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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures jumped higher once again on Friday as prices breached the highs of 21.75 to settle at 21.83, confirming the breakout of the ascending triangle formation. The indicators favour the upside, with both %K/%D now overbought. MACD diff is positive and diverging, outlining recent buying pressures. A break above 22.00 would bring into play the resistance level at 22.60, which was a solid resistance level in October 2016. On the downside, futures need to break below 21.00 and then target a 10 DMA at 20.70 in the near term. Another candle today would confirm the three white soldiers' formation, which could favour further upside momentum, and the indicators point to further upside in the near term.

10 Day % K Stochastic	86.08 Rising		
10 Day % D Stochastic	74.88 Rising		
14 Day RSI	72.57 Rising		
Support	21.50	21.00	20.70
Resistance	22.00	22.50	22.60
Moving Averages (10,40,100)	20.70	20.21	19.32
Open Interest	958,408 (+9,560)	Volume	205,150

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar saw another day of robust gains on Friday, marking a 6.75% increase over the course of the week. The candle edged higher and tested the 2014 highs of 621.50, closing at 2019. Stochastics are heavily overbought, highlighting the recent buying pressure. The 621.50 resistance stood firm in the last couple of days, but futures are set to retest this level today. If this level is breached, this could set the scene for higher prices of 650. Alternatively, the trend line is providing a robust support level for futures, now at 625, and a break below this level could trigger losses below 600 to 10 DMA at 592.57. We expect futures to remain in the higher ranges today.

10 Day % K Stochastic	91.06 Rising		
10 Day % D Stochastic	84.03 Rising		
14 Day RSI	75.86 Rising		
Support	625	600	592.57
Resistance	621.50	650	655
Moving Averages (10,40,100)	592.57	569.40	548.04
Open Interest	92,048 (-209)	Volume	22,806

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures opened in line with a key support level of 100 DMA but prices rejected lower levels and closed at 169.70. The RSI is now seen rising once again, and the MACD diff is negative and flat, suggesting that recent downside momentum might be slowing. This is also confirmed by %K/%D, with %K seen rising, which could soon indicate a buy signal. The indicators point to higher prices in the near term, and to confirm the confirmation of support; prices need to trade above the 100 DMA at 169.68. A break above this level towards 10 DMA at 174.42 would confirm the growing upside momentum. Conversely, appetite for prices below could trigger a test of 160. A dragonfly candle signal that prices have rejected further gains above 100 DMA, and following the doji candle on Thursday, this signals uncertainty about the outlook for higher prices. However, to confirm the indicators' outlook on the upside, a break above these levels in the near term is needed.

10 Day % K Stochastic	22.29 Rising		
10 Day % D Stochastic	29.05 Falling		
14 Day RSI	41.75 Falling		
Support	169.68	160	154.55
Resistance	171.85	174.42	178.79
Moving Averages (10,40,100)	174.42	178.79	169.68
Open Interest	201,587 (-1,230)	Volumes	

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures remained above a key support level of 10 DMA at 2147 on Friday. The level closed marginally higher at 2173. The RSI is rising, and the MACD diff is positive and diverging, but %K/%D is about to converge on the downside. We expect prices to remain supported above the shorter-term moving averages. To confirm further upside momentum, futures have to take out the 2200 level before testing 2216 once again. Alternatively, a break below 10 DMA towards 40 DMA at 2120 would confirm the growing bearish momentum. A spinning top candle after a positive candle signals uncertainty about the outlook for higher levels, and a break above the key resistance would confirm there is more appetite for the upside.

10 Day % K Stochastic	66.27 Rising		
10 Day % D Stochastic	63.86 Rising		
14 Day RSI	56.71 Rising		
Support	2147	2120	2082
Resistance	2200	2216	2250
Moving Averages (10,40,100)	2147	2120	1975
Open Interest	108,236 (+2,383)	Volumes	

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures edged marginally higher on Friday, but the bullish momentum was not strong enough to break above 2900 and futures closed at 2894. The MACD diff is positive and diverging, and the %K/%D is seen flattening out, which could point to an end of the recent bull run. The rejection of prices at 2900 has formed a candle with a narrow body but a long wick on the upside, suggesting markets testing and rejecting prices above near resistance. If prices were to break above this level, this could trigger a test of 2930, the multi-year high. To confirm the shooting star formation, futures need to take out 10 DMA at 2837 and then robust support at 2800. A break below this level would confirm the outlook for lower prices.

10 Day % K Stochastic	91.73 Neutral		
10 Day % D Stochastic	8923 Rising		
14 Day RSI	68.21 Neutral		
Support	2837	2800	2742
Resistance	2900	2930	2950
Moving Averages (10,40,200)	2837	2742	2497
Open Interest	365,257 (+6,148)	Volumes	

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa strengthened on Friday as protracted buying pressure triggered a close on the front foot at 2163. The stochastics are rising, with %K/%D further strengthening into the overbought. The MACD diff is positive and diverging. A long bullish candle body with short wicks suggests growing buying pressures; this could set the scene for higher prices to break above the robust resistance at 2275, but prices struggled above that level in recent weeks. This would confirm the trend for rising prices, up to 2200. On the downside, a breach of support at 2100 would strengthen the bearish momentum. This could also trigger losses towards the 50 DMA at 2080. Indicators point to higher prices, and we expect futures to retest the near-term resistance.

10 Day % K Stochastic	88.46	Rising		
10 Day % D Stochastic	82.96	Rising		
14 Day RSI	63.61	Rising		
Support	2100	2080	2050	
Resistance	2275	2200	2210	
Moving Averages (50,100,200)	2080	2024	1927	
Open Interest	291,554 (+1,648)	Volumes		

Source: ICE

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