

## Authors

Daria Efanova  
Head of Research

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# Softs Technical Charts

## NY 2nd Month Sugar Futures



NY sugar futures jumped higher, breaking above the resistance of 40 DMA to close at 18.78. The stochastics are rapidly rising closer to the overbought, while the MACD diff just converged on the upside, sending a strong buy signal in the near term. Today's candle is already seen slightly higher in comparison to yesterday's close. The next resistance on the upside is seen at 19.00 and then 19.20, where prices found resistance in November. If this level holds once again and prices edge lower, this could create the head and shoulders formation, sending prices lower. The moving averages of 40 and 10 DMA at 18.62 and 18.36, respectively, are now supporting prices from the downside. If these levels are broken, the next level of robust support stands at 100 DMA at 18.11. The near-term outlook is on the upside.

10 Day % K Stochastic	69.05 Rising		
10 Day % D Stochastic	46.36 Rising		
14 Day RSI	56.94 Rising		
Support	18.62	18.36	18.17
Resistance	19.00	19.15	19.50
Moving Averages (10,40,100)	18.36	18.62	18.11
Open Interest	893,718 (+214)	Volume	

Source: ICE

# Ldn 2nd Month Sugar Futures



In line with NY sugar, London contract has jumped higher yesterday, engulfing the previous day's candle to settle higher at 541.60. The stochastics have now rallied into the overbought, and the MACD diff is positive and diverging. The volumes have also jumped higher to the highs not seen since November, highlighting the strength of the conviction. Today's open, however, suggests that resistance at 543 might be forming, as today's candle is seen breaking back below Wednesday's close. The RSI edging lower confirms this. If the downside momentum prevails today, the 40 DMA support at 529.39 and 10 DMA at 527.30 are standing firm. Alternatively, a break above the current levels could set the scene for prices to 550 and 552.40, respectively, with the latter a robust resistance level that was rejected twice in recent months, creating a double top formation. Today's candle should help to gauge the outlook in the near term, but the resistance levels at moving averages are standing firm, and this might support the prices at the current levels in the near term.

10 Day % K Stochastic	77.54	Rising		
10 Day % D Stochastic	58.06	Rising		
14 Day RSI	59.69	Falling		
Support	540		529.39	519.87
Resistance	545		552.40	560
Moving Averages (10,40,100)	527.30		529.39	519.87
Open Interest	87,798	(+547)	Volume	

Source: ICE

# NY 2nd Month Coffee Futures



NY coffee futures held their nerve yesterday, as the prices closed broadly unchanged on the day at 151.80. The prices have struggled to break the resistance of 152 in recent days, and with yesterday's doji candle, the outlook for higher levels remains uncertain. The indicators, however, point to a strong growth in momentum, with %K/%D diverging out of the oversold, while the MACD diff is negative and diverging. To confirm that, the futures need to first break above the 152 level before testing the 10 DMA at 155.60. Alternatively, the longer-term trend on the downside seems to remain intact, with descending triangle formation holding firm. For it to materialise in the longer term, the futures first need to break below the support at 143 before 140. We expect the futures to edge marginally higher in the near term but struggle to break above the moving averages resistance levels in the meantime.

10 Day % K Stochastic	24.59	Rising	
10 Day % D Stochastic	20.93	Rising	
14 Day RSI	38.73	Rising	
Support	143	140	135
Resistance	154.55	155.60	160
Moving Averages (10,40,100)	155.60	162.77	186.26
Open Interest	223,536	(+1,677)	Volumes

Source: ICE

# Ldn 2nd Month Coffee Futures



Ldn coffee edged lower during the day yesterday as prices struggled above the 1900 level, closing below at 1895. The stochastics are continuing to rise on the upside, but the signs of convergence are starting to appear as the indicator edges closer to the overbought. The MACD is positive and now converging, suggesting the near-term downside momentum is building. The next level of support stands at 1882 before the moving averages levels at 1864. On the upside, if the momentum reverses, we could see the upside back to 1914. The next robust resistance level stands at 100 DMA at 1990. The downside impetus is building, and we expect further softness in the near term.

10 Day % K Stochastic	79.71 Rising		
10 Day % D Stochastic	70.98 Rising		
14 Day RSI	55.09 Falling		
Support	1882	1864	1800
Resistance	1914	1930	1950
Moving Averages (10,40,100)	1864	1855	1990
Open Interest	94,004 (+463)	Volumes	

Source: ICE

# NY 2nd Month Cocoa Futures



NY cocoa futures remained unchanged during the day as the prices struggled to break above 2671 once again, and the futures closed at 2659. The indicators once again are struggling to point out an outlook, with stochastics edging slightly higher near the overbought, and the MACD diff is positive and remains unchanged. The recent upside momentum has been stalled by the 2671 resistance level, and if the futures were to break above this level, it could set the scene for futures to retest 2700. On the downside, resistance at 10 DMA at 2634 has also supported the prices, and a break below this level could set the scene for lower prices back to 2600. We expect the prices to remain in the higher ranges in the near term, as the futures struggle above 2671.

10 Day % K Stochastic	71.34	Rising		
10 Day % D Stochastic	68.80	Rising		
14 Day RSI	60.33	Rising		
Support	2634	2600	2547	
Resistance	2671	2700	2715	
Moving Averages (10,40,200)	2634	2547	2450	
Open Interest	303,620	(+234)	Volumes	

Source: ICE

# Ldn 2nd Month Cocoa Futures



Ldn cocoa futures wavered during the day, closing unchanged at 2004. The stochastics are edging slightly lower but fluctuating at the same time, suggesting the move on the downside is uncertain, and MACD diff is positive and converging. The candle bodies narrowed significantly in recent days, as the trading has been range bound. The volumes, however, jumped higher to the highs not seen since early December, suggesting a growing appetite, but with the direction of the move still undecided. On the downside, a break below the 2000 level could completely set the scene for the 50 MA support level at 1972. Alternatively, if the momentum sends prices above the 2012 level, we could see prices retest the 2050 level in the near term. We expect the futures to remain high at around the 2000 level in the near term.

10 Day % K Stochastic	71.45 Falling		
10 Day % D Stochastic	73.31 Falling		
14 Day RSI	56.28 Falling		
Support	2000	1972	1950
Resistance	2012	2030	2050
Moving Averages (50,100,200)	1972	1926	1848
Open Interest	290,204 (-343)	Volumes	

Source: ICE

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### **Risk warning**

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