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Softs Technical Charts

US Markets were closed yesterday for Thanksgiving.

NY 2nd Month Sugar Futures



NY sugar futures buckled on Wednesday as protracted selling pressure triggered a close on the back foot at 25.94. The stochastics are falling, and %K/%D is about to give a sell signal, as it converges on the downside close to the oversold. The MACD diff is once again flipped into negative territory, confirming growing selling pressures; this could set the scene for lower prices below the moving averages at 26.00. Futures need to break below these levels to suggest further downside to 100 DMA at 25.44. On the upside, a break above the 10 DMA resistance level and appetite for higher prices could set the scene for 26.50. Three-line strike formation points to a continuation of an uptrend, but indicators suggest another decline today. To confirm this, futures need to break below the trend support today, the level that the candle struggled to break below in recent weeks.

10 Day % K Stochastic	Neutral Falling		
10 Day % D Stochastic	Neutral Falling		
MACD (12, 26)	Negative Diverging		
Support	26.00	25.44	25.00
Resistance	26.05	26.50	27.00
Moving Averages (10,40,100)	26.00	25.85	25.44
Open Interest	871,585 (+5,198)	Volume	97,202

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar edged higher yesterday as intraday trading caused futures to test appetite for prices above the 10 DMA level; however, the market struggled above it, closing at 726.80. Stochastics are falling, but %K/%D is seen tailing off on the downside. The MACD diff is negative and converging marginally, suggesting weak buying pressure in the near term. The indicators suggest an end to the downside momentum in the near term. To maintain positive momentum, prices need to close above the 10 DMA at 728.06 and then target resistance at 730. On the downside, the rejection of prices above 40 DMA at 725.86 could trigger losses back to the 100 DMA level at 706.07. Buying pressure remains weak; mixed indicators and the narrow candle confirms market uncertainty. The break below the support of 10 DMA could confirm the outlook of weaker prices.

10 Day % K Stochastic	Neutral Flat		
10 Day % D Stochastic	Neutral Falling		
MACD (12, 26)	Negative Converging		
Support	720	706.07	700
Resistance	725.86	728.06	740
Moving Averages (10,40,100)	728.06	725.86	706.07
Open Interest	80,651 (+404)	Volume	7,136

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures held their nerve on Wednesday, causing the market to close at 169.05. The stochastics are falling, with %K/%D diverging towards the oversold, and the MACD diff is negative and diverging, suggesting lower prices in the near term. To confirm the outlook for lower prices, futures need to close below 165 and then target 40 DMA at 160.90. The 10 DMA is closing in and resisting prices on the upside. A break above this level could set the scene for 10 DMA at 171.11 and 175, the recent high. A bullish candle with a narrow body and longer lower wick points to uncertainty about the outlook, and futures need to break out of current support to confirm the near-term outlook on the downside.

10 Day % K Stochastic	Neutral Falling		
10 Day % D Stochastic	Neutral Falling		
MACD (12, 26)	Negative Diverging		
Support	164.05	160.90	158.27
Resistance	170	171.85	175
Moving Averages (10,40,100)	171.11	160.90	158.27
Open Interest	189,009 (+87)	Volumes	29,947

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures softened yesterday after finding support above the 100 DMA once again. The market closed at 2491. The stochastics continue to soften, with %K/%D falling out of the overbought, and the MACD diff is positive and converging, suggesting we could see lower prices in the near term. A break below the near-term support would bring into play 2400, which could set the scene for support at 40 DMA at 2395. On the upside, futures need to gain back above 2518 – the previous week’s high - in order to confirm upside momentum. The reaffirmation of support there could trigger gains towards 2600; this could strengthen the trend on the upside in the long run. Longer lower wick, where most of the trading took place in the upper ranges, points to a lack of appetite for lower levels; however, indicators point to lower prices in the near term.

10 Day % K Stochastic	Neutral Falling		
10 Day % D Stochastic	Neutral Falling		
MACD (12, 26)	Positive Converging		
Support	2448	2400	2395
Resistance	2500	2518	2600
Moving Averages (10,40,100)	2509	2395	2448
Open Interest	119,978 (-1,846)	Volumes	8,695

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures opened higher on Wednesday, but resistance of 4150 caused futures to close lower on the day at 4084. The stochastics are fluctuating in the overbought, and the MACD diff is positive and converging. A break of the trendline could trigger losses through 10 DMA at 4043, with the tertiary level at 4000. On the upside, a break above 4150 could set the scene for bullish momentum towards 4200. We expect to see continued momentum on the upside in the near term, with support at the trendline holding firm.

10 Day % K Stochastic	Overbought Falling		
10 Day % D Stochastic	Overbought Falling		
MACD (12, 26)	Positive Converging		
Support	4043	4000	3950
Resistance	4150	4180	4200
Moving Averages (10,40,200)	4043	3765	3267
Open Interest	278,642 (-4,115)	Volumes	45,967

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures edged lower yesterday as intraday trading caused futures to close at 3461. The stochastics are diverging on the downside, and the MACD is negative and diverging, pointing to waning buying pressure. The rejection of prices above the 10 DMA has formed a candle with a long wick on the downside, suggesting an appetite for lower prices; however, it lacks conviction to break below the near-term support. If prices were to break below 3400, this could trigger a test of 3370 and then 40 DMA at 3243. On the upside, futures need to take out the 10 DMA and then robust resistance at 3570. Indicators point to further selling pressure today, but the futures need to take out 3420 in the near term.

10 Day % K Stochastic	Neutral Falling		
10 Day % D Stochastic	Neutral Falling		
MACD (12, 26)	Negative Diverging		
Support	3420	3400	3243
Resistance	3500	3569	3600
Moving Averages (10,40,100)	3465	3243	2605
Open Interest	386,851 (+1,449)	Volumes	24,438

Source: ICE

Risk warning

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