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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures continued to break lower following the recent sell-off. However, the momentum is seen slowing as the prices found support at 20.50 yesterday and closed at 21.36. The stochastics remain oversold but are now seen converging on the upside, about to show a strong buy signal. The MACD diff is negative and converging. The candle formed a longer lower wick, a hammer formation, and could be a sign of a trend reversal in the near term. If this materialises, the levels could break back above 22.00 before the 10 DMA at 22.31. On the downside, if the current support level at 20.50 is broken below, the next level of support stands at 20.00. We expect the recent downside momentum to slow in the near term and find support at current levels.

Ldn 2nd Month Sugar Futures



Ldn sugar futures softened yesterday after testing the support level of 600 once again. The market closed higher at 613.30. The stochastics are rising, with %K/%D diverging on the upside in the oversold, and the MACD diff is negative and converging, suggesting a trend change in the near term. The appetite back below 600 could set the scene for lower prices to test the 564.20, the March low. On the upside, futures need to break above the near-term resistance of 628.10 in order to confirm the upside trend, confirming the hammer formation. Indeed, the 600 support level has been robust in the last couple of sessions, and a hammer candle formation could point to upward momentum in the near term.

NY 2nd Month Coffee Futures



NY coffee futures gained ground yesterday as marginal buying pressure triggered a close on the front foot above 190 at 190.60. The stochastics point to the end of the recent upside, as they are converging on the downside near the overbought, while the MACD diff is positive and diverging. This suggests we could see prices struggle above 192.42, a June high, in the near term. On the downside, if resistance at these levels holds firm, we could see prices retreat from 188.50 to the 10 DMA at 183.07. Longer upper wick points to a lack of appetite for higher prices, and we could see the upside momentum stall in the near term.

Ldn 2nd Month Coffee Futures



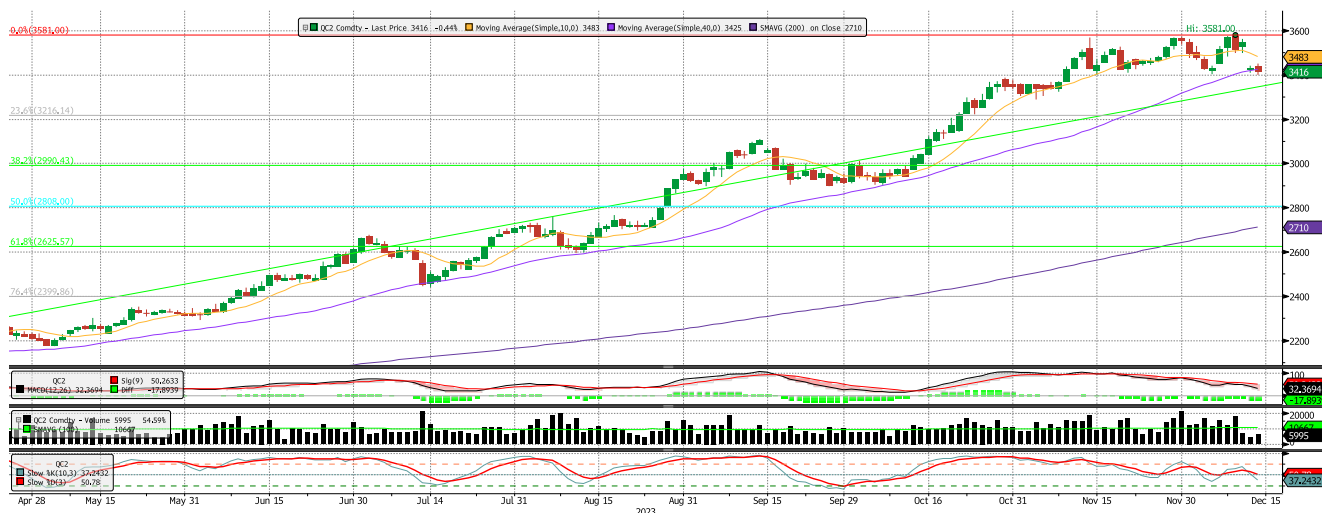
Ldn coffee gained ground yesterday as buying pressure triggered a breach of June highs to close on the front foot at 2819, which is a historic high. The stochastics are strengthening in the overbought, as the MACD diff is positive and diverging, signalling a continuation of the buying trend in the near term. This suggests we could see higher prices towards the resistance of 2850, but the market needs to take out immediate trend resistance at 2820 beforehand. On the downside, if the support around 2800 is taken out, we could see prices retreat back through 2700 to 10 DMA at 2638. Longer upper wick on Thursday points to a waning appetite for higher prices; however, futures need to take out 2800 in order to confirm the outlook on the downside.

NY 2nd Month Cocoa Futures



NY cocoa futures held their nerve yesterday, causing the market to close at 4216. The stochastics remain flat, and the MACD diff is negative, suggesting a lack of momentum in the near term. To suggest the outlook of higher prices, futures need to close back above 4250 and then target 4300. The 10 DMA is closing in and supporting prices on the downside. However, a break below that level could set the scene for 40150. The narrow candle body with longer upper wicks points to a lack of appetite on the upside, and we expect futures to continue trading sideways in the near term.

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures softened marginally yesterday as moderate selling pressure saw futures test appetite at the 3400 support level. The future closed at 3416. The stochastics are falling, with %K/%D diverging on the downside close to the oversold. Likewise, the MACD diff is diverging on the downside, confirming recent selling pressures. To confirm the change of momentum, futures need to break above the resistance at the 40 DMA completely, which could set the scene for futures to take out the 10 DMA level. On the downside, the market needs to take out support at 3400 and then the robust trend support. The smaller candle body points to a diminishing appetite on the downside, but a break below the 3400 level could confirm the indicators' outlook on the downside in the near term.

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