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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar weakened on Friday as futures failed into the resistance at shorter-term moving averages and closed at 21.61. The stochastics continue to fall as the MACD diff is positive and about to converge on the downside – a strong sell signal. A break below 21.50 would confirm the outlook for lower prices. This may pave the way for lower prices to 21.00, with the tertiary level at 20.50. Conversely, the reaffirmation of support above current levels would suggest higher prices and a close back above 10 and 40 DMAs at 21.90. Friday's break below the DMAs suggests an appetite for lower prices, and the indicators are pointing to further softness in the near term.

10 Day % K Stochastic	Neutral Falling		
10 Day % D Stochastic	Neutral Falling		
MACD (12, 26)	Positive Converging		
Support	21.50	21.00	20.50
Resistance	21.90	22.00	22.42
Moving Averages (10,40,100)	21.90	21.86	22.42
Open Interest	844,913 (-418)	Volume	100,612

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures held their nerve on Friday as intraday trading saw prices close at 620.70. The %K/%D is falling out of the overbought. The MACD diff is converging on the upside, suggesting an appetite for lower prices. However, to confirm this, futures need to break the 40 DMA at 612.43 to trigger the momentum. A break below this level towards 600 would confirm the growing bearish momentum. Conversely, appetite for prices back above the 10 DMA at 622.10 could trigger a test of 100 DMA resistance at 623.97. A long-legged doji candle following narrow-bodied candles shows indecision about either direction, as it is now stuck between moving averages; the length of the wicks also points to increased volatility during the day. The indicators point to further weakness, but futures need to close below 100 DMA, the level that supported futures in the last couple of weeks.

10 Day % K Stochastic	Neutral Falling		
10 Day % D Stochastic	Neutral Falling		
MACD (12, 26)	Positive Converging		
Support	614	612.43	600
Resistance	628.10	632.97	650
Moving Averages (10,40,100)	622.10	612.43	632.97
Open Interest	82,474 (+1,708)	Volume	18,276

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures rallied on Friday as protracted buying pressure triggered a close on the front foot above 210 at 211. The %K/%D is continuing to diverge on the upside further into the overbought. The MACD diff is positive and diverging, outlining recent market growth. On the downside, a break back below the support level of 200 could trigger losses back towards 10 DMA at 194.19, which would help confirm the outlook of lower prices in the longer term. On the upside, a complete break above 210 could trigger gains through resistance towards 220 – new highs. The market rally has been strong in recent sessions, with three white soldiers’ formation confirming the strength of bull sentiment. We expect further gains in the near term.

10 Day % K Stochastic	Overbought Rising		
10 Day % D Stochastic	Overbought Rising		
MACD (12, 26)	Positive Diverging		
Support	200.75	194.19	190
Resistance	210	212.20	215
Moving Averages (10,40,100)	194.19	187.17	184.29
Open Interest	254,106 (+6,365)	Volumes	79,427

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures opened higher on Friday, but resistance of 3770 caused futures to close lower on the day at 3679. The stochastics are seen falling on the downside, with the %K/%D converging on the downside in the overbought, and the MACD diff is positive and converging. A break of the 3600 level could trigger losses through 10 DMA at 3499, with the tertiary level at 3400. On the upside, a break above 3770 could set the scene for further bullish momentum towards 3800. The indicators point to a reversal of momentum, and we expect to see marginal softness in the near term.

10 Day % K Stochastic	Overbought Falling		
10 Day % D Stochastic	Overbought Rising		
MACD (12, 26)	Positive Converging		
Support	3600	3499	3460
Resistance	3770	3800	3850
Moving Averages (10,40,100)	3499	3271	3002
Open Interest	103,877 (+2,115)	Volumes	41,785

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa edged higher on Friday as intraday trading caused futures to break above the 10 DMA at 9171; the market closed above this level at 9312. The indicators, however, point to further weakness in the near term. The %K/%D is diverging on the downside out of the overbought. The MACD diff is positive and converging. To maintain positive momentum seen in recent days, prices need to hold above 10 DMA and then target 9800 once again. On the downside, the rejection of prices above these levels could trigger losses back to the 9000. Buying pressure remains weak, and indicators point to a trend reversal in the near term. To confirm this, futures must first break below the 10 DMA.

10 Day % K Stochastic	Overbought Falling		
10 Day % D Stochastic	Overbought Falling		
MACD (12, 26)	Positive Converging		
Support	9171	9000	8500
Resistance	9806	10000	10100
Moving Averages (10,40,200)	9171	7087	4480
Open Interest	181,370 (-2,702)	Volumes	36,737

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures held their nerve on Friday as intraday trading saw futures test appetite at 10 DMA. This level held firm, and futures closed at 7620. The stochastics are falling, with %K/%D diverging on the downside, although the downside conviction is stalling. This could suggest that markets lack appetite for strong price corrections in the near term. The MACD diff is positive and converging, signalling growing selling pressures. To confirm the outlook for lower prices, futures need to break below the support at 10 DMA at 7417, which could set the scene for futures to take out the 7000 level. On the upside, the market needs to take out resistance of 8000 and then resistance at 8050. If futures break below the current support, we could see prices edge lower.

10 Day % K Stochastic	Overbought Falling		
10 Day % D Stochastic	Overbought Rising		
MACD (12, 26)	Positive Converging		
Support	7417	7000	6500
Resistance	8000	8050	8100
Moving Averages (10,40,100)	7417	5797	3664
Open Interest	251,863 (-2,128)	Volumes	34,410

Source: ICE

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