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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures continued to weaken yesterday, but support at 10 DMA held firm, and the futures closed at 18.41. The stochastics also point to softening upside pressures, with the stochastics now converging on the downside, while the MACD diff is negative and flat. Futures broke below the 40 DMA support at 18.59 yesterday, but the support at 10 DMA at 18.35 has remained firm in recent days and, given the diminishing volumes in the market, appetite for prices below 10 DMA is low. However, if this level is broken below, we could see prices test the 100 DMA at 18.11. Alternatively, if prices gain momentum to break back above the 40 DMA to 18.60, we could see futures test the 19.00 level. Longer upper wicks in recent days suggest growing momentum on the downside, but first, the futures must break below the 10 DMA support to confirm the outlook.

10 Day % K Stochastic	62.45 Falling		
10 Day % D Stochastic	60.15 Rising		
14 Day RSI	50.19 Falling		
Support	18.35	18.17	18.11
Resistance	18.59	19.00	19.21
Moving Averages (10,40,100)	18.35	18.59	18.11
Open Interest	899,925 (+1,544)	Volume	

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar, in line with NY futures, softened yesterday, but support at 40 DMA held firm, and we saw prices close at 530.30. The stochastics are about to converge on the downside, and the MACD diff is positive and converging, highlighting the near-term outlook is on the downside. To confirm this, futures first need to break below the support levels of 10 and 40 DMA at 529 before the 100 DMA at 519.94. On the upside, if near-term support holds, we could see prices gain back above 540 to 550.17, which is the Upper Bollinger Band (UBB). With the 10 DMA crossing about to cross above the 40 DMA, the support at current levels is set to solidify, and we expect the futures to hold above the current levels before the indicators point to a strong selling momentum.

10 Day % K Stochastic	64.45 Falling		
10 Day % D Stochastic	60.15 Rising		
14 Day RSI	50.19 Falling		
Support	529.20	519.93	512.90
Resistance	540	550.13	552.40
Moving Averages (10,40,100)	529.20	529.29	519.93
Open Interest	90,143 (+723)	Volume	

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures continued to edge higher in recent days, breaking above the 10 DMA and, subsequently, the trend resistance level at 154.55, closing at 155.50. Yesterday's candle traded above that level, and the indicators point to a continued upside momentum: the stochastics are rising on the upside, and the MACD diff is about to converge on the upside. If a buy signal is created, we could see futures gain ground to 160 before 40 DMA at 162.55. On the other hand, if futures struggle above that level, this could set the scene back to 150 and 143, respectively. Despite narrow candle bodies, there is a growing appetite for higher levels. To confirm the strong bullish momentum, the futures need to break completely above the trend resistance to confirm the outlook.

10 Day % K Stochastic	51.27	Rising	
10 Day % D Stochastic	37.83	Rising	
14 Day RSI	44.80	Rising	
Support	154.55	153.51	143
Resistance	160	162.65	174.35
Moving Averages (10,40,100)	153.51	162.65	183.76
Open Interest	227,719	(+2,890)	Volumes

Source: ICE

Ldn 2nd Month Coffee Futures



Likewise, London coffee futures continued to strengthen marginally in recent days, breaking above the range-bound momentum to close at 1918. Today's candle opened above the close, testing the highs not seen since October. The stochastics are continuing to strengthen further into the overbought, and the MACD diff is positive and diverging, but the momentum has been slow. If there is further impetus for higher prices, we could see futures test the UBB at 1940 before attempting the 100 DMA level at 1978. If, however, the indicators point to softening buying pressures from being overbought, futures could come back to 1914 and then 10 DMA at 1885. Today's candle points to the futures rejecting prices above the 1930 level, but we expect prices to remain supported above the 1914 today.

10 Day % K Stochastic	89.20	Rising		
10 Day % D Stochastic	82.07	Rising		
14 Day RSI	59.43	Rising		
Support	1914		1885	1862
Resistance	1930		1978	2000
Moving Averages (10,40,100)	1885		1862	1978
Open Interest	95,050	(-37)	Volumes	

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures gapped lower, breaking below the 10 DMA support as the prices continued to struggle above the 2671 level; the futures closed at 2590. The indicators point to further softness in the near term, with MACD diff converging on the downside and now declining and the %K/%D weakening away from overbought. Yesterday's decline still remained in the upward trend channel, and if support at 2560 breaks; we could see protracted selling pressure to 40 DMA at 2555 before 2500. Yesterday's long candle body with little shadow highlights the growing appetite on the downside, and this is confirmed by a spike in volumes. We expect further downside in the near term.

10 Day % K Stochastic	45.86 Falling		
10 Day % D Stochastic	60.31 Falling		
14 Day RSI	49.75 Falling		
Support	2560	2555	2500
Resistance	2639	2671	2700
Moving Averages (10,40,200)	2639	2555	2449
Open Interest	303,748 (-1,329)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa followed suit, falling below the robust trend support line and the 50 DMA to close at 1953. Today's candle has already broken below the 1950 level. The stochastics have weakened rapidly as a result, with %K about to enter the oversold area. The MACD diff is negative and diverging. The next level of support stands at 100 DMA 1929, and if this level is broken, we could see further weakness to 1900. The volumes in recent days have exceeded the 15-day moving average, suggesting that appetite on the downside is strong. If prices, however, find support at the 100 DMA level, we could see some gains back to 1950 and 50 DMA at 1969. We expect to see further weakness in price levels today.

10 Day % K Stochastic	25.75 Falling		
10 Day % D Stochastic	47.98 Falling		
14 Day RSI	42.61 Falling		
Support	1929	1900	1882
Resistance	1950	1969	2000
Moving Averages (50,100,200)	1969	1929	1851
Open Interest	292,194 (-1,481)	Volumes	

Source: ICE

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