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Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures softened on Friday after breaching the 19.80 support level. The market closed at 19.62. The stochastics are falling towards the oversold territory; the %K/%D is weakening, and the MACD diff is negative and diverging. Recent moderate selling pressure suggests that we could see lower prices in the near term through support of 19.50. A break below this level would bring into play the 40 DMA level at 19.24, which could set the scene for support at 19.00. On the upside, futures need to gain back above 100 and 10 DMAs at 20.18 and 20.32, respectively, in order to confirm upside momentum. The reaffirmation of support here could trigger gains towards the level at 20.50; this could strengthen the trend on the upside in the long run. Short candle wicks in recent sessions point to an increased appetite on the downside, and we could see the price edge lower in the near term.

Ldn 2nd Month Sugar Futures



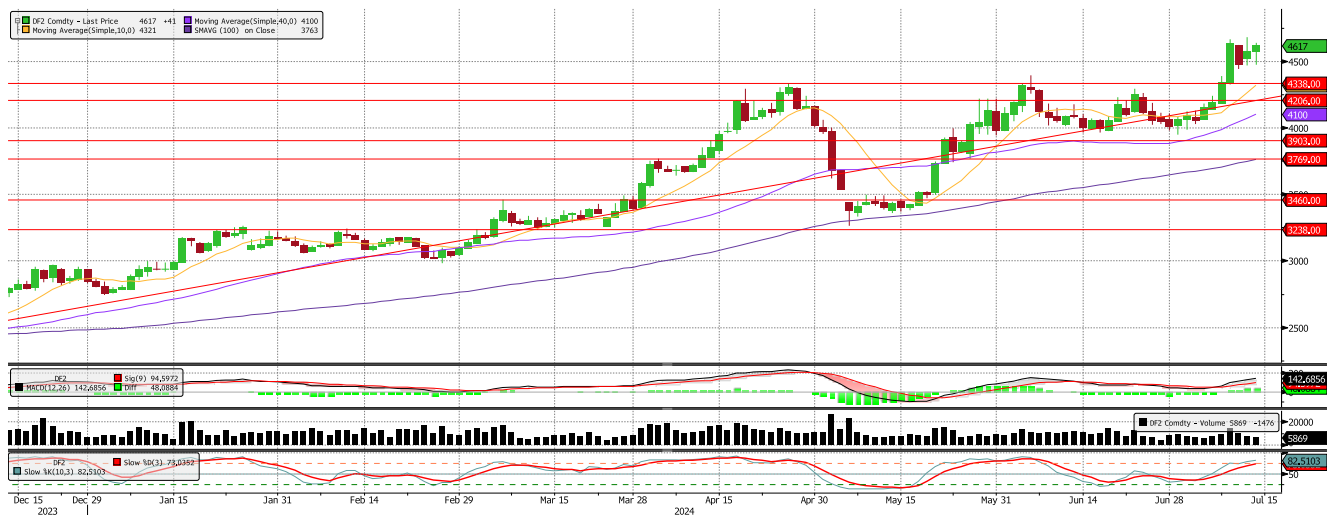
Ldn sugar futures edged lower on Friday as prices failed above the previous day's highs at 555 and then closed below at 542.40. The indicators are favouring the downside; the stochastics are falling, with %K/%D diverging on the downside and entering the oversold area, and the MACD diff is negative and diverging on the downside, confirming further downside pressures. A break below the 40 DMA at 541.91 would bring into play the support at 540.20. On the upside, prices need to break above 550 before targeting the 10 DMA in the near term. Indicators point to further bearish momentum, and we expect the prices to test the 40 DMA today.

NY 2nd Month Coffee Futures



NY coffee futures edged higher on Friday as prices closed at 248.75. The indicators continue to favour the upside, but the upside momentum is stalling. The %K/%D is edging higher towards the overbought, but the appetite for higher levels is stalling. The MACD diff is converging on the downside, suggesting waning buying pressures. A break below the 240 level would bring into play the recent support level at 10 DMA at 235.36. In order to indicate an improvement of market sentiment on the upside, futures need to gain a footing above 250 and then target the recent highs of 255.30 in the near term. A candle with a longer lower wick suggests continued appetite on the upside, as futures struggled below 240 in the last couple of sessions. We expect futures to remain elevated in the near term.

Ldn 2nd Month Coffee Futures



Ldn coffee futures held their nerve on Friday, as moderate buying pressure triggered a close on the front foot at 4617. The stochastics are now overbought, with %K/%D diverging on the upside. The MACD diff is positive and diverging. A bullish candle with a longer lower wick suggests continued buying pressures; this could set the scene for higher prices to break above the robust resistance at 4700. This would confirm the trend for rising prices up to new highs. On the downside, a breach of support at 4500 would strengthen the bearish momentum. This could also trigger losses towards the 4338. Indicators are pointing to continued price strength, and if futures break above the near-term resistance, we would expect to gain positive momentum in the near term.

NY 2nd Month Cocoa Futures



NY cocoa futures softened on Friday after struggling above the previous day's highs. Still, the downside pressures were not strong enough, and futures closed above the 40 DMA at 8321. The stochastics continue to rise, and the MACD diff is positive and diverging marginally. A break below the 40-day moving average at 8279 would bring into play the 10 DMA level at 7921. On the upside, futures need to gain back above 9000, a robust resistance level, in order to confirm upside momentum. The reaffirmation of support here could trigger gains towards the level at 10000; this could strengthen the trend on the upside in the long run. The inside candle points to a continued momentum on the upside in the near term.

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures held their nerve on Friday, struggling above the 7000 level. This level held firm, and futures closed at 6830. The stochastics are showing signs of a trend change, with %K now falling out of the overbought, and the MACD diff is positive and diverging, signalling moderate strength before a possible trend change. To suggest the outlook for higher prices, futures need to break above the robust resistance at 7000, which could set the scene for futures to take out 7348. On the downside, the market needs to take out support at 40 DMA at 6835 and then support at 10 DMA at 6555. We expect futures to trade sideways in the near term.

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