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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar edged higher yesterday as intraday trading caused futures to test appetite at 10 DMA; the market closed below at 20.23. Stochastics are falling, but the momentum is slowing, and %K is now flat, suggesting we could see a change of momentum. The MACD diff is still negative and diverging. To maintain positive momentum, prices need to close above the 10 DMA level at 20.31 and then target 20.48 and 20.71, respectively. On the downside, the rejection of prices above current levels could trigger losses back to the 40 DMA at 19.84 before targeting 19.64. Buying pressure remains weak, and indicators point to a potential acceleration of the upside trend in the near term. The reaffirmation of support above 40 DMA could strengthen the outlook of higher prices.

| | | | |
|-----------------------------|------------------|--------|-------|
| 10 Day % K Stochastic | 68.25 Falling | | |
| 10 Day % D Stochastic | 71.83 Falling | | |
| 14 Day RSI | 52.84 Falling | | |
| Support | 20.00 | 19.77 | 19.64 |
| Resistance | 20.26 | 20.48 | 20.71 |
| Moving Averages (10,40,100) | 20.26 | 19.77 | 18.89 |
| Open Interest | 932,452 (+1,078) | Volume | |

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures gained ground yesterday but struggled above 10 DMA once again to close at 571.50. The stochastics are falling, with the %K/%D diverging out of the overbought, whereas the MACD diff just flipped into negative territory, which could be a sign of strong selling pressures. This suggests we could see a change in momentum in the near term. To confirm this, prices need to break below firm support at 40 DMA at 558.24. If the prices break through this level, we could see prices retreat back to 553.20. On the upside, a break above 10 DMA at 572.11 and 575.40 could signal further upside potential. The bullish candle with a long body and long upper and lower wicks after a similar bearish candle points to uncertainty in breaking out of the current support and resistance.

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|-----------------------------|--------|---------|--------|
| 10 Day % K Stochastic | 74.29 | Falling | |
| 10 Day % D Stochastic | 78.49 | Falling | |
| 14 Day RSI | 55.13 | Falling | |
| Support | 570.55 | 560 | 556.42 |
| Resistance | 570.55 | 575.50 | 580 |
| Moving Averages (10,40,100) | 570.55 | 556.42 | 536.62 |
| Open Interest | 89,725 | (-875) | Volume |

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures gained ground yesterday as protracted buying pressure prompted a test of the shorter-term moving averages to close on the front foot at 180.05. The stochastics are rising, and the %K/%D is seen breaking out of the oversold territory, highlighting growing buying pressures. The MACD diff is negative and converging. To confirm another bullish candle, futures need to close above moving averages completely and then target the 180 level once again. On the downside, the break below 174.35 could set the scene for lower prices towards the support of the 100 DMA level at 169.84. However, the market struggled below that level in recent sessions, and the bullish engulfing pattern suggests a strong buy signal. We believe that prices will strengthen in the near term.

| | | | |
|-----------------------------|---------------|---------|--------|
| 10 Day % K Stochastic | 22.83 | Falling | |
| 10 Day % D Stochastic | 27.10 | Falling | |
| 14 Day RSI | 45.99 | Falling | |
| Support | 175.57 | 170.05 | 160 |
| Resistance | 179.13 | 180 | 185 |
| Moving Averages (10,40,100) | 179.13 | 175.57 | 170.05 |
| Open Interest | 199,478 (-74) | Volumes | |

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee strengthened yesterday as protracted buying pressure triggered a close on the front foot above 40 DMA at 2104. The stochastics are rising, and %K/%D is converging on the upside near the oversold. The MACD diff is negative and converging. A long bullish candle body with long wicks suggests growing buying pressures; this could set the scene for higher prices to break above the resistance at 2100 completely. This would confirm the trend for rising prices, up to the 40 DMA level at 2130 and then 2150. On the downside, a breach of support at 40 DMA at 2081 would strengthen the bearish momentum. This could also trigger losses towards 2000. Indicators point to higher prices, and we expect futures to strengthen in the near term.

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|-----------------------------|---------|---------|---------|------|
| 10 Day % K Stochastic | 25.91 | Falling | | |
| 10 Day % D Stochastic | 42.90 | Falling | | |
| 14 Day RSI | 45.21 | Falling | | |
| Support | 2072 | | 2050 | 2000 |
| Resistance | 2100 | | 2131 | 2250 |
| Moving Averages (10,40,100) | 2148 | | 2072 | 1942 |
| Open Interest | 100,855 | (-662) | Volumes | |

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures rallied yesterday as protracted selling pressure triggered a close on the front foot at 2688. The stochastics are showing signs of a trend reversal, and %K/%D is about to give a buy signal as it converges on the upside. The MACD diff is negative and converging, confirming growing buying pressure; this could set the scene for higher prices to 2700, but futures need to break above the 40 and 10 DMAs at 2688 and 2709, respectively. A break above this level would confirm the outlook of higher prices up to 2800. On the downside, a break below the support level at 2600 level and an appetite for lower prices could set the scene for 2576. Three-line strike formation points that the recent trend on the downside is to prevail in the longer term. To confirm this, futures need to break back below the 2600 level.

| | | | |
|-----------------------------|----------------|---------|------|
| 10 Day % K Stochastic | 14.49 | Neutral | |
| 10 Day % D Stochastic | 22.41 | Falling | |
| 14 Day RSI | 41.55 | Neutral | |
| Support | 2650 | 2615 | 2600 |
| Resistance | 2671 | 2688 | 2700 |
| Moving Averages (10,40,200) | 2741 | 2688 | 2476 |
| Open Interest | 341,933 (-409) | Volumes | |

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures edged higher yesterday, breaking above resistance at 50 DMA at 2050 and closing at 2074. The stochastics are edging out of the oversold territory, and the MACD diff is negative and converging, outlining recent bullish sessions. On the upside, futures need to break completely above the 2100 level in order to confirm upside momentum. The reaffirmation of support there could trigger gains towards the level at 2150; this could strengthen the trend in the long run on the upside. A break back below the current support would bring into play the 2000 level, which could set the scene for support at 1975. We see prices edge higher in the near term, however, futures closing above the DMA confirms the outlook for higher prices.

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|------------------------------|------------------|---------|------|--|
| 10 Day % K Stochastic | 19.41 | Neutral | | |
| 10 Day % D Stochastic | 27.94 | Falling | | |
| 14 Day RSI | 42.84 | Rising | | |
| Support | 2110 | 2000 | 1999 | |
| Resistance | 2055 | 2100 | 2150 | |
| Moving Averages (50,100,200) | 2048 | 1999 | 1904 | |
| Open Interest | 287,159 (-1,440) | Volumes | | |

Source: ICE

Risk warning

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