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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures edged lower yesterday as prices failed above the previous day's closing price and then closed below at 23.70. The indicators favour the downside; the stochastics are falling, with %K/%D diverging on the downside and edging close to the oversold area, and the MACD diff is negative and diverging on the downside, confirming further selling pressures. A break below the robust trend support would bring into play the support at 22.60. On the upside, prices need to find support above moving averages again, which have now converged together, providing a strong resistance level. Indicators point to further bearish momentum, and a cross below the DMAs confirms this outlook. We expect prices to weaken in the near term.

10 Day % K Stochastic	19.39	Falling	
10 Day % D Stochastic	28.43	Falling	
14 Day RSI	42.08	Falling	
Support	23.50	23.00	22.60
Resistance	24.06	24.25	25.00
Moving Averages (10,40,100)	24.24	24.26	24.06
Open Interest	915,866 (+416)	Volume	91,457

Source: ICE

Ldn 2nd Month Sugar Futures



Prices weakened yesterday as moderate selling pressure triggered a close above the 100 DMA support level; the market closed at 667.40. The stochastics are falling, and the MACD is negative and diverging, suggesting waning buying pressure. Dips in the market have not been well bid in the last couple of sessions, but in order to confirm the outlook for lower prices, futures need to break below the current support at 40 DMA at 668.73 completely and then 100 DMA at 664.18. Conversely, a break above the 10 DMA at 677.21 could set the scene for a test of 700. With longer-term DMAs supporting prices on the downside, we expect futures to retest these levels today, and a break below would confirm the growing bearish momentum.

10 Day % K Stochastic	30.40	Falling	
10 Day % D Stochastic	43.77	Falling	
14 Day RSI	46.67	Falling	
Support	661.10	660	650
Resistance	677.21	700	711.60
Moving Averages (10,40,100)	677.21	668.73	664.18
Open Interest	94,896 (+284)	Volume	10,302

Source: ICE

NY 2nd Month Coffee Futures

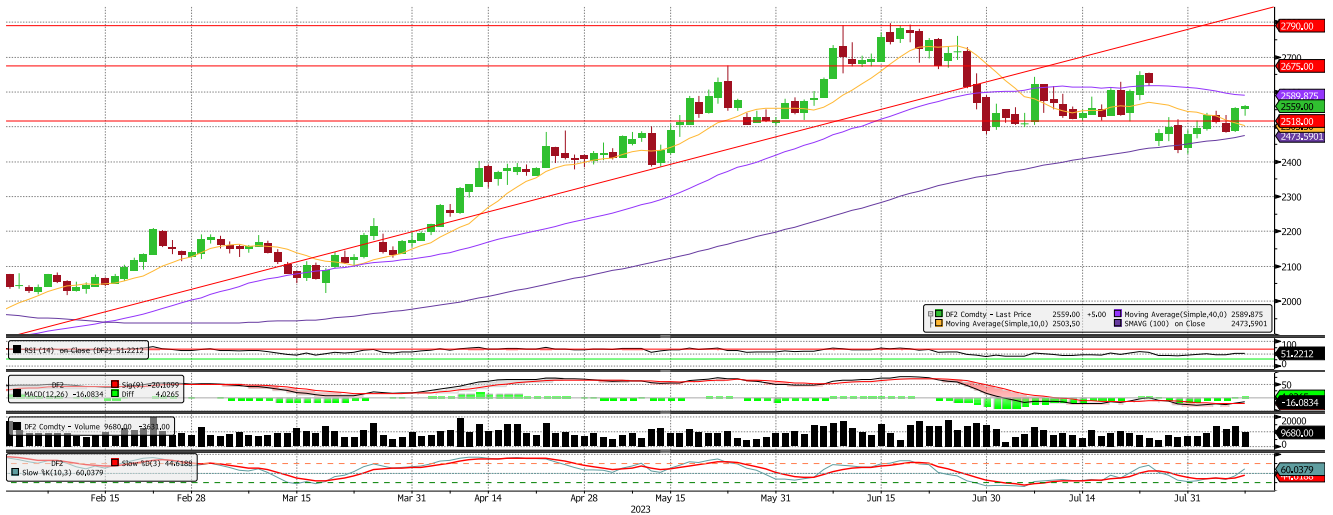


NY coffee futures failed above the previous day's highs yesterday but support at 160 held firm as intraday trading caused a close at 160.85. The stochastics are falling, with %K/%D seen converging on the downside out of the overbought; the MACD diff is positive and converging, pointing to waning buying pressures. The rejection of prices below 160 has formed a candle with a short body but a longer lower wick, confirming a lack of appetite for lower prices. If prices were to break back below that level, this could trigger a test of 155.80. On the upside, futures need to take out resistance at 10 DMA at 162.76 and then at 164.05. We expect futures to maintain the current trading range.

10 Day % K Stochastic	50.42	Falling	
10 Day % D Stochastic	59.95	Falling	
14 Day RSI	45.95	Falling	
Support	160	155.80	150
Resistance	162.76	164.05	165.73
Moving Averages (10,40,100)	162.76	164.41	176.00
Open Interest	198,841 (+1,442)	Volumes	31,355

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures edged higher yesterday as prices closed at 2559. The indicators continue to favour the upside, with %K/%D diverging to the overbought, and the MACD diff just converged on the upside, suggesting growing buying pressures. A break back below the 2518 level would bring into play the recent support level at 10 DMA at 2503. In order to indicate an improvement of market sentiment on the upside, futures need to gain a footing above 40 DMA at 2589 and then target the recent highs of 2600 in the near term. The hanging man candle formation suggests that yesterday's upside was not robust enough to suggest a strong appetite for higher prices, but we expect futures to drift towards the 40 DMA level in the near term.

10 Day % K Stochastic	60.03	Rising		
10 Day % D Stochastic	44.61	Rising		
14 Day RSI	51.22	Rising		
Support	2518	2503	2473	
Resistance	2589	2600	2650	
Moving Averages (10,40,100)	2503	2589	2473	
Open Interest	128,078 (+2,772)	Volumes	18,326	

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa sold off sharply yesterday as protracted selling pressure triggered a breakthrough of the 3483 support level and a close on the back foot at 3376. The stochastics are falling, with %K/%D converging out of the overbought. The RSI has also edged lower, sending a sell signal. The MACD diff is now negative and diverging, suggesting increasing selling pressures; this could set the scene for lower prices to retest the 40 DMA level at 3357 today. A break below this would confirm the trend for falling prices, down to 3350. On the upside, resistance at 10 DMA at 3509 is now staying strong, and support above that level would strengthen the bullish momentum. This could also trigger gains towards 3618. The protracted bearish candle suggests an impending market downturn, and we expect prices to continue to fall in the near term.

10 Day % K Stochastic	43.39	Falling	
10 Day % D Stochastic	60.90	Falling	
14 Day RSI	45.95	Falling	
Support	3357	3300	3250
Resistance	3483	3509	3550
Moving Averages (10,40,200)	3509	3357	2842
Open Interest	333,042 (-5,476)	Volumes	104,411

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures sold off yesterday as a lack of appetite for higher prices helped to break the 2680 support; the market closed at 2632. Stochastics converged on the downside while in the overbought, suggesting selling momentum in the near term. MACD diff is positive and converging, supporting the outlook for deteriorating prices. The last two days formed a bearish engulfing pattern, a sign of an impending market downturn. The sell-off yesterday and growing volumes suggest further selling pressure below the current support level of 2600, and the above-mentioned indicators support lower prices. On the upside, support around 2650 would help reaffirm the bullish trend in the near term up to trend resistance. We believe that the market lacks conviction, and prices should continue to fall.

10 Day % K Stochastic	56.21	Falling	
10 Day % D Stochastic	73.64	Falling	
14 Day RSI	52.12	Falling	
Support	2650	2600	2523
Resistance	2700	2710	2715
Moving Averages (50,100,200)	2537	2374	2187
Open Interest	341,110 (+6)	Volumes	39,214

Source: ICE

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