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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar weakened yesterday as protracted selling pressure triggered a close on the back foot at 19.75. The stochastics are falling, with %K/%D converging on the downside, and the RSI has also edged lower, sending a sell signal. The MACD diff is negative and diverging. Yesterday's losses offset the previous day's gains, but the candle still struggled to break below the support of 19.64. To set scene for lower prices, futures need to break below this level before targeting the 40 DMA support level at 19.34. This would confirm the trend for falling prices, down to 19.00. On the upside, resistance at 10 DMA at 19.95 has proven to be strong in recent days, and a break above that level would strengthen the bullish momentum. This could also trigger gains towards 20.48 and 20.50. The inside candle, where yesterday's trading struggled to break out of the previous day's highs and lows, suggests a lack of conviction for trading out of the current ranges in the near term.

10 Day % K Stochastic	43.54	Falling	
10 Day % D Stochastic	50.48	Falling	
14 Day RSI	50.54	Falling	
Support	19.64	19.50	19.21
Resistance	19.95	20.00	20.48
Moving Averages (10,40,100)	19.95	19.34	18.69
Open Interest	910,461 (+9,342)	Volume	

Source: ICE

Ldn 2nd Month Sugar Futures



Prices weakened yesterday as trend resistance held strong, causing prices to close marginally lower at 559.50. The MACD diff is positive and converging. The stochastics are continuing to grow. The RSI is also falling, but the inside day yesterday suggests a continuation of the recent trend on the upside, and the long shadow confirmed the uncertainty for momentum yesterday, and futures should attempt to break above the trend resistance at 570. If this level is broken, prices could target 575.40. On the downside, a fall below the recent support of 550 could trigger losses to 10 DMA at 553.87. The indicators point to waning upside momentum, but candles need to break below the trend resistance to confirm this.

10 Day % K Stochastic	61.40 Rising		
10 Day % D Stochastic	48.25 Rising		
14 Day RSI	55.11 Falling		
Support	550	553.20	547.11
Resistance	560	575.40	580
Moving Averages (10,40,100)	553.87	547.11	531.50
Open Interest	87,796 (-489)	Volume	

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures held their nerve yesterday as intraday trading caused the market to close at 182.20. The stochastics are falling, and the MACD diff is negative and diverging, suggesting lower prices in the near term. The RSI is also falling; to confirm the outlook of lower prices, futures need to close back below 180 and then target 174.35. The 40 DMA is starting to close in and is about to break above 100 DMA, which could create a strong buy signal and support levels, something we will be watching closely. Alternatively, a break above the trend level at 186.51 could set the scene for recent highs of 195. Two narrow-bodied candles in the last couple of sessions point to market uncertainty, and the futures need to break out of current resistance/support to confirm the longer-term outlook.

10 Day % K Stochastic	62.66	Falling		
10 Day % D Stochastic	50.66	Falling		
14 Day RSI	54.34	Falling		
Support	180		174.35	170.88
Resistance	186.51		190	200
Moving Averages (10,40,100)	186.51		170.88	171.75
Open Interest	194,659	(-1,516)	Volumes	56,946

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures edged higher yesterday as intraday trading saw prices test resistance at 2191 and closed at 2180. The RSI is rising, and %K/%D just converged on the upside, sending a strong buy signal. The MACD diff, however, lacks conviction. The indicators point to higher prices in the near term, and appetite for prices above the resistance at 2200 could trigger a test of previous weeks' resistance at 2208; tertiary resistance stands at 2216. On the downside, to confirm the rejection of the support, prices need to take out 10 DMA at 2149. A break below this level towards 2100 would confirm the strong bearish momentum. A doji candle highlights uncertainty about the outlook for lower prices, and the futures need to take out 2200 to confirm the outlook for rising prices. In the meantime, we believe prices will remain supported above the 10 DMA level.

10 Day % K Stochastic	75.12 Rising		
10 Day % D Stochastic	74.53 Rising		
14 Day RSI	67.30 Rising		
Support	2149	2100	2082
Resistance	2200	2216	2250
Moving Averages (10,40,100)	2149	2017	1937
Open Interest	90,523 (+2,201)	Volumes	25,067

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures failed above the previous day's highs yesterday as marginal downside trading caused futures to close at 2790. The stochastics have softened, with %K/%D about to converge on the downside out of overbought, and the MACD diff is positive and converging. The rejection of prices at 2856 and a complete break below 10 DMA at 2790 would suggest an appetite for lower prices. On the upside, if prices were to break back above Wednesday's highs, this could trigger a test of 2900. To confirm another bearish candle, futures need to take out 10 DMA and then robust support at 2720. A break below this level would confirm the outlook for lower prices.

10 Day % K Stochastic	73.18 Falling		
10 Day % D Stochastic	77.54 Falling		
14 Day RSI	63.53 Falling		
Support	2777	2720	2700
Resistance	2856	2875	2900
Moving Averages (10,40,200)	2777	2671	2467
Open Interest	336,608 (+9,100)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures opened higher yesterday, but the resistance of 2175 caused futures to close lower on the day at 2141. The stochastics are seen falling from overbought, with the %K/%D now declining, and the MACD diff is positive and converging. A break of the 2100 level could trigger losses through 2059, with the tertiary level at 50 DMA at 2026. On the upside, a break above yesterday's highs could set the scene for bullish momentum towards 2200, the highs not seen since October 2016. The long candle body has been formed, which points to the market rejecting prices at higher prices, and the indicators point to further downside momentum in the near term.

10 Day % K Stochastic	69.62	Falling		
10 Day % D Stochastic	74.98	Falling		
14 Day RSI	66.12	Falling		
Support	2100	2075	2050	
Resistance	2155	2175	2200	
Moving Averages (50,100,200)	2026	1984	1890	
Open Interest	292,974	(-633)	Volumes	

Source: ICE

Risk warning

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