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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures edged higher yesterday, breaking above the resistance of 40 DMA, the level it struggled to breach, and closing above at 24.75. The stochastics are rising, with %K/%D diverging on the upside into the overbought, and the MACD diff is positive and diverging, confirming the positive momentum. The reaffirmation of support at 40 DMA at 24.38 could set the scene for higher prices back to test the 25.00 level. On the downside, futures need to break below the support of 10 DMA at 24.05 in order to end the recent sessions' bull trend. Indeed, the 10 and 100 DMAs are providing robust support levels. The market needs to gain a footing completely above the 40 DMA in the immediate term to improve the outlook.

| | | | |
|-----------------------------|------------------|--------|--------|
| 10 Day % K Stochastic | 84.89 Rising | | |
| 10 Day % D Stochastic | 78.07 Rising | | |
| 14 Day RSI | 56.91 Rising | | |
| Support | 24.38 | 24.09 | 24.05 |
| Resistance | 24.50 | 25.00 | 26.00 |
| Moving Averages (10,40,100) | 24.05 | 24.38 | 23.52 |
| Open Interest | 878,868 (+2,569) | Volume | 78,661 |

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar strengthened yesterday as protracted buying pressure triggered a close on the front foot above 40 DMA of 666.18 at 680.80. The stochastics are rising, and %K/%D is converging on the upside in the overbought. The MACD diff is positive and diverging. A longer bullish candle body with little shadow suggests growing buying pressures; this could set the scene for higher prices to break above the resistance at 680 completely. This would confirm the trend for rising prices, up to the 700 level and then 711.60. On the downside, a breach of support at 40 DMA would strengthen the bearish momentum. This could also trigger losses towards 661.10. Indicators point to higher prices, and we expect futures to strengthen in the near term.

| | | | |
|-----------------------------|-----------------|---------|--------|
| 10 Day % K Stochastic | 68.94 | Rising | |
| 10 Day % D Stochastic | 69.10 | Falling | |
| 14 Day RSI | 56.85 | Rising | |
| Support | 668.70 | 666.18 | 650 |
| Resistance | 680 | 700 | 711.60 |
| Moving Averages (10,40,100) | 666.18 | 668.70 | 649.35 |
| Open Interest | 82,363 (+1,347) | Volume | 7,988 |

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures held their nerve yesterday as intraday trading saw futures test appetite at 10 DMA once again. This level held firm, and the future closed below at 157.96. The stochastics are rising, and the MACD diff is diverging on the upside, signalling growing buying pressures. To confirm the outlook for higher prices, futures need to break above the robust resistance at 10 DMA at 157.96, which could set the scene for futures to take out the 160 level. On the downside, the market needs to take out support at 155.80 and then support at 150. A break above the 10 DMA level would confirm the outlook for higher prices, and yesterday's candle with a longer upper wick confirms the appetite for higher prices.

| | | | |
|-----------------------------|------------------|---------|--------|
| 10 Day % K Stochastic | 25.70 Rising | | |
| 10 Day % D Stochastic | 23.09 Rising | | |
| 14 Day RSI | 39.44 Rising | | |
| Support | 155.80 | 150 | 143 |
| Resistance | 157.96 | 164.05 | 171.85 |
| Moving Averages (10,40,100) | 157.96 | 170.50 | 178.22 |
| Open Interest | 195,598 (+2,671) | Volumes | 41,674 |

Source: ICE

Ldn 2nd Month Coffee Futures

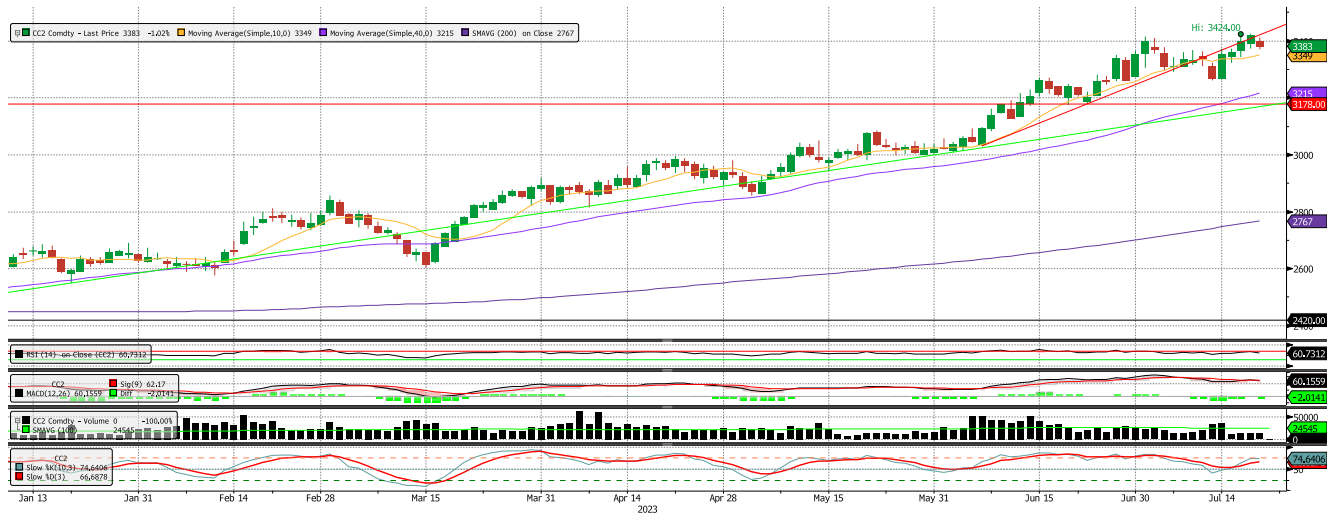


Ldn coffee futures softened yesterday after finding resistance at 40 DMA. The market closed at 2536. The stochastics are wavering, and %K/%D is now seen converging on the downside once again, while the MACD diff is negative and diverging, suggesting we could see marginally lower prices in the near term. On the upside, a break above 40 DMA at 2611 would bring into play the 2675 level. On the downside, futures need to break below 10 DMA at 2559 completely in order to confirm downside momentum. The appetite below that level could trigger losses towards 2518; this could strengthen the trend in the long run on the downside. A candle with a longer body after a similar bullish candle highlights the uncertainty for futures to move in either direction. Volatility has grown, and volumes are growing.

| | | | |
|-----------------------------|------------------|---------|--------|
| 10 Day % K Stochastic | 36.91 | Falling | |
| 10 Day % D Stochastic | 35.68 | Rising | |
| 14 Day RSI | 45.64 | Falling | |
| Support | 2518 | 2500 | 2489 |
| Resistance | 2611 | 2675 | 2700 |
| Moving Averages (10,40,100) | 2559 | 2611 | 2423 |
| Open Interest | 116,385 (+1,723) | Volumes | 13,237 |

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures edged lower yesterday as prices failed above 3400 and then closed below at 3383. The indicators favour the downside; the stochastics are falling, with %K/%D converging on the downside, close to the overbought area, and the MACD diff is negative and diverging on the downside, confirming further selling pressures. A break below the 10 DMA at 3349 would bring into play the support at 3300. On the upside, prices need to find support above 3400 once again before targeting 3424 in the near term. Indicators point to further bearish momentum, and a break below the 10 DMA would confirm this outlook. We expect prices to weaken in the near term.

| | | | | |
|-----------------------------|---------|----------|---------|---------|
| 10 Day % K Stochastic | 74.64 | Falling | | |
| 10 Day % D Stochastic | 66.68 | Rising | | |
| 14 Day RSI | 60.73 | Falling | | |
| Support | 3349 | 3300 | 3215 | |
| Resistance | 3400 | 3414 | 3424 | |
| Moving Averages (10,40,200) | 3349 | 3215 | 2767 | |
| Open Interest | 333,042 | (-5,476) | Volumes | 104,411 |

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures held their nerve yesterday as intraday trading saw futures test appetite at the 2556 level to close below at 2543. The stochastics are still rising, with %K/%D trading higher, and the MACD diff is negative and converging, signalling continued upside pressures. To confirm the outlook for higher prices, futures need to break above the resistance at 2556, which could set the scene for futures to test 2600. On the downside, the market needs to take out support of 2504 and then support at 50 DMA at 2443. Futures need to close above the previous day's high today to confirm the outlook for higher prices.

| | | | |
|------------------------------|--------------|---------|--------|
| 10 Day % K Stochastic | 43.46 Rising | | |
| 10 Day % D Stochastic | 38.28 Rising | | |
| 14 Day RSI | 53.48 Rising | | |
| Support | 2504 | 2443 | 2400 |
| Resistance | 2550 | 2600 | 2650 |
| Moving Averages (50,100,200) | 2443 | 2303 | 2138 |
| Open Interest | 341,110 (+6) | Volumes | 39,214 |

Source: ICE

Risk warning

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