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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar rallied yesterday, breaking above the resistance levels of 19.00 and 19.21 to close near December highs at 19.32. The stochastics have jumped higher as a result, with %K/%D now overbought. Likewise, the MACD diff is positive and diverging. Yesterday's long candle body points to a robust appetite on the upside, but futures tested 19.50 and closed lower, highlighting the robustness of the near-term resistance. If this level is breached, the next level of resistance stands at 19.64. Alternatively, if the near-term level on the upside solidifies, this could trigger losses back to 19.00 before the moving average levels at 18.71. The indicators point to further upside momentum, and with the 10 DMA crossing above the 40 DMA level, a golden cross, we expect prices to remain elevated at current levels in the near term. The three white soldiers' formation supports this sentiment.

10 Day % K Stochastic	82.85	Rising	
10 Day % D Stochastic	72.25	Rising	
14 Day RSI	66.15	Rising	
Support	19.21	19.00	18.71
Resistance	19.50	19.64	20.00
Moving Averages (10,40,100)	18.71	18.65	18.16
Open Interest	937,312	(+12,609)	Volume

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar jumped higher as protracted buying pressure triggered a close above 540 at 545.20. The indicators highlight the recent upside trend, with %K now overbought and MACD diff positive and diverging. The next robust level on the upside is at 552.40, a resistance that futures struggled to break above in recent months and where the double top formation took place. The upside momentum has been strong in recent days, supported by a trendline on the downside and the 10 DMA level at 537.03. If these support levels do not hold, this could set the scene for lower levels to 40 DMA at 531.24 and 100 DMA at 520.50. We expect the upside trend to hold, but prices will struggle above resistance of 552.40 in the near term.

10 Day % K Stochastic	79.47	Rising	
10 Day % D Stochastic	71.16	Rising	
14 Day RSI	62.98	Rising	
Support	540	537.03	531.24
Resistance	552.40	560	565.50
Moving Averages (10,40,100)	537.03	531.24	52050
Open Interest	94,741	(+2,382)	Volume

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures continued to gain on the upside, with recent candles getting longer, closing higher at 167.30. Yesterday's break of 40 DMA at 162.50 was also seen as positive momentum. The indicators are now overbought as a result, and the MACD diff is positive and diverging. Upside momentum has been gaining traction in recent days, and the next resistance level now stands at the upper Bollinger band (UBB) at 173.20 before 100 DMA at 180.86. Alternatively, if futures break below support of 40 DMA, we could see prices test lower levels at 10 DMA at 157.10. Volumes are seen diminishing, and we expect some further upside before a slight trend reversal as futures test the 174 level.

10 Day % K Stochastic	86.82 Rising		
10 Day % D Stochastic	71.63 Rising		
14 Day RSI	59.13 Rising		
Support	162.50	157.10	154.55
Resistance	173.20	174.35	180.86
Moving Averages (10,40,100)	157.10	162.50	182.86
Open Interest	232,435 (+1,075)	Volumes	

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee continued to gain pace, but recent candles have struggled to break above the 100 DMA level and closed below at 1962. The stochastics have converged on the downside in the overbought, and the MACD diff is positive and converging, suggesting a trend reversal in the near term. The range is set to remain quite tight today, as futures are also being supported by the 10 DMA level, which is now at 1934. We expect futures to remain range-bound today before reversing the gains slightly. For that to take place, futures must first break below the 10 DMA level and then target 1914 and 40 DMA at 1879, respectively. Diminishing volumes also highlight prices struggling above the 100 DMA level, and we could see prices settle at current levels before a trend reversal takes place.

10 Day % K Stochastic	88.60	Falling		
10 Day % D Stochastic	89.76	Falling		
14 Day RSI	62.79	Rising		
Support	1934		1914	1900
Resistance	1965		2000	2010
Moving Averages (10,40,100)	1934		1879	1965
Open Interest	96,275	(+3,768)	Volumes	

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures jumped higher yesterday, testing resistance of 2671 but closing below at 2658. The stochastics, however, converged on the upside, and the MACD diff is negative and converging, suggesting a strong buy signal in the near term. To confirm this, futures need to break above the 2671 level and then test 2700; both levels have remained first in recent weeks. On the downside, the trendline and support at 2600 are supporting the prices, and if these levels do not hold, this could set the scene for lower prices to 40 DMA at 2575. We expect futures to test the 2671 level in the near term.

10 Day % K Stochastic	59.71	Rising	
10 Day % D Stochastic	52.97	Rising	
14 Day RSI	58.44	Rising	
Support	2600	2575	2500
Resistance	2671	2700	2715
Moving Averages (10,40,200)	2633	2575	2449
Open Interest	293,454 (+641)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa strengthened yesterday, as protracted buying pressure triggered a close on the front foot above 2000 at 2006. The stochastics are rising, and %K/%D has converged on the upside. The MACD diff is negative and converging, suggesting growing upside momentum. A long bullish candle body with shot wicks suggests growing buying pressures; this could set the scene for higher prices to break above resistance at 2000 completely. This would confirm the trend for rising prices up to 2012 and then 2050. On the downside, a breach of support at 50 DMA at 1968 would strengthen the bearish momentum. This could also trigger losses towards the 100 DMA at 1934. Indicators point to higher prices, and we expect futures to strengthen in the near term.

10 Day % K Stochastic	61.09 Rising		
10 Day % D Stochastic	52.19 Rising		
14 Day RSI	56.69 Rising		
Support	1968	1950	1932
Resistance	2000	2012	2050
Moving Averages (50,100,200)	1968	1934	1855
Open Interest	275,938 (-3,328)	Volumes	

Source: ICE

Risk warning

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