

Authors

Daria Efanova
Head of Research

WED 08 MAY 2024 10:00

Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar strengthened yesterday as moderate buying pressure triggered a close on the front foot at 19.93. The stochastics are rising, with %K/%D diverging on the upside. The MACD diff is positive and diverging, suggesting further upside pressures. A longer bullish candle body confirms further gains in the near term, but futures must first breach the 20.00 level, but prices struggled above that level recently. This could set the scene for higher prices to break above the resistance at 20.50. On the downside, a breach of support at 10 DMA at 19.45 would strengthen the bearish momentum to 19.00. Indicators point to higher prices, but futures need to breach the 20.00 level to confirm the momentum.

Ldn 2nd Month Sugar Futures



Ldn sugar futures gained ground yesterday as buying pressure triggered a close on the front foot above 550 at 560. The stochastics are rising, with the %K/%D about to enter the overbought area, as the MACD diff is positive and diverging on the upside. This suggests we could see higher prices in the near term towards the resistance of 574, but the market needs to take out the immediate resistance of 560. On the downside, the candle closed above 10 DMA at 549.75, and if this level does not hold, we could see prices test 540 before 500. A longer lower wick points to an appetite for higher prices, but futures need to take out 560 completely in order to confirm the outlook on the upside.

NY 2nd Month Coffee Futures



NY coffee futures held their nerve yesterday as intraday trading caused the market to close above the 100 DMA at 196.65. The stochastics continue to fall further into the oversold, and the MACD diff is negative and diverging; however, the momentum is stalling, suggesting we could see further softness before the trend changes in the near term. To confirm the outlook of lower prices, futures need to close back below the 100 DMA support of 194 and then target 190. On the upside, a break above the 200 level is crucial to suggest a trend change to 40 DMA at 205. A break above this level would confirm the trend on the upside. Two narrow-bodied candles 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.

Ldn 2nd Month Coffee Futures



Ldn coffee futures softened yesterday after finding support above 100 DMA at 3883. The market closed at 3378. The stochastics continue to soften, with %K in the oversold territory; however, they are showing signs of tailing off as selling pressure is waning. The MACD diff is negative and diverging, suggesting we could see lower prices in the near term before a trend change. A break below the 100 DMA level at 3306 would bring into play the 3238 level, which could set the scene for lower prices in the longer term. On the upside, futures need to gain back above 3460 in order to confirm upside momentum. The reaffirmation of support here could trigger gains towards the level at 40 DMA at 3687; this could strengthen the trend in the long run on the upside. A longer lower wick points to a lack of appetite for lower levels. We expect futures to hold above the 100 DMA level in the near term.

NY 2nd Month Cocoa Futures



NY cocoa futures jumped higher yesterday, breaching resistance at 8000 and closing at 8610. The indicators suggest that we could see higher prices in the near term. The stochastics are now converging on the upside, exiting the oversold, and the MACD diff is negative and converging. On the upside, a break above the shorter-term DMAs at 9082 could then test the resistance level at 10000. Superseding this level, resistance stands at 11000. On the downside, if the futures fall back below the 8000 level, then we could see a continuation of downside momentum in the near term. While we expect some moderate gains in the near term, the resistance level at shorter-term moving averages has formed at 9082. In particular, with 10 DMA crossing below the 40 DMA level, a death cross, futures' gains might be capped above these levels.

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures jumped higher yesterday, breaching resistance at 7000 but finding resistance at 40 DMA, closing at 7466. The indicators suggest that we could see higher prices in the near term. The stochastics are about to converge on the upside, and the MACD diff is negative and converging. On the upside, a break above the 40 DMA at 7557 could then test the resistance level at 10 DMA. Superseding this level of resistance stands at 9000. On the downside, if the futures fall back below 7000, then we could see futures break below 6000. The resistance levels in the form of shorter-term DMAs are closing in and resisting prices on the upside. We expect futures to hold above the 7000 level, but the 40 DMA resistance is crucial to suggest further gains in the near term.

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sudden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.suddenfinancial.com/en/risk-warning-and-disclaimers).