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# Softs Technical Charts

## NY 2nd Month Sugar Futures



NY sugar edged higher yesterday to test appetite at the 50% fib level of 20.76 once again; the market closed slightly below at 20.67. Stochastics are rising as %K/%D converged on the upside, confirming positive momentum. The MACD diff also just flipped on the upside, suggesting growing bullish momentum in the near term. To maintain positive momentum, prices need to close above the 20.76 level and then target 40 DMA at 21.04. On the downside, the rejection of prices above the 10 DMA at 20.51 could trigger losses back to the 20.00 mark. Buying pressure remains weak, but the indicators point to a trend accelerating in the near term. To confirm this, the 21.00 level has to be taken out first.

# Ldn 2nd Month Sugar Futures



Ldn sugar gapped higher yesterday but struggled to break above the robust trend resistance that is now at 580, prompting it to close slightly below at 576.20. Yesterday's short candle body with a longer upper wick underscores the lack of upside appetite to break out of the current ranges. The next robust resistance level now stands at 590. The stochastics have converged on the upside, and the MACD diff is negative and converging. The indicators point to continued upside pressures, and for that to materialise, the near-term resistance has to be taken out before we can see further gains. Alternatively, if upside momentum stalls, this could prompt some softness below the shorter-term DMAs at 573 and 560. We expect futures to hold above these levels today.

# NY 2nd Month Coffee Futures



NY coffee futures rallied yesterday as protracted buying pressure triggered a close on the front foot above the key 255.30 level at 259.75. The %K/%D is diverging on the upside. The MACD diff is positive and diverging, outlining recent market growth. On the downside, a break back below the support level of 40 DMA at 254.62 could trigger losses back towards 10 DMA at 248.52; a break below the 100 DMA level at 244.53 would confirm the outlook of lower prices in the longer term. On the upside, a break above 260 could trigger gains back to the longer-term trend channel. The market rally was strong yesterday. We could see prices trade even higher today, but support at 255 needs to hold firm for this to be the case.

# Ldn 2nd Month Coffee Futures



Ldn coffee strengthened yesterday as protracted buying pressure triggered a close on the front foot at 4486. The stochastics are rising, with %K/%D seen diverging on the upside out of the oversold. The MACD diff is positive and diverging. A long bullish candle suggests growing buying pressures; this could set the scene for higher prices to break above the 100 DMA resistance at 4574. This would confirm the trend for rising prices, up to 4664. On the downside, a breach of support at 4338 would strengthen the bearish momentum. This could also trigger losses towards the 422. Indicators are pointing to further gains in the near term; we expect some moderate gains today.

# NY 2nd Month Cocoa Futures



NY cocoa futures gained ground yesterday, breaking above the robust 7000 resistance level to close at 7178. The stochastics continue to rise despite being deeply overbought, as the MACD diff is positive and diverging on the upside. The indicators point to a continuation of bullish momentum in the near term, and if prices break above the 100 DMA at 7462, we could see upside momentum strengthen. On the downside, the candle found support at 6720, and if the prices break through this level, we could see prices retreat back through 40 DMA at 6560. The bullish candle with short wicks points to a growing appetite for higher levels.

# Ldn 2nd Month Cocoa Futures



Ldn cocoa futures jumped higher yesterday, breaking above the robust 5500 resistance level and closing higher at 5640. The stochastics are edging higher, with %K/%D strengthening into the overbought, and the MACD diff is positive and diverging. If support at 5500 holds, we would expect to see futures test the 100 DMA resistance at 5971 before continuing higher in the longer term. If the near support level does not hold, this could signal a trend reversal back to 10 and 140 DMA at 5302 and 4898, respectively. The long candle body and the indicators confirm the appetite for higher prices in the near term and we expect futures to edge higher.

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