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FRI 22 DECEMBER 2023 10:00

Softs Technical Charts

NY 2nd Month Sugar Futures



Prices weakened yesterday as moderate selling pressure triggered a close below 20.50; the market closed at 19.95. The stochastics are rising moderately, and %K/%D are now converging on the upside in the oversold, signalling a potential change in trend. The MACD is negative and converging, but the long bearish candle formation suggests further downside. Protracted selling pressure, and in order to confirm the change of momentum, prices need to break above the current resistance at 20.50 and then the 10 DMA at 21.04. Conversely, a break below the 20.00 support level could set the scene for a test of 19.50. We expect prices to consolidate recent gains today and remain on the front foot.

Ldn 2nd Month Sugar Futures



Prices weakened yesterday as moderate selling pressure triggered a close below the 580 support level; the market closed at 573.60. The stochastics are oversold, but %K/%D is seen converging on the upside, signalling a potential change in trend. The MACD is negative and converging, suggesting we could see prices edge higher today. The bearish long-bodied candles point to market appetite on the downside; however, the indicators suggest a change of trend in the near term; in order to confirm the positive momentum, prices need to break back above the current resistance at 580.70 and then the 10 DMA at 601.35. Conversely, a breach of support at 574 could set the scene for a test of 550. We expect prices to be supported above 574 today.

NY 2nd Month Coffee Futures



NY coffee futures opened lower yesterday but consolidated during the day, testing resistance at 192.42. The market closed at 191.10. The %K/%D is falling, negative, and diverging as it exits the overbought territory. The MACD diff is positive and converging, suggesting growing selling pressure. The indicators point to lower prices in the near term, and to confirm the rejection of the trend support, prices need to take out the 10 DMA at 188.50. A break below this level towards 180 would confirm the strong bearish momentum. Conversely, appetite for prices above the 192 level could trigger a test of resistance at 190; tertiary resistance stands at 200. A candle with a longer upper wick signals uncertainty about the outlook for lower prices, and if the futures continue to remain elevated above the trend support, we could see prices edge higher in the near term.

Ldn 2nd Month Coffee Futures



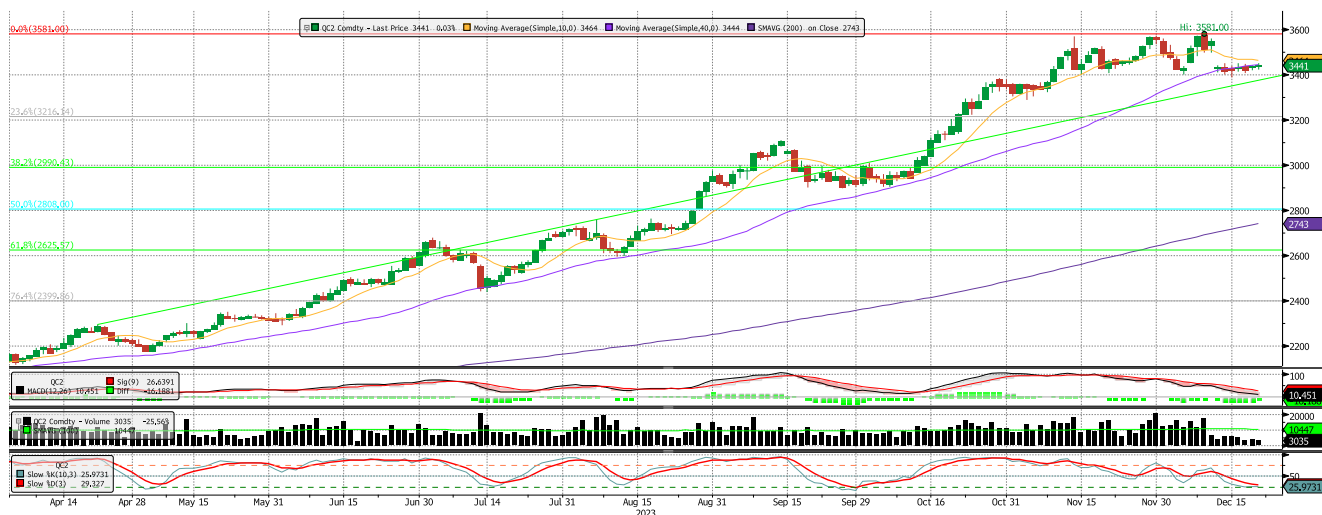
Ldn coffee strengthened yesterday as protracted buying pressure triggered a close on the front foot above the trend support. The stochastics are falling, and %K/%D is converging on the downside in the overbought. The MACD diff is positive and converging. A long bullish candle body with a long lower wick suggests growing buying pressures; this could set the scene for higher prices to break above the resistance at 3000 completely. This would confirm the trend for rising prices. On the downside, a breach of trend support would strengthen the bearish momentum. This could also trigger losses towards the 10 DMA at 2823. Indicators point to higher prices, and we expect futures to strengthen in the near term.

NY 2nd Month Cocoa Futures



NY cocoa futures held their nerve yesterday as moderate selling pressure prompted a close above the 10 DMA of 4237 at 4249. The stochastics are falling, and the %K/%D converged on the downside, highlighting growing selling pressures. The MACD diff is negative and diverging. To confirm another bearish candle, futures need to close below the 10 DMA and then 4200. On the upside, the break above the current resistance of 4294 could set the scene towards the 4308. However, the market struggled above the level in recent sessions, and a break above is needed to confirm the bullish outlook in the near term.

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures held their nerve yesterday as intraday trading caused the market to close at 3441. The stochastics are falling but are bottoming out near the oversold, and the MACD diff is negative and converging, suggesting higher prices in the near term. To confirm the outlook for higher prices, futures need to close back above the 40 DMA at 3444 and then target 10 DMA at 3464. The 40 DMA is starting to close in and resisting prices on the upside. However, a break below 3400 could set the scene for the trend support. Narrow-bodied candles with short wicks in the last couple of sessions point to market uncertainty, and the futures need to break out of current resistance/support to confirm the longer-term outlook.

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