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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures edged higher yesterday, testing 20.48 to close at 20.44. The indicators suggest we could see higher prices in the near term. The stochastics are diverging on the upside, the RSI is rising, and the MACD diff is negative and about to converge on the upside, a strong buy signal. A break above the 20.48 level could then test 20.50. Superseding this level, resistance stands at 20.94, September 2021 high. On the downside, if futures fall below the 10 DMA at 20.10, then we could see them break back below 20.00. The narrowing DMA support and yesterday's test of recent highs suggests growing pressures on the upside; however, futures rejected the 20.48 level in recent weeks, and only a break above these levels could pave the way for stronger momentum in the near term.

10 Day % K Stochastic	69.68	Rising		
10 Day % D Stochastic	59.77	Rising		
14 Day RSI	59.27	Rising		
Support	20.10		20.00	19.64
Resistance	20.48		20.50	20.91
Moving Averages (10,40,100)	20.10		19.51	18.76
Open Interest	926,306	(+1,648)	Volume	

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar prices gained ground yesterday, testing appetite at 575.40 once again, but then struggled above this level, triggering a close at 575. The stochastics favour the upside, with the %K/%D diverging on the upside in the overbought territory, suggesting we could see prices improve in the near term. The MACD diff is positive and diverging, pointing to an improved outlook. The RSI is rising, and yesterday's candle suggests we could see prices challenge 575.40 in the near term. In the medium term, futures need to hold above that level and then target 580 – July 2016 highs. On the downside, a break below the 10 DMA support level at 559.96 could trigger losses back to 553.20. A break below these levels would confirm a double top formation, which means we could see a reversal in trend. The stochastics, however, point to an improvement in momentum, and we expect futures to remain on the front foot in the near term.

10 Day % K Stochastic	79.80	Rising	
10 Day % D Stochastic	68.40	Rising	
14 Day RSI	61.74	Rising	
Support	560	553.20	551.02
Resistance	575.40	580	585
Moving Averages (10,40,100)	559.96	551.02	533.32
Open Interest	88,532 (-802)	Volume	

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures edged higher yesterday, gaining footing back above 180 and closing at 182.55. The stochastics show that recent downside momentum is slowing, with %K/%D converging on the upside, and the MACD diff is negative and converging. The reaffirmation of support at 180 could set the scene for higher prices back to test the 10 DMA level at 184.99, but we expect this level to cap any upside potential in the near term. On the downside, futures need to break below the support of 174.35 in order to end the recent sessions' upside trend to 40 DMA at 172.39. Indeed, the moving averages are providing robust support/resistance levels, and futures would need to break out of these levels to confirm the longer-term outlook. In the meantime, we expect futures to edge slightly higher in the near term, capped by a 10 DMA resistance level.

10 Day % K Stochastic	32.34 Rising		
10 Day % D Stochastic	41.58 Falling		
14 Day RSI	54.41 Rising		
Support	180	174.35	172.39
Resistance	184.99	194.15	200
Moving Averages (10,40,100)	184.99	172.79	170.92
Open Interest	197,354 (+837)	Volumes	

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures edged lower but support at 2131 held firm, and the market closed at 2152. The stochastics are edging lower, with %K/%D seen leaving the overbought, and the MACD diff is negative and diverging, outlining the recent decline in prices after the rejection of prices at the 10 DMA level. A breach of support at 2131 may set the scene for lower prices to 2100. If futures take out of this level, this will reaffirm the trend on the downside. Alternatively, futures have struggled to break below the 2131 level, and the longer lower shadow highlights that. The reaffirmation of support above this level could trigger gains towards above the 10 DMA to 2200. We expect prices to weaken in the near term, as the 10 DMA resistance is robust.

10 Day % K Stochastic	57.03	Falling		
10 Day % D Stochastic	66.01	Falling		
14 Day RSI	61.21	Rising		
Support	2131		2100	2082
Resistance	2161		2200	2250
Moving Averages (10,40,100)	2161		2041	1937
Open Interest	94,022	(+211)	Volumes	

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures held their nerve yesterday as intraday trading saw prices close at 2778. The RSI is falling, and %K/%D is negative and diverging on the downside. The MACD diff is positive and about to converge on the downside, suggesting growing selling pressure. The indicators point to an accelerating downside momentum, and to confirm the outlook for lower prices, futures need to take out the trend support at 2750. A break below this level towards 2700 would confirm the strong bearish momentum. Conversely, appetite for prices above the 10 DMA at 2778 could trigger a test of trend resistance of 2900. We expect futures to trade within trend ranges, and with volumes diminishing, any strong momentum will be capped by these levels in the near term.

10 Day % K Stochastic	40.81 Falling		
10 Day % D Stochastic	56.50 Falling		
14 Day RSI	55.49 Falling		
Support	2750	2700	2671
Resistance	2800	2586	2900
Moving Averages (10,40,200)	2778	2683	2471
Open Interest	343,227 (-1,334)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures opened slightly higher day-on-day yesterday, closing at 2133. The stochastics are falling, but %K/%D is now showing signs of convergence, which could suggest a change of momentum in the near term. The MACD diff is still negative and diverging. On the upside, futures need to break above the robust resistance level at 2155 to trigger the momentum to recent highs of 2175 and 2200. Conversely, the appetite for prices below 2100 completely could trigger a test of support of 2059, confirming the downside trend. A dragonfly doji candle shows rejection of higher prices and could point to an end of slightly bullish sentiment. However, resistance at 2100 remains robust, and we expect futures to trade above this level in the near term.

10 Day % K Stochastic	43.75 Rising		
10 Day % D Stochastic	54.35 Falling		
14 Day RSI	61.52 Rising		
Support	2100	2075	2030
Resistance	2155	2175	2200
Moving Averages (50,100,200)	2038	1990	1896
Open Interest	295,780 (+565)	Volumes	

Source: ICE

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