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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar gained ground on Friday after support at 25.40 held firm once again. Futures closed at 26.05. The stochastics have regained their upside conviction, with the %K/%D once again diverging on the upside into the overbought while the MACD diff is positive and diverging. This suggests that we could see further gains in the near term; however, over the longer-term horizon, the trend is being exhausted. We expect the resistance at 26.37 – the recent high - to stand firm and create the triple-top formation. If, however, this level is broken above, it could test 27.00 and 27.21, respectively. Alternatively, moving averages support prices on the downside, with the 10 DMA at 25.01 before the 100 DMA at 24.66. We also expect these to hold firm. Prices should drift higher to 26.37 in the near term but struggle above this level.

10 Day % K Stochastic	83.60	Rising	
10 Day % D Stochastic	76.82	Rising	
14 Day RSI	66.42	Rising	
Support	25.01	24.66	24.45
Resistance	26.00	26.37	27.00
Moving Averages (10,40,100)	25.01	24.45	24.66
Open Interest	951,460	(-5,826)	Volume 165,760

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures held their nerve on Friday, settling above the robust support of 700 at 715.30. The indicators are pointing to further upside pressures, with %K/%D diverging into the overbought, while the MACD diff is positive and diverging. This suggests that prices might hold above 700 in the near term and attempt to test the 715 level repeatedly. If the solid resistance is broken above, this could set the scene for 725 and 750. On the downside, futures must first break below the 700 support before targeting the moving averages, in particular, the 10 DMA at 689.9. We expect prices to continue trading rangebound in the near term.

10 Day % K Stochastic	76.95	Rising	
10 Day % D Stochastic	68.63	Rising	
14 Day RSI	64.81	Rising	
Support	700	689.91	678.84
Resistance	711.60	718.20	725
Moving Averages (10,40,100)	689.91	678.84	678.72
Open Interest	99,196 (-275)	Volume	14,689

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures edged lower on Friday after prices struggled above the 155.80 level once again, closing at 151.90. The stochastics are confirming the end of the marginal uptrend that we saw in recent weeks: %K/%D is now converging on the downside near the overbought, about to send a strong sell signal, and the MACD diff is positive and converging. This suggests that we could see prices weaken in the near term, breaching the 10 DMA support level at 152.98, down to 150. A breach below this level could pave the way for the recent lows of 148. Alternatively, if futures find strength to break above the 155.80 level, this could set the scene for the 40 DMA level at 157.36. We expect futures to weaken marginally in the near term.

10 Day % K Stochastic	54.69	Falling	
10 Day % D Stochastic	55.63	Falling	
14 Day RSI	40.94	Falling	
Support	152.98	150	143
Resistance	155.80	157.36	160
Moving Averages (10,40,100)	152.98	157.36	171.81
Open Interest	194,060 (+320)	Volumes	28,365

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee edged lower on Friday as prices struggled above the trend resistance and moving averages, closing at 2482. The indicators are confirming a move on the downside, with %K/%D seen converging lower, as MACD diff is positive and diminishing. The rejection of prices above the longer-term moving averages has formed a candle with a long wick on the upside, suggesting a lack of appetite for higher prices. However, a lack of conviction to break below the near-term support. If prices were to break below 10 DMA at 2426, this could trigger a test of 2400 and then 2375. On the upside, futures need to take out the 40 and 100 DMAs at 2499 and 2521, respectively, to suggest further gains. Indicators point to growing selling pressures, but the futures need to take out 10 DMA in the near term to confirm this.

10 Day % K Stochastic	68.72	Neutral	
10 Day % D Stochastic	55.44	Rising	
14 Day RSI	51.68	Rising	
Support	2426	2400	2380
Resistance	2499	2500	2518
Moving Averages (10,40,100)	2426	2499	2521
Open Interest	119,316 (+4,535)	Volumes	13,194

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures held their nerve on Friday as intraday trading caused the market to close at 3605. The stochastics are falling, and the MACD diff is positive and converging, suggesting lower prices in the near term. The RSI is also falling; to confirm the outlook of lower prices, futures need to close back below 3600 and then target the 10 DMA level at 3514. The 10 DMA is starting to close in and support prices from the downside. However, a break below that level could set the scene for 3450 and indicate the end of the long-term trend. On the upside, gains back above Thursday's high of 3677 could pave the way for 3700. Futures struggled above the robust trendline in recent days; however, with a lack of appetite for prices below 3600, we could see prices retest the highs once again in the near term.

10 Day % K Stochastic	80.81	Falling
10 Day % D Stochastic	76.29	Rising
14 Day RSI	66.57	Falling
Support	3600	3514 3483
Resistance	3640	3677 3685
Moving Averages (10,40,200)	3514	3450 2938
Open Interest		Volumes

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures held their nerve on Friday; however, prices struggled above the trendline resistance and closed on the back foot at 2921. The stochastics are falling, with %K/%D seen converging on the downside out of the overbought, a strong sell signal. The MACD is positive and converging, confirming the strengthening appetite for lower prices. The rejection of higher prices may prompt a break back towards support at 2900 and then 2800; a subsequent breach of this level could trigger losses towards 50 DMA at 2653. On the upside, a break of the trend resistance may prompt futures to test 3000. A narrow candle body points to a lack of appetite for prices above the near-term resistance, with the indicators pointing to growing downside pressures, we expect futures to soften in the near term.

10 Day % K Stochastic	87.81 Falling		
10 Day % D Stochastic	86.89 Rising		
14 Day RSI	75.31 Falling		
Support	2900	2800	2700
Resistance	3000	3030	3050
Moving Averages (50,100,200)	2653	2481	2256
Open Interest	Volumes		

Source: ICE

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