

Authors

Daria Efanova
Head of Research

MON 07 AUGUST 2023 09:30

Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures weakened on Friday as futures failed into the resistance of moving averages and closed at 23.88. The stochastics continue to fall, edging close to the oversold. The MACD diff just converged on the downside, a strong sell signal. A complete break below 100 DMA at 23.99 would confirm the outlook for lower prices and the three black crows formation, a clear bearish sentiment. This may pave the way for lower prices to 23.50, with the tertiary level at the longer-term trendline. Conversely, the reaffirmation of support back above 100 DMA would suggest higher prices and a close above 40 DMA at 24.32, setting the scene for higher prices towards the 10 DMA at 24.46. Friday's candle body testing the longer-term moving average suggests an appetite for lower prices, and the indicators are pointing to a further fall in prices in the near term.

10 Day % K Stochastic	23.77	Falling	
10 Day % D Stochastic	37.36	Falling	
14 Day RSI	44.05	Falling	
Support	23.99	23.50	23.00
Resistance	24.32	24.46	25.00
Moving Averages (10,40,100)	24.46	24.32	23.99
Open Interest	918,533	(-2,341)	Volume
			69,609

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures weakened on Friday as futures failed into the resistance at 690 once again and closed at 680.81. The stochastics continue to decline. The MACD diff is positive and converging, suggesting growing selling pressures. A break below the longer-term moving averages would confirm the triple-top formation. This may pave the way for lower prices to 661.10, with the tertiary level at 650. Conversely, the reaffirmation of support above 40 DMA at 669.10 would suggest higher prices and a close above 10 DMA at 675.90, setting the scene for higher prices towards 700. Friday's candle body suggests an appetite for lower prices and could trigger a test of moving average support today once again. The indicators are pointing to a further decline in prices in the near term.

10 Day % K Stochastic	48.61 Falling		
10 Day % D Stochastic	55.48 Falling		
14 Day RSI	50.98 Falling		
Support	669.10	661.10	650
Resistance	680.81	700	711.60
Moving Averages (10,40,100)	680.81	669.10	662.16
Open Interest	93,136 (+3,019)	Volume	11,848

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures weakened on Friday as futures confirmed the resistance at 164.05 once again and closed below the 10 DMA at 160.95. The stochastics began to fall as they edged out of overbought. The MACD diff is positive and converging, pointing to growing selling pressure. A break below 160 would confirm the outlook for lower prices and create the three black crows formation, a clear bearish sentiment. This may pave the way for lower prices to 155.80. Conversely, the reaffirmation of support above 10 and 40 DMA at 162.88 and 165.73, respectively, would suggest higher prices and a close above 170. The indicators are pointing to a further fall in prices and expect marginal declines in the near term.

10 Day % K Stochastic	60.36	Falling	
10 Day % D Stochastic	67.21	Falling	
14 Day RSI	45.74	Falling	
Support	160	155.80	150
Resistance	162.88	164.05	165.73
Moving Averages (10,40,100)	162.88	165.73	176.24
Open Interest	198,841 (+1,442)	Volumes	31,355

Source: ICE

Ldn 2nd Month Coffee Futures

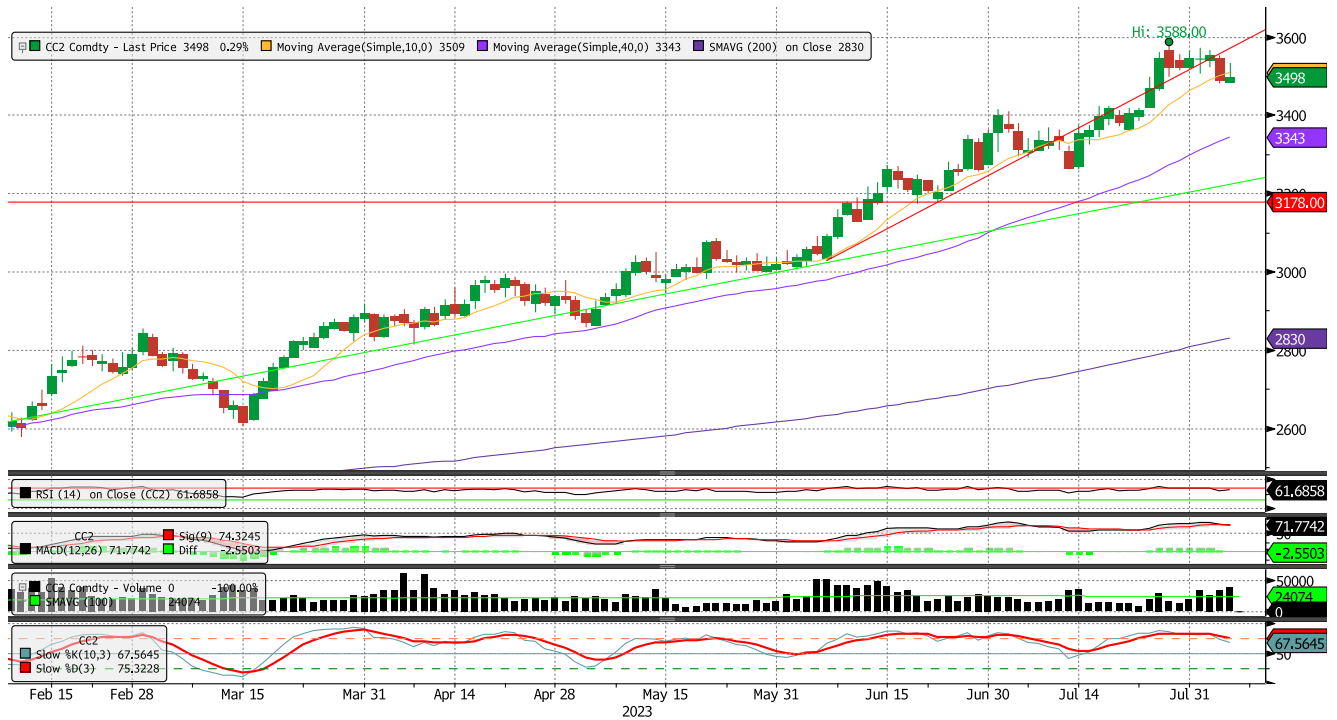


Ldn coffee futures edged lower on Friday after prices failed above 2518 once again, prompting a close at 2488. The stochastics are falling, with %K/%D edging out of the overbought, and the MACD diff is negative and diverging, confirming the outlook for lower prices. To confirm the bearish indicators, futures need to break below the support at 100 DMA of 2464 and then target 2400. On the upside, the 10 DMA resistance needs to be broken above for futures to test the 2550 level and then 40 DMA at 2596 in order to confirm the outlook of higher prices. Still, we expect prices to weaken in the near term.

10 Day % K Stochastic	33.48	Falling	
10 Day % D Stochastic	34.79	Falling	
14 Day RSI	44.50	Falling	
Support	2464	2400	2375
Resistance	2518	2550	2596
Moving Averages (10,40,100)	2519	2596	2464
Open Interest	128,078 (+2,772)	Volumes	18,326

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures held their nerve on Friday after prices struggled below 3483, the most recent support level. Still, the market closed below the 10 DMA at 3498. The stochastics are falling, with %K/%D just diverging on the downside, with %K now out of the oversold, and the MACD diff just converging on the downside, a strong sell signal. On the downside, futures need to break below the recent support of 3483 in order to confirm the continuation of the bearish trend. Alternatively, the reaffirmation of support above 10 DMA at 3509 could set the scene for higher prices back to test the 3550 level once again, confirming an inverse hammer formation.

10 Day % K Stochastic	67.56	Falling
10 Day % D Stochastic	75.32	Falling
14 Day RSI	61.68	Rising
Support	3500	3450 3400
Resistance	3509	3600 3615
Moving Averages (10,40,200)	3509	3343 2830
Open Interest	333,042 (-5,476)	Volumes 104,411

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures held their nerve on Friday after testing the support level of 2678. The market closed above it at 2680. The stochastics are oversold, but %K/%D is now diverging on the downside, whereas the MACD diff is positive and converging. The reaffirmation of support at 2650 could set the scene for higher prices back to test 2700, confirming an inverse hammer formation. This could trigger further gains to 2731. On the downside, futures need to break below the near-term trend support, now at 2665, in order to confirm the bearish trend. Indeed, yesterday's support level has been robust, and a break below would suggest a strong conviction on the downside to 2600 before 2558. The longer upper wick with a narrow body confirms the support is still intact.

10 Day % K Stochastic	81.46 Falling		
10 Day % D Stochastic	85.06 Falling		
14 Day RSI	62.65 Falling		
Support	2678	2600	2523
Resistance	2700	2710	2715
Moving Averages (50,100,200)	2523	2362	2179
Open Interest	341,110 (+6)	Volumes	39,214

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).