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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures held their nerve yesterday as intraday trading caused the market to close at 25.00. Futures are now trading between the 10 and 40 DMAs, capped by the shorter-term moving average on the upside. The stochastics, however, have converged on the upside near the oversold, a strong buy signal, and the MACD is negative and converging, suggesting more appetite for the upside. To confirm the bullish indicators, futures need to break above the 10 DMA resistance at 25.32 before targeting 25.80 and 26.00, respectively. Alternatively, support at 40 DMA at 24.80 is also holding firm, and a break below this level could trigger the outlook for lower prices down to 24.09. A narrow-bodied candle in yesterday's sessions shows that both moving averages are holding firm, so to confirm the indicators' outlook on the upside, prices need to break above the 40 DMA first.

10 Day % K Stochastic	29.46 Rising		
10 Day % D Stochastic	30.02 Rising		
14 Day RSI	49.83 Falling		
Support	24.80	24.09	24.00
Resistance	25.32	25.80	26.00
Moving Averages (10,40,100)	25.32	24.80	21.77
Open Interest	973,410 (-6,597)	Volume	213,852

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures edged lower yesterday as trading saw prices close at 696.40. The RSI is falling, but %K/%D is about to converge on the upside near the oversold. The MACD diff is negative and converging, suggesting a waning appetite for lower prices, but futures need to break above the 10 DMA level at 697.59 to trigger the momentum. A break above this level towards resistance at 700 and then 711.60 would confirm the strong bullish momentum. Conversely, appetite for prices below the 40 DMA at 677.82 could trigger a test of support of 662.81. A long-legged candle shows indecision about either direction; the length of the wicks also points to increased volatility during the day; however, the volumes are seen picking up slightly. We expect that markets expect a stronger move in either direction. The indicators point to a further rise in prices, but futures need to close above 10 DMA, the level they struggled to break above completely in the last couple of sessions.

10 Day % K Stochastic	40.06 Rising		
10 Day % D Stochastic	40.79 Rising		
14 Day RSI	55.67 Falling		
Support	677.82	662.81	650
Resistance	697.59	700	718.20
Moving Averages (10,40,100)	697.59	677.82	604.20
Open Interest	87,208 (+596)	Volume	8,601

Source: ICE

NY 2nd Month Coffee Futures



Prices weakened yesterday as protracted selling pressure triggered a close below the 100 DMA support level; the market closed at 174.85. The stochastics are falling, with the %K/%D diverging on the downside in the oversold, signalling further downside momentum, although the market is oversold. The MACD is negative and diverging, and the long candle body supports the market appetite for lower prices. In order to confirm the negative momentum, prices need to break below the current support at 171.85 and then 170. Conversely, support at these levels could set the scene for a test of 100 DMA once again. We expect prices to weaken today and remain on the back foot.

10 Day % K Stochastic	18.48	Falling		
10 Day % D Stochastic	31.09	Falling		
14 Day RSI	35.86	Falling		
Support	171.80	170	165	
Resistance	178.44	180	184.17	
Moving Averages (10,40,100)	184.17	186.77	178.44	
Open Interest	200,357	(+322)	Volumes	54,563

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures opened higher yesterday, but resistance at 10 DMA caused futures to close lower on the day at 2520. The stochastics continue to fall, and the MACD diff is negative and diverging. On the downside, a break of 2500 could trigger losses through trend support at 2489, with the tertiary levels at 40 DMA at 2407. On the upside, a break above 10 DMA at 2553 could set the scene for bullish momentum towards 2600. The candle closing lower on the day could be a sign that futures found robust resistance at 10 DMA, and the indicators point to accelerating downside momentum. To confirm this, the robust level at 2489 has to be taken out first.

10 Day % K Stochastic	46.56 Falling		
10 Day % D Stochastic	59.81 Falling		
14 Day RSI	55.97 Falling		
Support	2500	2489	2450
Resistance	2553	2600	2650
Moving Averages (10,40,100)	2553	2407	2190
Open Interest	113,814 (+428)	Volumes	14,852

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures held their nerve yesterday as intraday trading saw futures test appetite at 3000 once again. This level held firm, and the future closed at 3015. The stochastics are falling, with %K/%D seen diverging towards the oversold, and the MACD diff is negative and diverging, signalling growing selling pressures. To confirm the outlook for lower prices, futures need to break below the support at 3000, which could set the scene for futures to take out the 40 DMA support at 2953. On the upside, the market needs to take out the resistance of 3022, the 10 DMA, and then the resistance at 3050. The candle found support above 3000, and a longer upper wick signals an appetite for higher prices. If the futures break above the current resistance, we could see prices edge higher, and indicators point to a growing downtrend.

10 Day % K Stochastic	48.81	Falling	
10 Day % D Stochastic	58.96	Falling	
14 Day RSI	56.51	Rising	
Support	3000	2953	2930
Resistance	3022	3050	3100
Moving Averages (10,40,200)	3022	2953	2612
Open Interest	338,518 (+2,395)	Volumes	42,504

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures edged lower yesterday as prices failed above the previous day's highs and then closed at 2322. The indicators are favouring the downside; the stochastics are falling, with %K/%D converging on the downside and edging out of the overbought area, a strong sell signal, and the MACD diff is positive and converging on the downside, confirming further selling pressures. A close below the trend support at 2320 would bring into play the support at 2300. On the upside, prices need to find support above these levels before targeting 2355. Indicators point to further bearish momentum; however, prices have struggled to break below the current support.

10 Day % K Stochastic	81.39 Falling		
10 Day % D Stochastic	80.02 Falling		
14 Day RSI	69.09 Falling		
Support	2322	2300	2250
Resistance	2355	2375	2400
Moving Averages (50,100,200)	2211	2129	2018
Open Interest	311,982 (+1,672)	Volumes	21,788

Source: ICE

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