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# Softs Technical Charts

## NY 2nd Month Sugar Futures



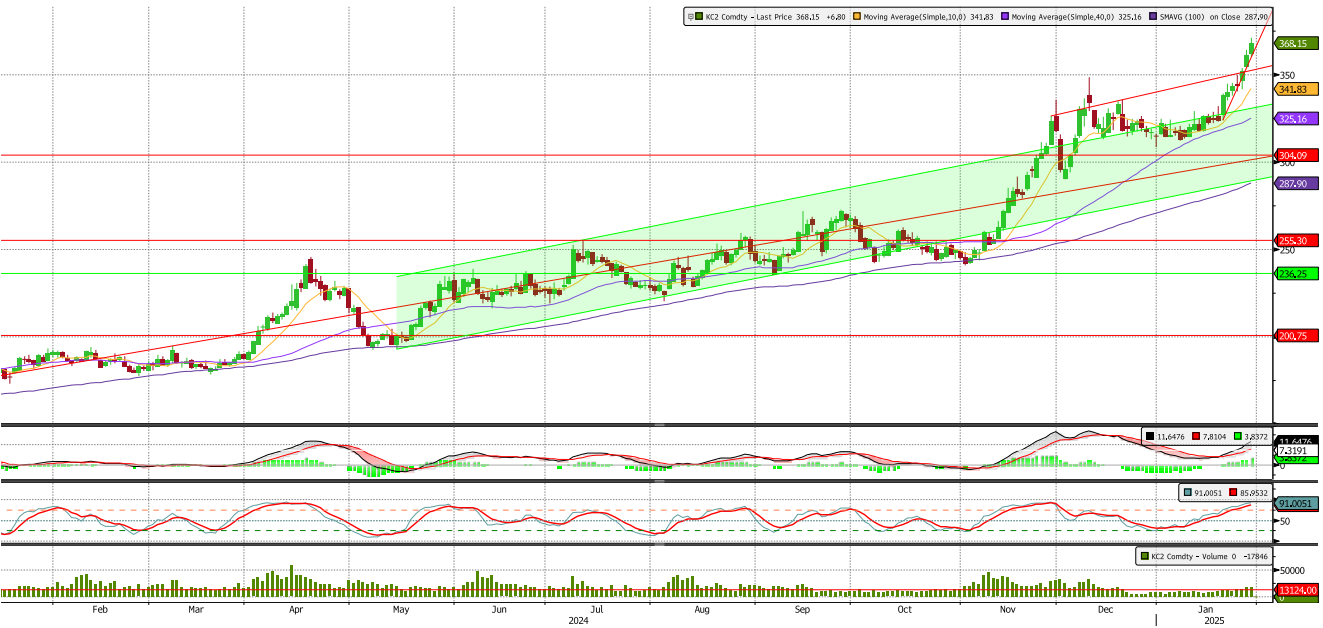
NY sugar futures held their nerve yesterday as intraday trading caused the market to close below the robust resistance of 18.00 at 17.99. The stochastics continue to rise, with %K edging towards the overbought, and the MACD diff is positive and diverging, suggesting higher prices in the near term. To confirm the outlook for higher prices, futures need to close back above 18.00 and then target the 40 DMA at 18.30. On the downside, the rejection of prices above 18.00 could trigger losses back towards the 10 DMA at 17.47. A break below this level and a test of 17.00 would confirm the trend on the downside. A narrow-bodied candle points to market uncertainty for higher prices, and the futures need to break out of current resistance to confirm the longer-term outlook on the upside.

# Ldn 2nd Month Sugar Futures



Ldn sugar futures edged slightly lower yesterday as prices closed at 503.20. The indicators continue to favour the upside; however, they show signs of convergence, with %K/%D starting to flatten out in the overbought areas, suggesting waning buying pressures. A break below the 500 would bring into play the recent sessions' support level at 493.80. Prices have been relatively well supported above 500, and in order to indicate an improvement of market sentiment on the upside, futures need to gain a footing above the 40 DMA at 509.61 and then target 512.60 in the near term. The hanging man candle formation suggests that while there was a sell-off during the day, the buyers failed to bring below 500.

# NY 2nd Month Coffee Futures



NY coffee futures rallied yesterday as protracted buying pressure triggered a close on the front foot at 368.15, reaching new highs. The %K/%D is diverging on the upside in the overbought. The MACD diff is positive and diverging, outlining recent market growth. On the downside, a break back below the support level of 360 could trigger losses back towards 350; a break below the 10 DMA would confirm the outlook for lower prices in the longer term. On the upside, a break above 370 could trigger gains towards new highs. The market rally has been strong, with three white soldiers' formation confirming the strength of bull sentiment. We could see prices trend even higher today.

# Ldn 2nd Month Coffee Futures



Ldn coffee futures rallied yesterday as protracted buying pressure triggered a close on the front foot above at 5709 – a new high. The %K/%D continues to diverge on the upside. The MACD diff is positive and diverging, confirming rising buying pressures. On the downside, a break below the key support level of 5500 could trigger losses back towards the 10 DMA at 5416. On the upside, a close above the 5750 could trigger gains for new highs. A long candle body points to more certainty in the bullish momentum, and a close above 5569 confirms the outlook for higher prices.

## NY 2nd Month Cocoa Futures



Prices weakened yesterday as moderate selling pressure triggered a close below the 10 DMA level of 11140; the market closed at 11050. The stochastics are sending strong sell signals; the %K/%D has converged on the downside, signalling a potential change in trend. The MACD is positive and converging, and the long candle body supports market decisiveness for lower prices. A break of the 10 DMA level is further underscoring a growing downside conviction. To confirm this, prices need to break below 10779 and then target the 40 DMA at 10688. Conversely, a break back above the 10 DMA at 11140 support level could set the scene for a test of new highs. We expect prices to remain on the front foot in the near term.

# Ldn 2nd Month Cocoa Futures



Ldn cocoa futures weakened yesterday after breaking below the support of 10 DMA. The market closed at 9015. The stochastics are falling out of the overbought territory, and the MACD diff also just converged on the downside, suggesting we could see lower prices in the near term through the support of 40 DMA. A break below this level would bring into play the 8300, which would confirm the change of trend. On the upside, futures need to gain back above 9000 in order to confirm upside momentum. Appetite for higher prices here could trigger gains towards the level at 9100; this could strengthen the trend in the long run on the upside. The longer candle body and a cross below the 10 DMA points to growing conviction on the downside in the near term.

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