400. Prices have struggled below 2300 for the majority of October, and with the indicators being oversold, we expect this level to hold in the near term.

10 Day % K Stochastic	28.94 Rising		
10 Day % D Stochastic	31.18 Falling		
14 Day RSI	48.80 Rising		
Support	2300	2236	2200
Resistance	2323	2340	2400
Moving Averages (10,40,200)	2323	2335	2480
Open Interest	311,385 (+3,889)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures opened lower on the day yesterday but managed to regain some of the strength to close at 1869. The stochastics continue to edge lower to the oversold, and the MACD is negative and flat, highlighting the possible change of trend in the near term. To suggest a continuation of the momentum on the downside, the futures need to break below the 1850 level completely before testing the 1837 level. Alternatively, support at current levels could trigger gains back to 1900 before 1930. A break of 50 DMA support suggests recent conviction on the downside, and we expect this level to cap the futures on the upside in the near term.

10 Day % K Stochastic	26.64 Falling		
10 Day % D Stochastic	33.97 Falling		
14 Day RSI	45.98 Rising		
Support	1850	1837	1800
Resistance	1900	1930	1950
Moving Averages (50,100,200)	1871	1815	1792
Open Interest	273,516 (-715)	Volumes	

Source: ICE

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sudden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.suddenfinancial.com/en/risk-warning-and-disclaimers).