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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures held their nerve yesterday, as intraday trading caused the market to close at 20.39. The stochastics are rising further into overbought, and the MACD diff is positive, but the upside momentum is slowing, suggesting we could see some weakness in the near term, as futures are overbought from the technical perspective. The RSI is also rising; to confirm the outlook of lower prices, futures need to close back below 20.00 and then target 19.64. The 10 DMA is starting to close and supports prices on the downside. However, a break above 20.48, the recent highs, could set the scene for 20.50, further into historic highs. Two long-bodied candles with short wicks in the last couple of sessions point to market testing the near-term resistance, but struggling above that level. With indicators pointing to futures being overbought, we expect the upside momentum to slow and prices to soften in the near term.

10 Day % K Stochastic	90.43	Rising	
10 Day % D Stochastic	86.53	Rising	
14 Day RSI	72.09	Rising	
Support	20.00	19.64	19.41
Resistance	20.50	20.70	20.85
Moving Averages (10,40,100)	19.41	18.83	18.26
Open Interest	998,471 (+3,233)	Volume	

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar gapped lower on the open, but support 553.20, which was previously a robust resistance, held firm, and futures strengthened again to close at 566.50. The stochastics are about to converge on the downside, while overbought, and the MACD is positive and has remained flat in recent days, suggesting there is growing appetite for downside momentum, but near-term support is keeping prices at current levels. To confirm the indicators' outlook, futures need to break below support of 553.20 before attempting to test the 10 DMA at 549.55. Alternatively, a break back to 575.40 could trigger gains to 580. We expect futures to retest 553.20 in the near term.

10 Day % K Stochastic	82.53 Rising		
10 Day % D Stochastic	82.16 Rising		
14 Day RSI	65.90 Rising		
Support	553.20	549.55	540
Resistance	574.50	580	590
Moving Averages (10,40,100)	549.55	535.35	521.79
Open Interest	100,556 (+2,512)	Volume	

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures edged slightly higher on the open, but the bullish momentum was not strong enough, and futures closed below the near-term resistance at 178.10. The stochastics converging on the downside in overbought, and the MACD diff is positive and converging. The rejection of prices above Upper Bollinger Band at 180.54 has formed a candle with a narrow body, but a long wick on the upside, suggesting an appetite for higher prices, however, lacking conviction to break above the near term resistance. If prices were to break above 180, this could trigger a test of 188. To confirm the shooting start formation, futures need to take out 174.35 and then robust support at 10 DMA at 168.18. A break below this level would confirm the outlook for lower prices.

10 Day % K Stochastic	85.31	Falling		
10 Day % D Stochastic	86.30	Falling		
14 Day RSI	64.87	Rising		
Support	174.35	168.18	163.67	
Resistance	180	180.54	190	
Moving Averages (10,40,100)	168.18	163.67	178.29	
Open Interest	219,183	(-2,711)	Volumes	

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures held their nerve yesterday, as intraday trading saw prices close at 2044. The RSI is falling, and %K and %D are diverging on the downside, whilst still in overbought. The MACD diff is positive and converging marginally, suggesting some appetite for lower prices, but futures need to break below the support at 2000 to trigger the momentum. A break below this level towards 10 DMA at 1995 would confirm the strong bearish momentum. Conversely, appetite for prices above the 50% fib level at 2062 and 2100, respectively, could trigger a test of resistance of 2131. A gravestone doji candle shows rejection of lower prices, and with the golden cross formation taking place between 10 and 100 DMA, we could see a change of momentum to more bullish in the near term.

10 Day % K Stochastic	85.28 Falling		
10 Day % D Stochastic	89.51 Falling		
14 Day RSI	67.47 Rising		
Support	1995	1953	1914
Resistance	2062	2100	2131
Moving Averages (10,40,100)	1995	1889	1956
Open Interest	101,747 (+2,732)	Volumes	

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures held their nerve yesterday, as intraday trading saw prices close above 10 DMA at 2634. The RSI is flat, meanwhile %K and %D are about to converge on the downside. The MACD diff is negative and diverging marginally, suggesting some appetite for lower prices, but futures need to break below the trend support level completely to confirm this. A break below this level towards 40 at 2593 would confirm the continued bearish momentum down to 2560. Conversely, appetite for prices above the 2671 level could trigger a test of resistance of 2700. The candle struggled to break below the trend support, but the gravestone doji candle is usually a signal of a downside momentum. If futures can break below the 10 DMA, that would confirm the indicators in the near term.

10 Day % K Stochastic	64.11 Falling		
10 Day % D Stochastic	63.84 Falling		
14 Day RSI	53.72 Falling		
Support	2634	2600	2593
Resistance	2671	2700	2715
Moving Averages (10,40,200)	2634	2593	2450
Open Interest	297,895 (-3,500)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa held their nerve yesterday as prices closed at 2012. The stochastics are rising, with %K/%D entering the overbought territory. The MACD is positive and diverging, pointing to higher prices in the near term. On the downside, the rejection of higher prices at 2015 may prompt a break back towards trend support at 2000. A subsequent breach of this level could trigger losses towards the 50 DMA level at 1973. The trend line support has been robust in recent months, and we expect future to struggle below this level. On the upside, a break of 2015 may prompt futures to retest the highs of 2075. A subsequent breach of this level would prompt prices to regain upside momentum in the longer term. Short lower wicks point to a lack of appetite for higher prices. However, the future needs to break below current support to confirm the outlook for lower prices.

10 Day % K Stochastic	82.06 Rising		
10 Day % D Stochastic	76.21 Rising		
14 Day RSI	57.04 Rising		
Support	2000	1973	1950
Resistance	2015	2050	2055
Moving Averages (50,100,200)	1973	1942	1860
Open Interest	277,574 (+957)	Volumes	

Source: ICE

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