

## Authors

Daria Efanova  
Head of Research

FRI 14 APRIL 2023 09:30

# Softs Technical Charts

## NY 2nd Month Sugar Futures



NY sugar futures edged marginally higher yesterday, but the bullish momentum was not strong enough to break back above 24.00 and futures closed at 23.39. The RSI is falling, and the MACD diff is positive and converging. The stochastics have just converged on the downside while overbought, a strong sell signal. The rejection of prices at 24.00 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 24.09, the recent high. To confirm the shooting star formation, futures need to take out 23.00 and then robust support at 10 DMA at 22.66. A break below this level would confirm the outlook for lower prices.

10 Day % K Stochastic	84.80	Falling		
10 Day % D Stochastic	88.66	Falling		
14 Day RSI	75.88	Falling		
Support	23.00		22.60	22.15
Resistance	23.50		24.00	24.10
Moving Averages (10,40,100)	22.66		20.82	19.67
Open Interest	992,037	(-16,985)	Volume	399,688

Source: ICE

# Ldn 2nd Month Sugar Futures



Prices weakened yesterday as moderate selling pressure triggered a close below the 675 support level; the market closed at 666.20. The stochastics are falling, signalling a continuation of a bearish trend. The MACD is positive and converging, and another bearish candle formation supports the market appetite for the downside. However, yesterday's dip in the market was not well bid and in order to confirm the change in trend on the downside, prices need to break below the current support of 650 and then 10 DMA at 641.62. Conversely, a break back above 675 could set the scene for a test of 690.20, the recent high. We expect prices to remain supported above the 650 support level in the near term.

10 Day % K Stochastic	83.94	Falling		
10 Day % D Stochastic	88.71	Falling		
14 Day RSI	77.32	Falling		
Support	650	641.62	619	
Resistance	675	690.20	700	
Moving Averages (10,40,100)	641.62	585.84	556.36	
Open Interest	86,461 (-3,823)	Volume	41,790	

Source: ICE

# NY 2nd Month Coffee Futures



NY coffee gained ground yesterday as buying pressure triggered a close on the front foot at 194.40 after resistance at 194.14 held firm. The stochastics are rising towards the overbought, as the MACD diff is positive and diverging, highlighting the recent uptrend. The stochastics, however, are seen softening slightly while overbought, which could suggest a pause in upside momentum in the near term. To confirm further gains, the market needs to take out immediate resistance at 194.15. On the downside, if the support around the moving averages at 180 breaks, we could see prices retreat back through to 171.85. A longer upper wick on Tuesday points to the appetite for higher prices; however, futures need to take out the near-term resistance in order to confirm the outlook on the upside.

10 Day % K Stochastic	86.12 Rising		
10 Day % D Stochastic	75.79 Rising		
14 Day RSI	67.94 Rising		
Support	190	180	171.85
Resistance	194.15	200	215
Moving Averages (10,40,100)	180.07	180.08	171.17
Open Interest	192,988 (-532)	Volumes	

Source: ICE

# Ldn 2nd Month Coffee Futures



Ldn coffee futures skyrocketed in recent sessions, and yesterday, the protracted buying pressure triggered a close on the front foot at 2382, breaching August 2022 highs. The RSI is rising, while %K/%D are diverging on the upside; both are overbought. The MACD diff is positive and diverging, outlining the recent market rally. On the downside, a break back below the support level of 2300 could trigger losses back towards 10 DMA at 2245, and a break below 2200 would confirm the outlook of lower prices in the longer term. On the upside, a break above 2400 could trigger gains through resistance towards 2415. The market rally has been strong, with three white soldiers' formation confirming the strength of bull sentiment. We could see prices trend slightly higher today, confirmed by long candle bodies and a longer upper wick.

10 Day % K Stochastic	74.07 Rising		
10 Day % D Stochastic	92.19 Rising		
14 Day RSI	86.74 Rising		
Support	2300	2245	2200
Resistance	2400	2415	2450
Moving Averages (10,40,100)	2245	2160	2007
Open Interest	115,802 (-1,060)	Volumes	

Source: ICE

# NY 2nd Month Cocoa Futures



NY cocoa futures edged higher yesterday, breaking above resistance at 2900 and closing at 2930. The stochastics are rising, with %K/%D just converging on the upside, and the MACD diff is positive and diverging once again, sending a buy signal. The reaffirmation of support at 10 DMA at 2879 could set the scene for higher prices back to test 2930. On the downside, futures need to break below the support of 10 DMA in order to end the recent sessions' upside trend. Indeed, the 10, 40 and 100 DMAs are providing robust support levels. Yesterday's candle confirms the appetite for higher prices, and a break above 2930 would reaffirm this.

10 Day % K Stochastic	70.64 Rising		
10 Day % D Stochastic	68.42 Rising		
14 Day RSI	62.67 Rising		
Support	2879	2856	2800
Resistance	2900	2930	2950
Moving Averages (10,40,200)	2879	2792	2516
Open Interest	347,811 (-20,281)	Volumes	

Source: ICE

# Ldn 2nd Month Cocoa Futures



Ldn cocoa futures held their nerve yesterday, as intraday trading saw futures test appetite at 2200 once again. This level held firm, and the future closed at 2190. The stochastics remain elevated in the overbought territory, and the MACD diff is positive and flat, reaffirming the market's comfort at current levels. To confirm the outlook for higher prices, futures need to break above the resistance at 2200, which could set the scene for futures to take out the 2220 level. On the downside, the market needs to take out the support of 2175 and then support at 2150. The candle found support above these levels; however, a doji candle signals uncertainty about the outlook for higher prices. We expect futures to remain flat today.

10 Day % K Stochastic	82.98	Falling		
10 Day % D Stochastic	82.13	Falling		
14 Day RSI	62.89	Rising		
Support	2175	2150	2100	
Resistance	2200	2215	2250	
Moving Averages (50,100,200)	2103	2037	1942	
Open Interest	303,445 (+2,150)	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)).