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# Softs Technical Charts

## NY 2nd Month Sugar Futures



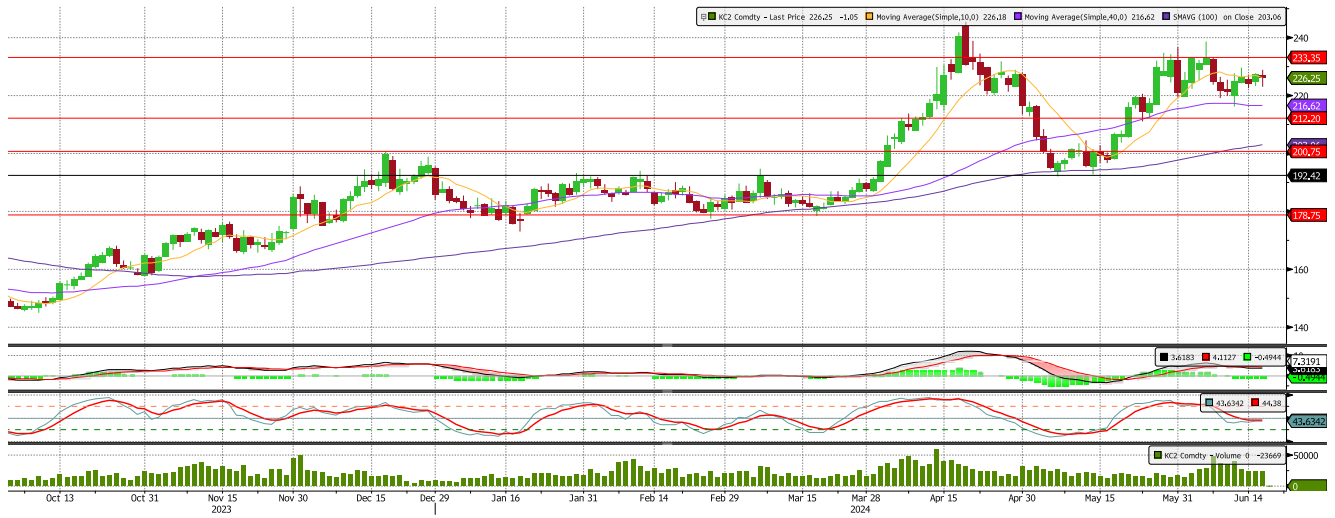
NY sugar futures softened slightly yesterday after prices failed above 19.00, prompting a close on the back foot at 18.99. The stochastics are falling and diverging, with %K leaving the overbought territory, and the MACD diff is also converging on the downside, outlining growing weakness in the market. Selling pressure has been weak; yesterday's close below the key support levels suggests a lack of appetite for higher prices. A break of 40 DMA at 18.98 could set the scene for lower prices to 18.63. Alternatively, if prices can gain a footing back above the 10 DMA level at 19.06, the bulls could then target 19.80 in order to regain upside conviction. We anticipate prices will remain on the back foot in the near term.

# Ldn 2nd Month Sugar Futures



Ldn sugar futures remained elevated but struggled above the shorter-term DMAs and closed on the back foot at 532.90. The stochastics are falling, with %K/%D seen converging on the downside out of the overbought. The MACD is positive and converging. The rejection of higher prices may prompt a break back towards support at 512; a subsequent breach of this level could trigger losses towards 500. On the upside, a break of the 10 and 40 DMAs at 535 may prompt futures to test 550. A longer upper wick points to a lack of appetite out of the current trading range, and the DMAs are capping upside potential. We expect futures to remain rangebound in the near term.

# NY 2nd Month Coffee Futures



NY coffee futures held their nerve yesterday as moderate selling pressure prompted a close at 226.25. The stochastics are flat, and the %K/%D converged on the upside after the previous downside, highlighting waning selling pressures. The MACD diff is negative and flat. To confirm another bearish candle, futures need to edge lower and then target the 200 level, which is a robust support level. On the upside, the break above the 10 DMA at 226.18 could set the scene towards the 233.35 level. However, the market struggled above these levels in recent sessions, and we expect futures to remain on the back foot.

# Ldn 2nd Month Coffee Futures



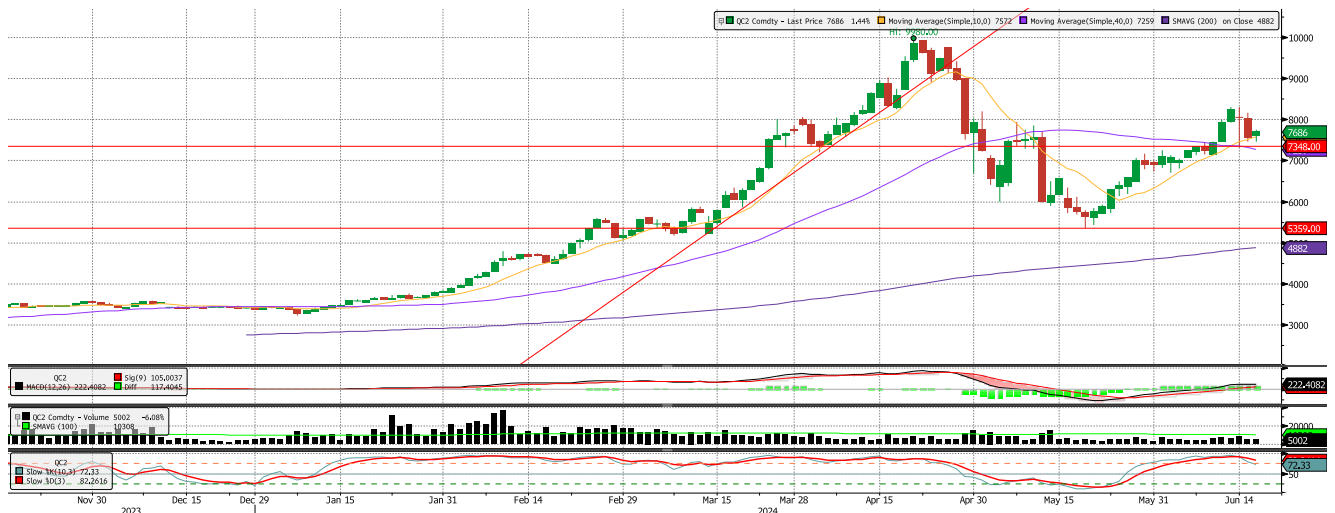
Ldn coffee futures edged lower yesterday as prices failed above the previous day's high and then closed below 4000 at 3994. The indicators favour the downside; the stochastics are falling, with %K/%D diverging on the downside and edging close to the oversold area, and the MACD diff is negative and diverging on the downside, confirming further selling pressures. A complete break below 4000 would bring into play the support at 3900. On the upside, prices need to find support above 4100 before targeting the 10 DMA in the near term. Indicators point to further bearish momentum, and we expect prices to weaken in the near term.

# NY 2nd Month Cocoa Futures



NY cocoa futures opened lower but managed to close higher day-on-day at 9390. The stochastics are falling, with %K seen tailing off on the downside, which could suggest further softness before a pause in the downside trend. The MACD diff is positive and converging, confirming the outlook. On the upside, futures need to break above the robust resistance levels of 10 DMA and 10000 to trigger the momentum. Prices would then need to take out the 10100 level to confirm the longer-term outlook. Conversely, appetite for prices below 40 DMA could trigger a test of support of 8000. Candles have been trading range-bound in the last couple of sessions, and the 10 DMA crossing above 40 DMA should provide robust support. However, to confirm the outlook on the upside, futures must hold above the 10 DMA level first.

# Ldn 2nd Month Cocoa Futures



Ldn cocoa futures held their nerve yesterday, causing the market to close at 7686. The stochastics are falling, with %K seen tailing off marginally out of the overbought, and the MACD diff is positive and converging, suggesting lower prices in the near term. To confirm the outlook for lower prices, futures need to close back below 10 DMA and then target the 40 DMA level. However, a break above 8000 could set the scene for new highs. The narrow candle body with a longer lower wick points to a lack of appetite on the downside, but the futures need to break above current resistance to confirm the near-term outlook.

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