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WED 13 NOVEMBER 2024 09:50

Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures edged lower yesterday after futures tested below 20.00 once again to close at 19.93. The stochastics are falling towards oversold, and the MACD diff is negative and diverging, suggesting lower prices in the near term. To confirm the bearish indicators and rejection of prices above the 100 DMA at 20.00, futures need to take out support at 19.50 and then target 19.21. On the upside, futures need to close above 10 DMA at 20.42 and then target 20.76 in order to confirm the outlook of higher prices towards 21.00. Long wicks point to a lack of appetite out of current ranges; however, the close near the previous day's lows suggests that there is a weakening appetite on the upside. We expect futures to remain on the back foot in the near term.

Ldn 2nd Month Sugar Futures



Ldn sugar futures edged lower yesterday after prices broke below the trend support level, prompting a close at 556.90. The stochastics are falling, with %K/%D diverging on the downside in the oversold, and the MACD diff is negative and diverging. To confirm the bearish indicators and rejection of prices above 560, futures need to take out support at the 100 DMA level at 548.85 and then target 540.20. On the upside, futures need to close above 560 and then test 10 DMA at 569.76 in order to confirm the outlook of higher prices towards 580. We expect futures to weaken in the near term.

NY 2nd Month Coffee Futures



NY coffee futures rallied yesterday as protracted buying pressure triggered a close back into the longer-term upside trend at 263.10. The %K/%D is diverging on the upside into the overbought. The MACD diff is positive and diverging, suggesting higher prices in the near term. On the upside, a complete break above the trend support at 265 could trigger gains through 270. On the downside, a break below the key support level of 255.30 could trigger losses back towards the 10 DMA at 251.12; a break below the 100 DMA at 245.43 would confirm the outlook for lower prices in the longer term. Indicators point to further buying pressures in the near term; however, prices need to break above 265 completely to confirm the bullish outlook.

Ldn 2nd Month Coffee Futures



Ldn coffee futures edged higher yesterday as intraday trading saw prices test resistance at 100 DMA at 4583; futures closed just below it at 4537. The stochastics are rising, with %K/%D diverging on the upside. The MACD diff is positive and diverging, suggesting we could see a continuation of upside momentum in the near term. On the downside, futures need to break below the support of 10 DMA at 4397 and then 4338 in order to confirm the outlook for lower prices. On the upside, the reaffirmation of support at 4500 could set the scene for higher prices back to 40 DMA at 4718. The long upper wick and close just above the 4500 points to growing buying pressure in the near term.

NY 2nd Month Cocoa Futures



NY cocoa futures gained ground once again yesterday, breaking above 100 DMA resistance level to close at 7641. The stochastics continue to rise despite being deeply overbought, as the MACD diff is positive and diverging on the upside. This suggests that the indicators point to a continuation of the bullish momentum in the near term, and if prices break above 8000, we could see further strength. On the downside, the candle found support at 10 DMA at 7036, and if the prices break through this level, we could see prices retreat back through 7000. The bullish candle points to a growing appetite on the upside.

Ldn 2nd Month Cocoa Futures



Ldn cocoa strengthened yesterday as protracted buying pressure triggered a close on the front foot at 6056. The stochastics are rising, with %K/%D diverging on the upside in the overbought. The MACD diff is positive and diverging. The long bullish candle body with short wicks suggests growing buying pressures; this could set the scene for higher prices to break above the resistance of 100 DMA at 6002. This would confirm the trend for rising prices, up to 6200, the July highs. On the downside, a breach of support at 10 DMA at 5529 would strengthen the bearish momentum. This could also trigger losses towards 5359. Indicators point to higher prices, but futures must first breach the 100 DMA level to confirm the upside momentum.

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