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Daily Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures edged higher on Friday, breaking above resistance at 19.44, the level it struggled to breach, and closing at 19.64. The stochastics are rising, with %K/%D diverging on the upside into the overbought, and the MACD diff is positive and diverging, confirming the positive momentum. The reaffirmation of support at 40 DMA at 19.48 could set the scene for higher prices back to test the 20.00 level. On the downside, futures need to break below the support of 10 DMA at 19.30 in order to end the recent sessions' bull trend. Indeed, the 10 and 100 DMAs are providing robust support levels. The market needs to gain a footing completely above the 40 DMA in the immediate term to improve the outlook.

| | | | |
|-----------------------------|------------------|--------|--------|
| 10 Day % K Stochastic | 10.82 Rising | | |
| 10 Day % D Stochastic | 15.29 Rising | | |
| 14 Day RSI | 56.67 Rising | | |
| Support | 19.44 | 19.30 | 19.15 |
| Resistance | 20.00 | 20.10 | 20.32 |
| Moving Averages (10,40,100) | 19.14 | 19.48 | 19.15 |
| Open Interest | 888,800 (+6,365) | Volume | 85,968 |

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures gained ground on Friday but struggled above 40 DMA once again to close at 506.60. The stochastics are rising, with the %K/%D edging higher towards the overbought, as the MACD diff is now diverging converged on the upside in recent sessions, a strong buy signal. This suggests we could see a further bullish momentum in the near term, with prices breaking above 40 DMA at 506.17 before testing the 510 level. On the downside, the candle found support at 10 DMA at 503.25, and if the prices break through this level, we could see prices retreat back to 500. The bullish candle with a narrow body and long upper and lower wicks after a similar bearish candle point to uncertainty to break out of the current support and resistance.

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|-----------------------------|--------|----------|--------|--------|
| 10 Day % K Stochastic | 71.51 | Rising | | |
| 10 Day % D Stochastic | 57.78 | Rising | | |
| 14 Day RSI | 55.09 | Rising | | |
| Support | 503.4 | | 493.90 | 487.55 |
| Resistance | 517.60 | | 520 | 525 |
| Moving Averages (10,40,100) | 503.40 | | 506.21 | 488.97 |
| Open Interest | 73,465 | (-2,616) | Volume | 13,434 |

Source: ICE

NY 2nd Month Coffee Futures



NY coffee weakened on Friday, as protracted selling pressure triggered a close on the back foot at 206.40. The stochastics are about to converge on the downside, signalling a potential change of trend. The MACD diff also converged on the downside. Full bearish candle suggests growing selling pressures; this could set the scene for lower prices to break below the trend support level of 204.71. This would confirm the trend for falling prices, down to the 40 DMA at 201.4. On the upside, resistance at 214.25 has proven to be strong, and an appetite above that level would strengthen the bullish momentum. This could also trigger gains towards the 217.85. We expect prices to continue to fall in the near term.

| | | | | |
|-----------------------------|---------|----------|---------|--------|
| 10 Day % K Stochastic | 63.07 | Falling | | |
| 10 Day % D Stochastic | 62.88 | Falling | | |
| 14 Day RSI | 51.62 | Falling | | |
| Support | 204.71 | 201.04 | 200 | |
| Resistance | 217.85 | 220 | 225 | |
| Moving Averages (10,40,100) | 208.15 | 201.04 | 185.90 | |
| Open Interest | 314,935 | (+1,469) | Volumes | 89,894 |

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures softened on Friday after prices failed into the 10 DMA level, prompting a close on the back foot at 2181. The stochastics are falling and diverging, and the MACD diff has just converged on the downside, outlining the weakness in the market. The indicators point to strong selling pressure, however, yesterday's narrow candle body suggests a lack of appetite for lower prices below 2173. A break below this level could set the scene for the 40 DMA level at 2148. Alternatively, if prices can gain a footing above the 10 DMA level at 2217, the bulls could then target 2279 in order to regain upside conviction. We anticipate prices to remain on the back foot in the near term.

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|-----------------------------|---------------|---------|--------|--|
| 10 Day % K Stochastic | 41.28 | Falling | | |
| 10 Day % D Stochastic | 56.51 | Falling | | |
| 14 Day RSI | 52.76 | Falling | | |
| Support | 2173 | 2151 | 2127 | |
| Resistance | 2216 | 2279 | 2300 | |
| Moving Averages (10,40,100) | 2216 | 2151 | 1965 | |
| Open Interest | 94,963 (-865) | Volumes | 10,183 | |

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures softened on Friday as selling pressure saw futures test appetite and closing at 2448. The stochastics are rising, with %K/%D diverging in the oversold. Likewise, the MACD diff is negative and diverging, suggesting we could see price fall further. To confirm the outlook for lower prices, futures need to break below the support at 2436, which could set the scene for futures to take out 2400. On the upside, the market needs to take out resistance at 200 DMA at 2506 and then resistance at 50% fib level at 2534. A break below 200 DMA and with longer upper wick on Friday, we could see the bears' strength grow in the near term.

| | | | |
|-----------------------------|------------------|---------|--------|
| 10 Day % K Stochastic | 11.19 | Falling | |
| 10 Day % D Stochastic | 19.73 | Falling | |
| 14 Day RSI | 32.26 | Falling | |
| Support | 2436 | 2400 | 2382 |
| Resistance | 2506 | 2534 | 2560 |
| Moving Averages (10,40,200) | 2560 | 2641 | 2506 |
| Open Interest | 248,070 (-1,977) | Volumes | 93,684 |

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa weakened on Friday, as moderate selling pressure triggered a close at 1672. The stochastics remain deeply oversold, and the RSI also continues to edge lower, showing no signs of abating. The MACD diff, however, is negative and is seen converging, suggesting waning selling pressures. On the downside, a break below Friday's support at 1666 could set the scene for lower prices towards the 38.2% fib support level at 1662. On the upside, resistance at 50% fib level at 1691 has proven to be strong in recent sessions, and appetite above that level would strengthen the bullish momentum. This could also trigger gains towards the 200 DMA at 1704. The bearish engulfing pattern suggests an impending market downturn, and we expect prices to continue to fall in the near term.

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|-----------------------------|---------|----------|---------|--------|
| 10 Day % K Stochastic | 7.60 | Falling | | |
| 10 Day % D Stochastic | 8.66 | Falling | | |
| 14 Day RSI | 22.51 | Falling | | |
| Support | 1662 | | 1650 | 1640 |
| Resistance | 1691 | | 1704 | 1719 |
| Moving Averages (10,40,100) | 1794 | | 1736 | 1704 |
| Open Interest | 279,535 | (+1,176) | Volumes | 28,529 |

Source: ICE

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