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MON 21 OCTOBER 2024 09:50

Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures attempted to breach the 10 and 40 DMA moving average resistances on Friday but struggled above these levels, prompting futures to close at 20.44. The stochastics are rising marginally, edging out of the oversold. The MACD diff is negative and converging, suggesting a growing appetite for higher prices. To confirm this, futures need to break above the 10 and 40 DMAs at 20.61 and 20.73, respectively, to trigger the momentum. A break above these levels towards 21.00 would confirm the stronger positive momentum. Conversely, appetite for prices below 20.00 could trigger a test of support at 100 DMA at 19.77. A gravestone doji candle shows rejection of lower prices but also indicates a lack of conviction to break above the near-term resistance levels in the form of moving averages. We expect prices to remain range-bound in the near term as they edge higher.

Ldn 2nd Month Sugar Futures



Ldn sugar opened lower on Friday, but support at 574 held firm, causing futures to close above this level at 575.10. The stochastics are falling once again after converging on the downside, and the MACD diff is negative and flat, highlighting prevailing market uncertainty regarding the pricing outlook. To suggest the outlook for lower prices, the support at 574 needs to be broken first before testing the 560 level. On the upside, resistance at the 10 DMA at 576.05 and then 580.70 have to be breached first to set the scene for 600. A longer upper wick suggests that most of the trading took place in the lower ranges during the day, as markets lack upside appetite. We expect to remain elevated in the near term.

NY 2nd Month Coffee Futures



NY coffee futures opened lower on the open Friday but gained marginal ground to close at 256. The %K/%D are diverging on the upside, suggesting a continuation of momentum in the near term. The MACD diff is negative and converging, confirming this. To confirm this, markets need to gain appetite above the 255.30 level before targeting 260. On the downside, the 10 and 40 DMAs provide firm support levels, and if prices fall below these levels, it could trigger a strong downside to the 100 DMA at 241.48. Friday's candle shows rejection of lower prices and could point to an end of the bearish momentum sentiment we have seen in the last couple of days. We anticipate marginal gains in the near term.

Ldn 2nd Month Coffee Futures



Ldn coffee opened lower on Friday, but support at 100 DMA held firm, causing futures to close higher day-on-day at 4615. The stochastics are falling lower towards the oversold once again, and the MACD diff is negative and converging, indicating a lack of clarity in the market. To suggest further softness, the support at 100 DMA needs to be broken first before testing the 4500 level. On the upside, resistance at 4664 and then 10 DMA at 4705 are to be breached to set the scene for 40 DMA at 4944. This would also confirm the continuation of the longer-term trend on the upside. A short candle body suggests that while initial conviction on the downside was robust, a lack of appetite below the robust trend support levels kept markets within tight ranges. We expect futures to remain above this level in the near term.

NY 2nd Month Cocoa Futures



NY cocoa futures lost ground on Friday after prices failed into the 6720 support level, prompting a close at 6653. The stochastics are falling, with %K/%D about to converge on the downside, and the MACD diff is positive and converging, as futures failed to confirm the outlook of higher prices after failing into the 6720. Futures need to close back above the DMAs and the 7000 resistance to suggest a trend reversal in the near term. On the downside, the long candle suggests an increased appetite to lower prices in the near term. Prices need to close below 10 DMA at 6676 before targeting 6000 to confirm the momentum. 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



Ldn cocoa futures softened on Friday but struggled below the support level of 5000. The market closed marginally above this level at 5021. The stochastics are falling, with %K seen converging in the overbought territory, and the MACD diff is positive and converging, paving the way for lower prices in the near term. The appetite below 10 and 40 DMAs, which are just below the 5000 level, could set the scene for lower prices back to test the 4489 level. On the upside, futures need to break above 5359 in order to confirm the bullish trend. The 10 DMA level has crossed above the 40 DMA, a golden cross, suggesting a reaffirmation of support at these levels. We expect futures to gain marginal ground in the near term.

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