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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures held their nerve yesterday as intraday trading saw futures test appetite at 18.60. This level held firm, and the future closed at 18.75. The stochastics are falling; however, the downside momentum is stalling. The MACD diff is positive and flat following recent weakness, signalling waning selling pressures. To confirm the outlook for higher prices, the market needs to take out the resistance at 40 DMA at 19.01 and then robust resistance at 19.20. On the downside, a break below the support at 18.60 could set the scene for futures to take out the 18.50 level before targeting 18.00. A doji candle after a moderate weakness signals uncertainty about the outlook for lower prices. We expect futures to remain supported above the near-term support level.

NY 2nd Month Coffee Futures



NY coffee futures held their nerve yesterday as intraday trading saw prices close above 220 at 221.45. The %K and %D are falling towards the oversold. The MACD diff just converged on the downside, suggesting some appetite for lower prices, but futures need to break below the 220 level first. A break below this level towards 40 DMA at 217.38 would confirm the continued bearish momentum. Conversely, appetite for prices above the 10 DMA at 227.24 could trigger a test of resistance of 233.35. The candle struggled to break below the near-term support, but the gravestone doji candle is usually a signal of downside momentum. If futures can break below the near-term support, that would confirm the indicators in the near term.

Ldn 2nd Month Coffee Futures



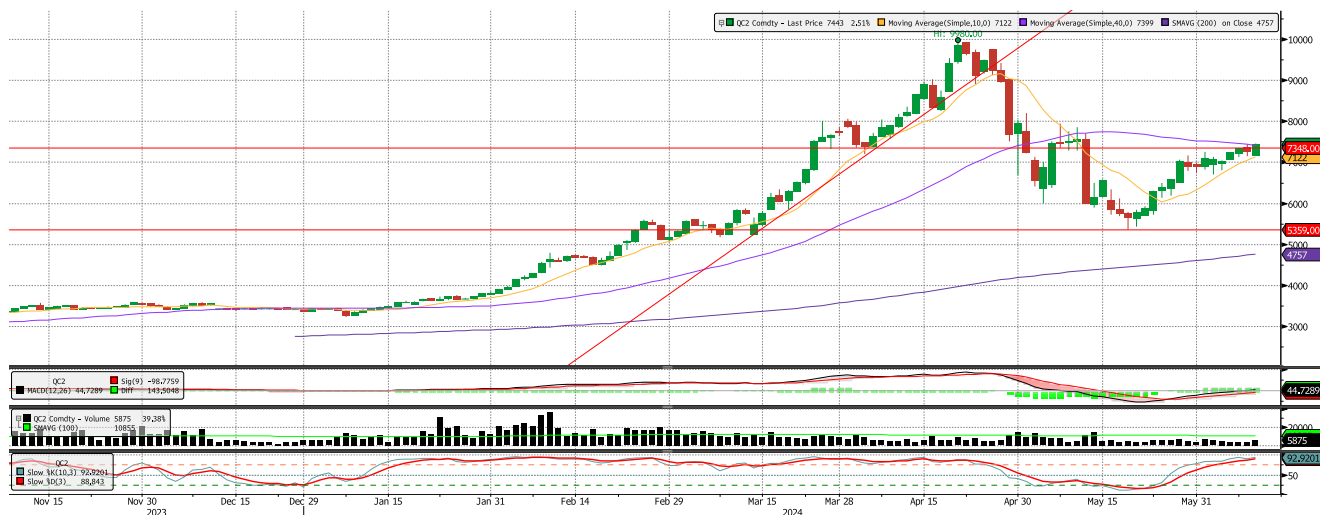
Ldn coffee opened lower yesterday, but support at 4000 held firm, causing futures to close at 4053. The stochastics are falling lower out of the overbought, and the MACD diff is positive and converging, suggesting a growing momentum on the downside in the near term. To confirm this, the support at 4000 needs to be broken first before testing the trend support level. On the upside, the resistance at 10 DMA and then 4200 are to be breached to set the scene for higher levels. A longer upper wick suggests that most of the trading took place in the lower ranges during the day, as futures continued to test the near-term support. We expect this level to hold in the near term.

NY 2nd Month Cocoa Futures



NY cocoa strengthened yesterday as protracted buying pressure triggered a close on the front foot at 9254. The stochastics are rising, with %K/%D diverging on the upside in the overbought. The MACD diff is positive and flat. A long bullish candle body with little shadow suggests growing buying pressures; this could set the scene for higher prices to break above the 9500 resistance. This would confirm the trend for rising prices, up to 10000. On the downside, a breach of support at shorter-term moving averages would strengthen the bearish momentum. The 10 DMA just crossed above the 40 DMA level, creating strong support at these levels and indicating further upside momentum. We expect futures to remain elevated at these levels in the near term.

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures opened higher yesterday, but the resistance of 40 DMA capped upside gains, prompting futures to close below this level at 7443. The stochastics are seen diverging on the upside in the overbought, and the MACD diff is positive and flat. A break of the 10 DMA level at 7122 could trigger losses through 7000, with the tertiary level at 6500. On the upside, a break above 40 DMA at 7399 could set the scene for bullish momentum towards 7500. A close below the 40 DMA level points to market indecisiveness for higher prices; however, the indicators point to further upside momentum in the near term.

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