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WED 26 FEBRUARY 2025 09:45

Softs Technical Charts

NY 2nd Month Sugar Futures



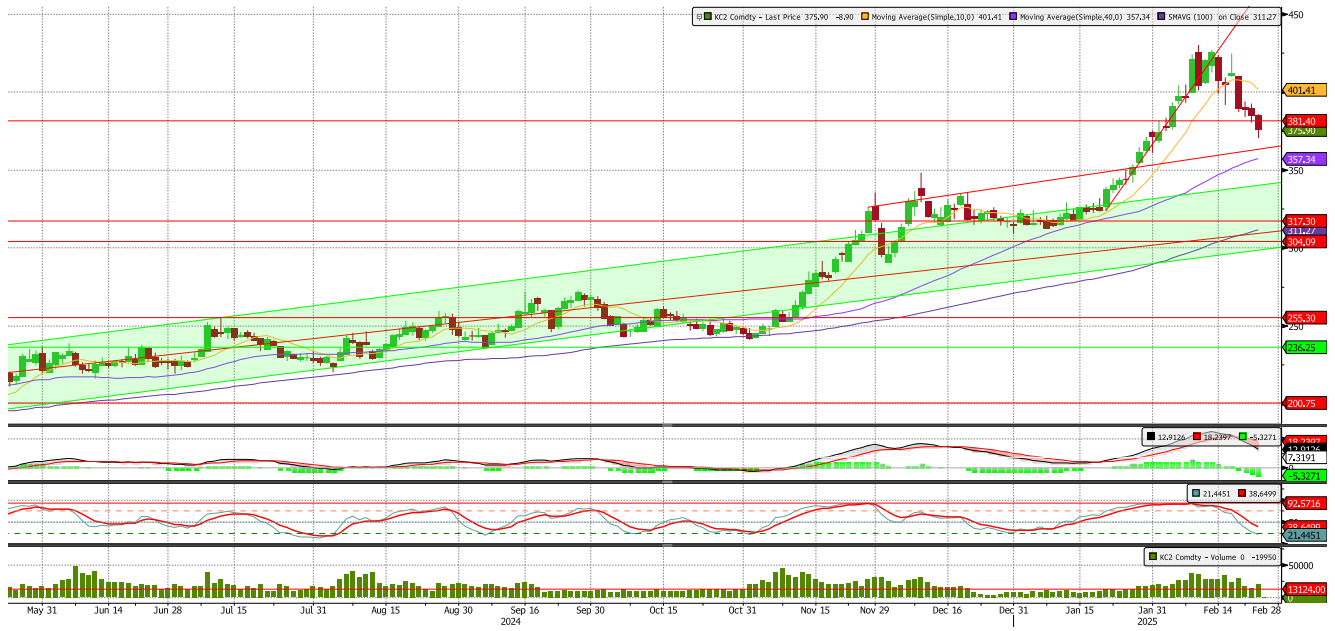
NY sugar futures jumped higher yesterday as prices closed just below the robust resistance of 20.00 at 19.97. The indicators are favouring the upside, but are trading in heavily overbought territory, with %K/%D seen tailing off on the upside once again. The MACD diff is positive and converging, suggesting the buying pressures should be abating at these levels. A break above 20.00 would bring into play the resistance level at 20.50 and then 21.00, which is a solid resistance level. On the downside, futures need to break below 19.50 and then target 100 DMA at 19.29 in the near term. Despite the jump yesterday, futures struggled above 20.00, suggesting a lack of appetite above these levels and the indicators point to an upcoming softness in the near term.

Ldn 2nd Month Sugar Futures



Ldn sugar strengthened yesterday, as protracted buying pressure triggered a breach of the robust 540.20 resistance level, prompting a close at 545.60 – a December 2024 high. The stochastics are rising, with %K/%D is diverging on the upside in the overbought. The MACD diff, however, is positive and converging. A long bullish candle body with short wicks suggests growing buying pressures; this could set the scene for higher prices to break above the resistance at 550. This would confirm the trend for rising prices, up to 560. On the downside, a breach of support at 100 DMA 535.09 would help confirm the bearish momentum. This could also trigger losses towards the 10 DMA at 530.85. Indicators point to higher prices, but if prices struggle above 550 today, momentum could turn, and prices could weaken in the near term.

NY 2nd Month Coffee Futures



NY coffee futures weakened yesterday as futures broke the support 380 and closed at 375.90. The stochastics continue to decline and have now entered the oversold. The MACD diff is also negative and diverging. A break below trendline at 360 would confirm the bearish trend. This may pave the way for lower prices to the 40 DMA at 357.34, with the tertiary level at 350. Conversely, the reaffirmation of support above back above 380 would suggest higher prices and a close above 400, setting the scene for recent highs. Yesterday's candle body opening below Monday's suggests an appetite for lower prices and could trigger a break of support today. The indicators are pointing to a further decline in prices in the near term.

Ldn 2nd Month Coffee Futures



Prices weakened yesterday as protracted selling pressure triggered a close just above the 40 DMA support level; the market closed at 5383. The stochastics are falling, signalling a continuation in bearish trend. The MACD is negative and diverging, and the long candle body supports market decisiveness for lower prices. Dips in the market have been well bid in the last couple of sessions but in order to confirm the change in trend, prices need to break below the current support of 40 DMA and then target 5370. Conversely, a break back above 5500 could set the scene for a test of 10 DMA at 5681. We expect prices to remain supported above the 40 DMA support level in the near term.

NY 2nd Month Cocoa Futures



NY cocoa futures opened lower yesterday, but consolidated during the day, testing support at 8354. The market closed at 8805. The %K/%D are negative and diverging, about to enter the oversold. The MACD diff is negative and diverging, suggesting growing selling pressure. The indicators point to lower prices in the near term and to confirm the outlook for lower prices, futures need to take out 40 DMA. A break below this level could trigger losses towards 8000 – a psychologically robust support level. Conversely, appetite for prices back above the 9064 level could trigger a test of resistance at 9542, tertiary resistance stands at 10 DMA at 9888. A break below the support at 40 DMA would suggest growing selling pressure, but yesterday’s candle shows uncertainty about lower prices. To confirm the downside momentum, the futures need to break below this level.

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures opened lower but managed to close higher day-on-day at 7101. The stochastics are falling, but %K is seen tailing off on the upside in the oversold, which could suggest a change of momentum in the near term. The MACD diff is negative, but the downside sentiment has stalled. On the upside, futures need to break above the robust resistance levels of 7348 and then 7820 to trigger the trend reversal. Prices would then need to take out the 8000 level to confirm the longer-term outlook on the upside. Conversely, appetite for prices below 7000 could trigger a test of support of 100 DMA at 6614. A thin candle with a longer lower wick shows rejection of lower prices and could point to an end of bearish sentiment we have seen in the last couple of days. The indicators highlight a similar trend.

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