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Softs Technical Charts

NY 2nd Month Sugar Futures



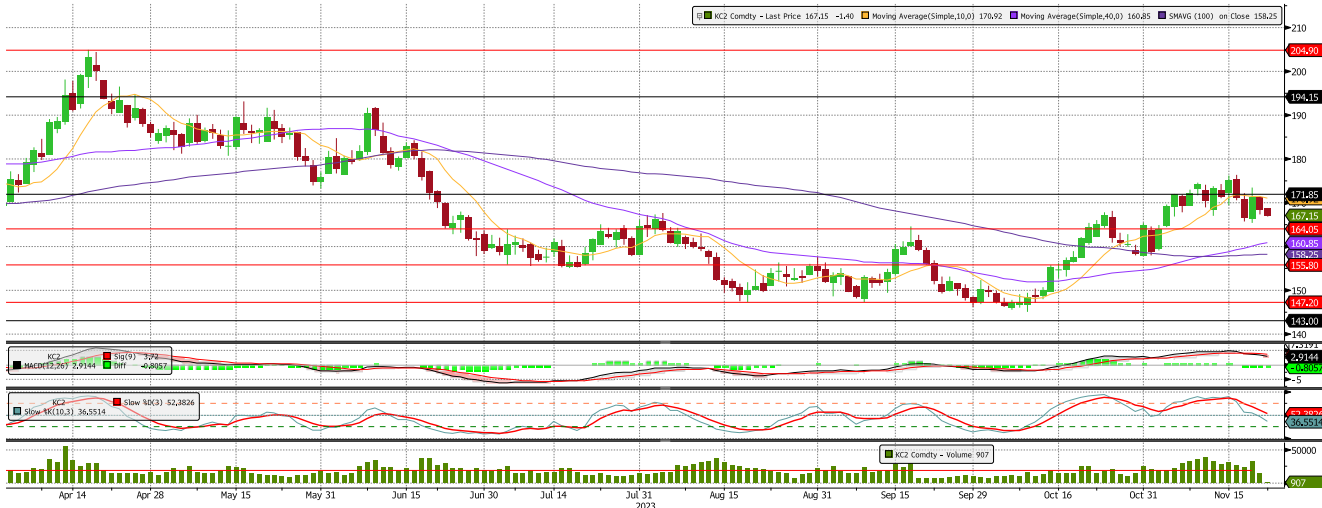
NY sugar edged higher yesterday as intraday trading caused futures to test appetite above the shorter-term moving averages; the market closed above at 26.45. Stochastics are rising, and %K/%D converged on the upside and is now strengthening, suggesting further upside in the near term. The MACD diff also converged on the upside, giving a buy signal. The indicators suggest further marginal gains in the near term. To maintain positive momentum, prices need to close above 26.50 and then target 27.00, which is a September high. On the downside, the rejection of prices above the current resistance could trigger losses back below the Mas at 26.00 before targeting 200 DMA at 25.42. Buying pressure remains weak; however, indicators point to continued buying pressure, and the doji candle confirms market uncertainty. The reaffirmation of support above 26.40 could strengthen the outlook of higher prices.

Ldn 2nd Month Sugar Futures



Ldn sugar futures edged higher yesterday as intraday trading saw prices supported above the 40 DMA. However, futures struggled to break above the 10 DMA at 732.12, and the market closed at 731.10. The %K/%D is edging higher after converging on the upside next to the oversold. The MACD diff is negative and converging, suggesting growing buying pressure. The indicators point to higher prices in the near term, and to confirm the confirming of the support at 40 DMA, prices need to take out the 10 DMA. A break above this level towards 747 would confirm the strong bullish momentum. Conversely, appetite for prices below the 40 DMA could trigger a test of 710; tertiary support stands at the 200 DMA at 704.64. A doji candle points to market uncertainty about higher prices, and futures need to take out the near-term resistance at 10 DMA to set the scene for further upward momentum.

NY 2nd Month Coffee Futures



NY coffee futures struggled to break above 10 DMA resistance yesterday, and intraday trading saw prices close below at 168.55. The %K and %D are falling, as %K is tailing off into the oversold, which could signal further losses in the near term. The MACD diff is negative and diverging marginally, suggesting some appetite for lower prices, but futures need to break support of 164.05 to trigger the momentum. A break below this level towards 40 DMA at 160.85 would confirm the stronger negative momentum. Conversely, appetite for prices back above 170 could trigger a test of recent highs of 179. Yesterday's candle showed rejection of higher prices but lacked the conviction to break below the near-term support. We expect prices to remain on the back foot but to struggle to break below the 164 level in the near term.

Ldn 2nd Month Coffee Futures



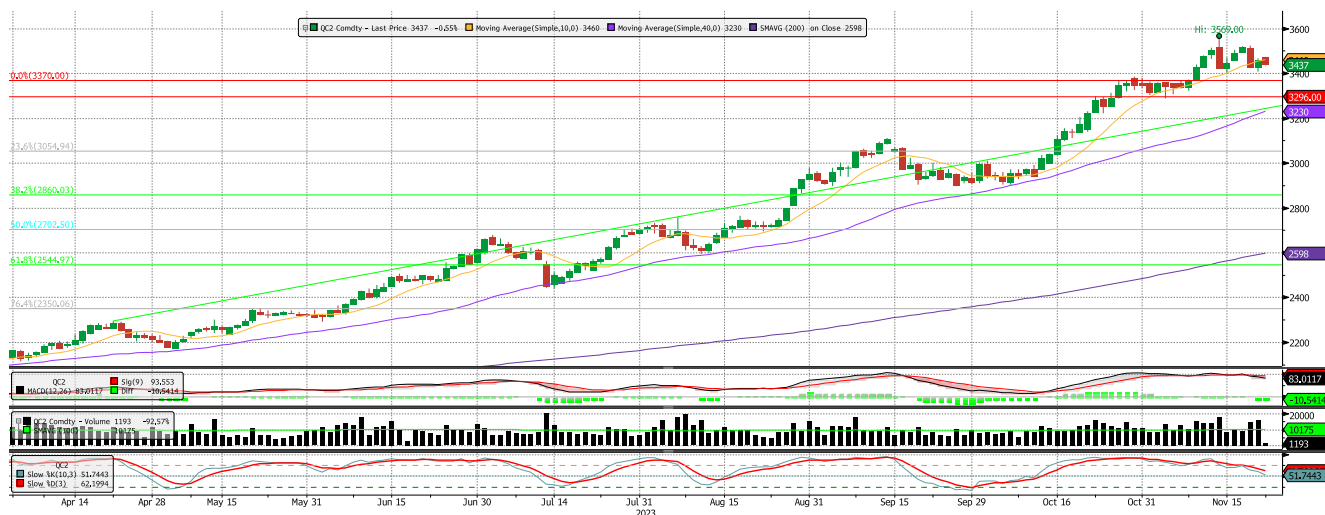
Ldn coffee futures weakened yesterday as futures failed into the resistance at 2518 and closed at 2482. The stochastics continue to fall as they emerge from overbought. The MACD diff is positive and converging, pointing to a growing selling pressure. A break below 100 DMA at 2448 would confirm the outlook for lower prices and the three black crows formation, a clear bearish sentiment. This may pave the way for lower prices to 40 DMA at 2388. Conversely, the reaffirmation of support above 2450 holds it would suggest higher prices and a close above 10 DMA at 2491, setting the scene for higher prices towards 2500. Yesterday's candle body being below Monday's suggests an appetite for lower prices, and the indicators are pointing to further losses in the near term.

NY 2nd Month Cocoa Futures



NY cocoa futures strengthened marginally yesterday as moderate buying pressure triggered a close above at 4118, marking new historic highs. The %K/%D is converging on the upside once again and edging back into the overbought. Likewise, the MACD diff is positive, confirming continued buying pressures. For this to materialise, futures need to break above the resistance 4150 before targeting 4200. On the downside, appetite below the current levels could trigger losses through the 10 DMA at 4044 towards 4000. Longer upper wick signals that the buying pressure is waning, however, we expect the longer-term outlook on the upside to persist at a moderate pace.

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures held their nerve yesterday as intraday trading saw futures test appetite at the 10 DMA. This level held firm, and futures closed at 3456. The stochastics are falling, and the MACD diff is negative and diverging, signalling growing selling pressures. To confirm the outlook for lower prices, futures need to break below 3400, which could set the scene for futures to take out 3296. On the upside, the market needs to take out resistance at 10 DMA and then 3450. The 10 DMA level is providing a robust resistance for prices in the meantime, and we expect futures to struggle above this level in the near term.

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