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# Softs Technical Charts

## NY 2nd Month Sugar Futures



NY sugar futures rallied yesterday as protracted buying pressure triggered a close on the front foot at 20.21. The %K/%D are diverging on the upside, edging into the overbought territory. The MACD diff is positive and diverging, outlining recent market growth. On the downside, a break back below the support level of 10 DMA at 19.43 could trigger losses back towards 19.2; a break below the 40 DMA level would confirm the outlook of lower prices in the longer term. On the upside, a break above 100 DMA at 20.43 could trigger gains through robust resistance towards 20.50 – April highs. The market rally was strong yesterday, confirming the strength of bull sentiment. We could see prices trend even higher today, but resistance at 100 DMA needs to be broken above for this to be the case.

# Ldn 2nd Month Sugar Futures



Ldn sugar gained ground yesterday as buying pressure triggered a close on the front foot at 563.70. The stochastics are rising towards the overbought, as the MACD diff is positive and diverging, signalling a buy trend in the near term. This suggests we could see higher prices towards the 100 DMA resistance, but the market needs to take out immediate resistance at 575 beforehand. On the downside, if the support around 10 DMA at 544.66 is taken out, we could see prices retreat back through to 40 DMA at 525.54 before 512.60. A longer upper wick on Thursday points to the appetite for higher prices; however, futures need to take out 575 in order to confirm the outlook on the upside.

# NY 2nd Month Coffee Futures



NY coffee futures held their nerve yesterday as intraday trading was capped by the 10 DMA, prompting prices to close at 226.35. The %K/%D is now falling after converging on the downside. The MACD diff is negative and diverging, suggesting further appetite for lower prices, but futures need to break above the 220 level to trigger the momentum. A break below this level towards the support of 40 DMA at 217.32 would confirm the strong bearish momentum. Conversely, appetite for prices above the 10 DMA could trigger a test of resistance of 233.35. A long-legged doji candle shows indecision about higher prices above the 10 DMA. The indicators point to a fall in prices, and we expect prices to remain muted in the near term.

# Ldn 2nd Month Coffee Futures



Ldn coffee futures edged lower yesterday after prices broke below the robust trend support, prompting a close at 4047. The stochastics are falling, with %K/%D converging on the downside, and the MACD diff is negative and diverging, sending a sell signal. To confirm the bearish indicators and rejection of prices above the trendline, futures need to take out support at 4000 and then target 3900. On the upside, futures need to close above 10 DMA and then test 4200 in order to confirm the outlook of higher prices. We expect futures to weaken in the near term.

# NY 2nd Month Cocoa Futures



NY cocoa weakened yesterday as protracted selling pressure triggered a close on the back foot at 7273. The stochastics are falling, falling into the oversold. The MACD diff is negative and diverging. A full bearish candle suggests growing selling pressures; this could set the scene for lower prices to break below the 7025 support level. This would confirm the trend for falling prices, down to 7000. On the upside, resistance at 8000 has proven to be strong, and a break above that level would strengthen the bullish momentum. This could also trigger gains towards the 40 DMA at 8321. The bearish engulfing pattern suggests an impending market downturn, and we expect prices to continue to fall in the near term.

# Ldn 2nd Month Cocoa Futures



Prices weakened yesterday as protracted selling pressure triggered a close above the 6000 at 6139. The stochastics are falling; the %K/%D is falling, signalling a continuation of the trend. The MACD is negative and diverging. Dips in the market have been well bid, but in order to confirm the downside momentum, futures must first breach 6000. Conversely, a break above the 40 DMA at 6919 could set the scene for a test of 10 DMA at 7179. We expect prices to soften today and remain on the back foot.

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