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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures weakened yesterday as futures failed into the resistance at 22.00 and closed at 21.36. The stochastics are now converging on the downside, as the MACD diff is about to flip into the negative territory, pointing to a strong sell signal in the near term. A break below 21.00 would confirm the outlook for lower prices to 20.50 – a robust support level. Conversely, the reaffirmation of support at current levels would suggest higher prices and a close above 10 DMA at 21.46, setting the scene for higher prices towards 22.00. Yesterday's candle body suggests a growing appetite for lower prices. We expect prices to remain on the back foot in the near term.

10 Day % K Stochastic	Neutral Falling		
10 Day % D Stochastic	Neutral Flat		
MACD (12, 26)	Positive Converging		
Support	21.00	20.50	20.00
Resistance	21.50	22.00	22.21
Moving Averages (10,40,100)	21.46	22.21	22.92
Open Interest	832,085 (-2,901)	Volume	107,437

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures held the nerve yesterday, as prices struggled above 615 and closed on the back foot at 604.20. The stochastics are showing signs of waning buying pressures, with %K/%D converging on the downside and %K falling out of the overbought. 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 10 DMA; a subsequent breach of this level could trigger losses towards 580. On the upside, a break of the 615 level may prompt futures to test the 40 DMA resistance at 621. A longer candle body points to a growing appetite for lower prices, and the indicators confirm downside pressures in the near term.

10 Day % K Stochastic	Overbought Falling		
10 Day % D Stochastic	Neutral Rising		
MACD (12, 26)	Positive Converging		
Support	600	597.98	580.70
Resistance	615	621.38	628.10
Moving Averages (10,40,100)	597.98	621.38	647.21
Open Interest	83,426 (-34)	Volume	14,727

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures opened lower yesterday but consolidated during the day, testing support at 180. The market closed at 181.80. The %K/%D is oversold but showing signs of convergence. The MACD diff is negative and diverging. The indicators point to lower prices in the near term before a possible trend reversal. On the downside, prices need to take out 180, which could set the scene towards 178.75. Conversely, appetite for prices back above the 100 DMA level at 181.07 could trigger a test of resistance at 10 and 40 DMAs at 185; the tertiary resistance stands at 190. A candle with a longer lower wick signals uncertainty about the outlook for lower prices, and if the futures will continue to hold above the 180 level, we could see prices edge higher in the near term.

10 Day % K Stochastic	Oversold Flat		
10 Day % D Stochastic	Neutral Falling		
MACD (12, 26)	Negative Diverging		
Support	180	178.75	171.85
Resistance	181.07	185	190
Moving Averages (10,40,100)	184.76	185.80	181.07
Open Interest	214,464 (-1,437)	Volumes	36,391

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures opened higher day-on-day, closing at 3354. The stochastics are rising, with %K/%D just converging on the upside – a strong buy signal. The MACD diff confirms this by diverging on the upside. To confirm further price strength, futures must take out the robust resistance level of 3400. Conversely, appetite for prices below the 10 DMA at 3312 could trigger a test of support of 3238. However, a dragonfly doji candle shows rejection of higher prices and could point to an end to the moderate bullish sentiment we have seen in the last couple of days. We expect prices to edge close to 3400 but struggle to break above this level in the near term.

10 Day % K Stochastic	Neutral Rising		
10 Day % D Stochastic	Neutral Rising		
MACD (12, 26)	Positive Diverging		
Support	3312	3238	3178
Resistance	3400	3450	3460
Moving Averages (10,40,100)	3312	3178	2880
Open Interest	102,589 (-1,395)	Volumes	12,838

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures held their nerve yesterday as futures struggled above 7500, causing the market to close at 7369. The stochastics continue to fluctuate in the overbought, and the MACD diff is positive and flat, pointing to a lack of appetite to break out of the current trading range. To suggest a trend change, futures need to break below the support at 7000 before targeting 10 DMA at 6908. A break below this level would confirm the downward trend. On the upside, futures need to close back above 7500 and then target 7735 once again. Two narrow-bodied candles in the last couple of sessions point to market uncertainty, and the 10 DMA support remains robust; we could see prices edge up in the near term.

10 Day % K Stochastic	Overbought Falling		
10 Day % D Stochastic	Overbought Falling		
MACD (12, 26)	Positive Flat		
Support	7000	6908	6500
Resistance	7500	7735	8000
Moving Averages (10,40,200)	6908	5844	4131
Open Interest	208,211 (-3,633)	Volumes	48,581

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures opened higher yesterday but resistance of 6330 caused futures to close lower on the day at 6061. The %K/%D is fluctuating in the overbought while the MACD is positive and diverging. The indicators struggle to point out an outlook. To suggest that yesterday's candle was a pause in the upside trend that is set to continue, futures must break above yesterday's high of 6332 before targeting 6500. Alternatively, the support at 5873 is standing firm, and a breach below this level could trigger losses to 10 DMA at 5663 before 5500. A longer upper wick yesterday points to market uncertainty about higher prices; however, we expect further gains in the near term.

10 Day % K Stochastic	Overbought Rising		
10 Day % D Stochastic	Overbought Falling		
MACD (12, 26)	Positive Diverging		
Support	6000	5663	5500
Resistance	6332	6500	6700
Moving Averages (10,40,100)	5663	4857	3397
Open Interest	246,534 (+1,125)	Volumes	29,205

Source: ICE

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