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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar opened slightly higher on the day on Friday, but gains during the day did not hold, as futures struggled with higher prices, above 25.50, closing at 25.02. The longer upper wick during the day suggests a lack of momentum for higher prices, but the indicators suggest that more upside momentum is on the horizon: the %K/%D are diverging higher out of the oversold, and the MACD diff is negative and about to converge on the upside, which would indicate a strong buy signal. Volumes at multi-week highs also confirm higher market participation. We expect that futures will retest the recent highs; however, the resistance at 40 DMA at 25.17 is standing firm for now, and a break above it could trigger further upside to 25.80 and 26.00, respectively. Alternatively, another moving average at 10 DMA at 24.67 is now also capping prices from the downside, creating a tight trading range. We expect prices to test the 40 DMA resistance level today.

10 Day % K Stochastic 47.02 Rising

10 Day % D Stochastic 35.48 Rising

14 Day RSI 51.98 Falling

Support 25.00 24.67 24.00

Resistance 25.17 25.80 26.00

Moving Averages (10,40,100) 24.67 25.17 22.34

Open Interest 1,022,139 (-1,150) Volume 275,341

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar, in line with NY sugar futures, opened higher on Friday, but resistance at 40 DMA triggered a close below at 677.90. The stochastics continue to gain ground out of the oversold territory, but the momentum has been slow; the MACD diff is negative and converging. The RSI is falling, and the shooting star formation on Friday could indicate a potential trend reversal in the near term. To confirm this, the support of 10 DMA at 679.90 needs to be broken first before testing the 661.10, a support level that has not been breached since March. On the upside, if there is an appetite for prices above 40 DMA at 685.93, we could see further gains to 700. Futures have been capped by the 711 and 661 levels on both the upside and downside, and the indicators suggest that we are unlikely to break out of this range in the near term.

10 Day % K Stochastic	26.94 Rising		
10 Day % D Stochastic	21.25 Rising		
14 Day RSI	48.28 Falling		
Support	679.90	661.10	650
Resistance	685.93	700	711.60
Moving Averages (10,40,100)	679.90	685.93	616.46
Open Interest	84,431 (-311)	Volume	16,000

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures opened above the 190 level on Friday, but protracted selling pressure later on in the day brought futures to a close of 186.65. The indicators are suggesting that upward momentum is slowing, with %K/%D rising marginally near the overbought, and the RSI is now falling. The length of Friday's candle and increased volumes suggest that current market uncertainty out of the 171-194 range could cause higher volatility during the day's trading. The support of 40 DMA at 186.53 is now holding firm and could trigger some upside back above 190; consequently, further gains could set the scene for prices above 194.15 and 198.10, respectively. On the downside, a break below the 40 DMA could trigger losses to 10 and 100 DMA at 180. We expect prices to remain in the higher trading ranges today.

10 Day % K Stochastic	64.08 Rising		
10 Day % D Stochastic	49.65 Rising		
14 Day RSI	53.99 Falling		
Support	186.53	180	171.85
Resistance	190	194.15	198.10
Moving Averages (10,40,100)	180.67	186.53	180.68
Open Interest	205,160 (+664)	Volumes	45,465

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures held their nerve on Friday as intraday trading saw prices close at 2702. The RSI is now falling, edging out of the overbought, and %K/%D is now converging on the downside, signalling growing downside pressures. Futures need to break back below 2675 first to trigger the momentum on the downside. A break below this level towards 10 DMA at 2590 would confirm the growing bearish momentum. Conversely, appetite for prices back above 2790 could set the scene for 2800. A long-legged doji candle shows indecision about either direction as prices trade near the highs; the length of the wicks also points to increased volatility during the day. The indicators highlight the impetus for a change of momentum on the downside, but futures need to close below 2675 first.

10 Day % K Stochastic	70.34	Falling		
10 Day % D Stochastic	59.24	Rising		
14 Day RSI	68.21	Falling		
Support	2675		2590	2489
Resistance	2790		2800	2810
Moving Averages (10,40,100)	2590		2485	2251
Open Interest	117,199	(+723)	Volumes	27,139

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures strengthened once again on Friday, breaking above the resistance of 3150 to close higher at 3175. The stochastics have entered the overbought territory, but the momentum is not yet seen slowing down, and the three white soldiers' formation confirms this sentiment. To suggest further gains on the upside, futures must breach Friday's highs at 3178 before attempting to test the 3200 level. Alternatively, losses back to 3100 could suggest growing downside momentum to 10 DMA at 3060. The indicators point to further gains, but with them being overbought, we expect to see a slowdown in upside pressures in the near term.

10 Day % K Stochastic	81.55 Rising		
10 Day % D Stochastic	68.71 Rising		
14 Day RSI	74.92 Rising		
Support	3100	306	3000
Resistance	3178	3200	3210
Moving Averages (10,40,200)	3061	2992	2640
Open Interest	337,766 (+2,037)	Volumes	93,628

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures gained ground on Friday as buying pressure triggered a close on the front foot above 2400 at 2426. The stochastics are rising with the %K/%D diverging on the upside in the overbought, as the MACD diff is positive and diverging on the upside, outlining growing buying pressures. This suggests we could see higher prices in the near term towards 2450, but the market needs to take out immediate resistance of 2431. On the downside, the candle found support at 2400, and if the prices break through this level, we could see futures retreat back through 2355 before 2300. Friday's bullish candle created a three-white soldier formation, and a complete break above 2400 would signal further bullish momentum in the near term.

10 Day % K Stochastic	86.17 Rising		
10 Day % D Stochastic	77.38 Rising		
14 Day RSI	78.58 Rising		
Support	2400	2355	2300
Resistance	2426	2450	2475
Moving Averages (50,100,200)	2252	2158	2040
Open Interest	331,134 (+14,536)	Volumes	36,539

Source: ICE

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