

## Authors

Daria Efanova  
Head of Research

WED 15 FEBRUARY 2023 10:10

# Softs Technical Charts

## NY 2nd Month Sugar Futures



NY sugar futures opened higher yesterday, but the upside momentum struggled to break above recent highs of 20.00 and closed at this level. The stochastics are falling, but %K is now seen edging higher, suggesting waning downside pressures in the near term. However, the MACD diff just flipped into negative territory. To confirm the MACD sell signal, futures would need to break below the support of 19.64 before targeting 19.50. On the upside, a break above 10 DMA at 19.93 could trigger gains to 20.48. The volumes weakened slightly, but remain historically higher, in line with September 2022 levels. We expect futures to remain at elevated levels in the near term, and a break out of current levels would suggest the building momentum.

10 Day % K Stochastic	50.03 Rising		
10 Day % D Stochastic	57.82 Falling		
14 Day RSI	59.19 Rising		
Support	19.64	19.50	19.21
Resistance	20.00	20.30	20.48
Moving Averages (10,40,100)	19.93	19.09	18.42
Open Interest	976,569 (-8,813)	Volume	

Source: ICE

# Ldn 2nd Month Sugar Futures



Ldn sugar gapped lower, but struggled to break below 40 DMA, triggering a strong gain during the day to close at 552.30. The stochastics continued to weaken, and the MACD diff converged on the downside, highlighting yesterday's break below solid support. Volumes are also weakening, suggesting futures could remain at current ranges in the near term. To confirm this, futures need to hold support at 40 DMA at 541.91, but we expect futures to struggle above 553.20. On the upside, if this level does not hold, we could see marginal losses to 540 and 530, respectively. We expect futures to test the 40 DMA today once again, but to remain supported above it.

10 Day % K Stochastic	47.91	Falling	
10 Day % D Stochastic	59.93	Falling	
14 Day RSI	51.77	Falling	
Support	541.91	540	525
Resistance	553.20	560.12	575.40
Moving Averages (10,40,100)	560.12	541.91	524.83
Open Interest	85,759 (+504)	Volume	

Source: ICE

# NY 2nd Month Coffee Futures



NY coffee futures jumped higher yesterday and managed to close above all the moving average resistance levels at 183.25. The indicators suggest we could see higher prices in the near term. The stochastics have converged and are now rising, and the MACD diff is positive and diverging on the upside, confirming the trend. The RSI is rising, and we expect futures to edge higher in the near term towards 200. However, the futures first need to take out the robust level on the upside at 190. On the downside, if futures fail into 180 again, then we could see prices break back below moving averages at 175. We expect futures to firm in the near term, and with futures breaking above the DMAs, this suggests further upside pressures in the near term.

10 Day % K Stochastic	66.41 Rising		
10 Day % D Stochastic	62.87 Rising		
14 Day RSI	66.04 Rising		
Support	176.46	174.35	170
Resistance	185	190	200
Moving Averages (10,40,100)	176.46	166.04	174.87
Open Interest	208,918 (-42)	Volumes	

Source: ICE

# Ldn 2nd Month Coffee Futures



Ldn coffee strengthened yesterday, as moderate buying pressure triggered a close on the front foot at 2070. The stochastics are rising, with %K/%D diverging on the upside towards overbought after converging on the upside. The MACD diff converged back on the upside. A long bullish candle body with short lower wicks suggests growing buying pressures; this could set the scene for higher prices to break above the 2082 level. This would confirm the trend for rising prices, up to 2100. On the downside, a breach of support at 10 DMA at 2047 would strengthen the bearish momentum. This could also trigger losses towards 2000. Indicators point to higher prices, but futures need to break above 2080 to confirm the outlook.

10 Day % K Stochastic	68.15	Rising		
10 Day % D Stochastic	69.98	Rising		
14 Day RSI	65.26	Rising		
Support	2047		2000	1953
Resistance	2082		2100	2131
Moving Averages (10,40,100)	2047		1934	1941
Open Interest	99,963	(-181)	Volumes	

Source: ICE

# NY 2nd Month Cocoa Futures



NY cocoa futures edged above the previous day's closing price, but the bullish momentum was not strong enough, and futures closed lower on the day at 2659. The stochastics continue to rise, and the MACD diff is negative and converging. The rejection of prices above 2671 has formed a candle with a narrow body, but a long wick on the upside, a shooting star formation, suggesting a lack of conviction to break above the near-term resistance. If prices were to break above this level, this could trigger a test of 2700. To confirm the shooting start formation, futures need to take out 10 DMA at 2628 and then robust support of 40 DMA at 2615. A break below this level would confirm the outlook for lower prices.

10 Day % K Stochastic	54.94 Rising		
10 Day % D Stochastic	45.32 Rising		
14 Day RSI	58.69 Falling		
Support	2628	2615	2600
Resistance	2671	2700	2710
Moving Averages (10,40,200)	2628	2615	2452
Open Interest	279,057 (+3,622)	Volumes	

Source: ICE

# Ldn 2nd Month Cocoa Futures



Ldn cocoa edged higher yesterday, as intraday trading caused futures to test appetite at 2050, and the market closed below at 2049. Stochastics are rising, and %K/%D is diverging on the upside in overbought, confirming the building upside momentum of the trend in the near term. The MACD diff is positive and diverging, suggesting growing buying pressure. To maintain positive momentum, prices must close above 2050 and then target 2059, which is the October high. On the downside, the rejection of prices above 2050 could trigger losses back to 2015 before targeting 2000. Buying pressure remains weak, but indicators point to growing upside momentum. The reaffirmation of support above 2015 could strengthen the outlook of higher prices.

10 Day % K Stochastic	74.65 Rising		
10 Day % D Stochastic	68.46 Rising		
14 Day RSI	64.05 Falling		
Support	2015	2000	1980
Resistance	2050	2055	2060
Moving Averages (50,100,200)	1980	1956	1870
Open Interest	275,930 (+4,490)	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](http://www.sucdenfinancial.com/en/risk-warning-and-disclaimers)).