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WED 28 AUGUST 2024 10:00

Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures gained ground yesterday as buying pressure triggered a close on the front foot at 19.93. The stochastics are rising with the %K/%D diverging towards the overbought area, as the MACD diff is positive and diverging – a clear buy signal. This suggests we could see higher prices in the near term, testing the 20.50 level, but the market needs to take out immediate resistance of 20.00. A break above this level would confirm three white soldiers’ formation. On the downside, today’s candle found support at 19.80, and if the prices break through this level, we could see prices retreat back through the 100 DMA at 19.23 before the 40 DMA level at 19.08. To confirm the bullish signal, futures need to take out the 20.00 resistance.

10 Day % K Stochastic	Overbought Rising		
10 Day % D Stochastic	Neutral Rising		
MACD (12, 26)	Positive Diverging		
Support	19.80	19.23	19.08
Resistance	20.00	20.47	21.00
Moving Averages (10,40,100)	18.68	19.08	19.23
Open Interest	833,359 (+558)	Volume	213,527

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar gapped higher yesterday, with protracted buying pressure triggering a close above 10 and 40 DMAs to close at 534.60. Yesterday's long candle with a longer lower wick suggests that yesterday's appetite was robust, and a break above the key resistance levels could indicate a trend reversal in the near term. In the meantime, the stochastics are strengthening, with %K/%D edging closer to the overbought. The MACD diff is positive and diverging, suggesting further gains in the near term. To confirm this, futures must break above the 100 DMA resistance at 538.43 to target the 550 level. Alternatively, if upside momentum weakens, a test of the 40 DMA support level will be a key gauge for the market's appetite for lower levels.

10 Day % K Stochastic	Neutral Rising		
10 Day % D Stochastic	Neutral Rising		
MACD (12, 26)	Positive Diverging		
Support	526.77	512.60	510.57
Resistance	540.20	550	574
Moving Averages (10,40,100)	510.57	526.77	538.43
Open Interest	114,467 (+428)	Volume	39,597

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures gained ground yesterday but struggled above the robust 255.30 level, prompting futures to close at 255.25. The stochastics are rising, with the %K/%D strengthening in the overbought, as the MACD diff is positive and diverging on the upside, which suggests further bullish momentum. To confirm this, prices need to break above 255.30 before testing the 260 level. On the downside, the candle found support at 250, and if the prices break through this level, we could see prices retreat back to 10 DMA at 245.40. The bullish candle with a longer upper wick points to prices confirming the current resistance level. We expect futures to test 255.30 once again today.

10 Day % K Stochastic	Overbought Rising		
10 Day % D Stochastic	Overbought Rising		
MACD (12, 26)	Positive Diverging		
Support	250	245.40	240
Resistance	255.30	260	265
Moving Averages (10,40,100)	245.40	237.88	226.72
Open Interest	194,319 (+1,235)	Volumes	40,967

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures jumped higher yesterday after the trendline support level held firm, and futures closed at 4846. The indicators, however, are pointing to lower prices in the near term, with the stochastics converging on the downside in the overbought; the MACD diff is positive and converging. To confirm the downside appetite, the futures need to break back below 4664 before reattempting to break the trendline level. The tertiary support stands at 4500. Alternatively, a break above 4900 could trigger gains to 5000. A longer upper wick points to prices testing the 4900 resistance before confirming it to close lower. We expect the marginal downside momentum to prevail today.

10 Day % K Stochastic	Overbought Flat		
10 Day % D Stochastic	Overbought Flat		
MACD (12, 26)	Positive Converging		
Support	4700	4664	4582
Resistance	4900	5000	5100
Moving Averages (10,40,100)	4582	4388	4112
Open Interest	87,942 (-342)	Volumes	18,333

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures opened higher, but the bullish momentum was not strong enough to break the 8000 level and futures closed at 7825. The stochastics are now falling, with %K/%D converging on the downside, as the MACD diff is positive and converging, sending a sell signal. The rejection of prices above 8000 has formed a candle with a narrow body and a long wick on the upside, as futures lacked the conviction to break above the near-term resistance. If prices were to break above this level, this could trigger a test of 8500. On the downside, to confirm the shooting star formation, futures need to take out 10 DMA at 7507 and then robust support at 40 DMA at 7357. A break below this level would confirm the outlook for lower prices.

10 Day % K Stochastic	Overbought Falling		
10 Day % D Stochastic	Overbought Flat		
MACD (12, 26)	Positive Converging		
Support	7507	7357	7000
Resistance	8000	8500	8622
Moving Averages (10,40,200)	7507	7357	6817
Open Interest	132,836 (+464)	Volumes	26,252

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa weakened yesterday as protracted selling pressure triggered a breakthrough of the short-term moving averages and a robust 5350 level, prompting a close on the back foot at 5314. The stochastics are falling. The MACD diff is positive and converging, suggesting increasing selling pressure; this could set the scene for lower prices towards the 5000 support level. A break below this would confirm the trend for falling prices down to new lows. On the upside, resistance at 40 DMA at 5762 is now strong, and a break above that level would strengthen the bullish momentum. This could also trigger gains towards 6000. The bearish engulfing pattern suggests an impending market downturn, and we expect prices to edge lower in the near term.

10 Day % K Stochastic	Neutral Falling		
10 Day % D Stochastic	Neutral Falling		
MACD (12, 26)	Positive Converging		
Support	5200	5000	4500
Resistance	5417	5580	5762
Moving Averages (10,40,100)	5417	5762	5580
Open Interest	204,864 (+573)	Volumes	28,607

Source: ICE

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