

Authors

Daria Efanova
Head of Research

FRI 04 NOVEMBER 2022 10:00

Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures strengthened yesterday as moderate buying pressure triggered a close on the front foot at 17.48. The RSI is rising, while %K/%D is diverging towards the overbought. Likewise, the MACD diff is positive and diverging, a continued buy signal. On the upside, finding support above the 40 DMA at 17.55 could trigger gains through 17.62, the recent highs, towards the 100 DMA at 17.98. On the downside, a break below the 10 DMA at the 17.16 level could trigger losses back towards 17.00. That level has been supporting futures prices, and a break below it would signal strong selling pressure. Longer lower wick signals that the buying pressure is growing, as the prices closed higher and the bullish outlook is on the horizon.

10 Day % K Stochastic	71.64	Rising	
10 Day % D Stochastic	49.57	Rising	
14 Day RSI	53.76	Rising	
Support	17.48	17.16	17.00
Resistance	17.62	17.98	18.00
Moving Averages (10,40,100)	17.16	17.55	17.98
Open Interest	736,277	(-1,559)	Volume
			85,343

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures edged higher yesterday as prices closed at 506.40. The indicators continue to favour the upside, with %K/%D diverging into the overbought and MACD diff is positive and diverging, suggesting growing buying pressures. A break back below the 40 DMA level at 505.37 would bring into play the recent support level at 10 DMA at 496.22. In order to indicate an improvement of market sentiment on the upside, futures need to gain a footing above 512.90 and then target the recent highs of 100 DMA at 516.15 in the near term. The hanging man candle formation suggests that prices struggled above the 40-day moving average; however, today's break above it confirms further upside momentum in the near term.

10 Day % K Stochastic	77.37 Rising		
10 Day % D Stochastic	55.25 Rising		
14 Day RSI	56.36 Rising		
Support	505.40	500	496.22
Resistance	512.90	516.15	520
Moving Averages (10,40,100)	496.22	505.37	516.15
Open Interest	83,956 (-426)	Volume	

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures softened yesterday as moderate selling pressures trading caused futures to test appetite at the 165.95 level once again and then close at 168.38. The stochastics are once again converging on the downside in the oversold, as futures struggle to break above the current levels; the MACD diff, however, is negative and converging. To suggest an outlook on the upside, futures need to close back above 10 DMA at 176.48 and then target 182.50. On the downside, if prices fail above 170, this could trigger losses towards 160 in the medium term. With the 10 DMA resistance level firmly in place, the upside for the near term is being capped, and to suggest a break higher, the futures need to break above this level.

10 Day % K Stochastic	2045	Falling	
10 Day % D Stochastic	17.48	Rising	
14 Day RSI	29.41	Falling	
Support	165.95	160	155
Resistance	176.48	180	182.50
Moving Averages (10,40,100)	176.48	201.74	212.61
Open Interest	216,274	(-1,126)	Volumes

Source: ICE

Ldn 2nd Month Coffee Futures



Prices weakened yesterday as moderate selling pressure triggered a close at 1848. The stochastics are rising moderately, and %K/%D is diverging on the upside in the oversold, signalling a potential change in trend in the near term. The MACD is negative and converging slowly, and yesterday's doji candle formation supports market indecisiveness for higher prices. Prices have been capped by trend resistance in recent sessions, and in order to confirm the change of momentum, prices need to break above the current resistance at 10 DMA at 1876 and then 1900. Conversely, a break below the 1827 support level could set the scene for a test of 1800. We expect prices to consolidate recent gains today and remain on the front foot.

10 Day % K Stochastic	13.71	Rising	
10 Day % D Stochastic	12.44	Rising	
14 Day RSI	27.30	Rising	
Support	1827	1800	1750
Resistance	1872	1876	1900
Moving Averages (10,40,100)	1876	2088	2093
Open Interest	91,035 (+2,348)	Volumes	

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures edged higher yesterday as trading saw prices close at 2372. The stochastics continue to edge closer to the oversold, and the MACD diff is positive and diverging, suggesting a continuation of upside momentum. To confirm this, a break above 2400 could set the scene for bullish momentum towards 2420. Conversely, a break of the trend line at 2370 could trigger losses through 10 and 40 DMA support levels at 2334. After the last session's market indecisiveness – the spinning top formation – as prices struggle above the previous day's highs, we could see the futures retesting this level in the near term.

10 Day % K Stochastic	73.08 Rising		
10 Day % D Stochastic	59.51 Rising		
14 Day RSI	55.64 Falling		
Support	2370	2334	2300
Resistance	2400	2420	2472
Moving Averages (10,40,200)	2334	2334	2472
Open Interest	318,485 (+3,210)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures rallied yesterday as protracted buying pressure triggered a close on the front foot at 1952. The RSI is rising, while %K/%D are diverging on the upside. The MACD diff just converged on the upside, a strong buy signal. On the upside, a break above 1950 could trigger gains through the resistance of 1970– November 2019 highs. On the downside, a break back below the support level of 1900 could trigger losses back towards 50 DMA at 1880; this would confirm the outlook of lower prices in the longer term. The market rally has been strong, with three white soldiers' formation confirming the strength of bull sentiment. We could see prices trend even higher today, but support at 1950 needs to hold firm for this to be the case.

10 Day % K Stochastic	69.91 Rising		
10 Day % D Stochastic	51.13 Rising		
14 Day RSI	52.78 Rising		
Support	1900	1880	1850
Resistance	1950	1970	1985
Moving Averages (50,100,200)	1880	1822	1795
Open Interest	282,957 (+1,808)	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. Sucden 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.sucdenfinancial.com/en/risk-warning-and-disclaimers).