

Authors

Geordie Wilkes  
Head of Research

WED 10 JUNE 2020 10:05

# Daily Softs Technical Charts

## NY 2nd Month Sugar Futures



NY sugar futures firmed yesterday as futures were well supported below 12, triggering a close at 12.16, above the 100 DMA. The MACD diff is positive and diverging on the upside, the RSI is rising into overbought territory. The stochastics are in overbought territory as well but are starting to converge. The close above the 100 DMA and support below 12 could trigger gains through the week's high at 12.30. Secondary support stands at 12.50 before the gap at 12.90. On the downside, rejection of prices above the 100 DMA could trigger losses back towards 11.50, the 10 DMA is rising and this has provided support in recent weeks. A break below near term trend support would suggest a change in trend and keep momentum on the downside in the medium term.

# Ldn 2nd Month Sugar Futures



Ldn sugar futures gained ground yesterday as futures were supported at 367.05, prompting a close at 372.10. The MACD diff is positive and diverging and the stochastics are in overbought territory but is starting to converge suggesting weakness. The RSI is also falling and to confirm the rejection of higher prices, futures need to break below the 100 DMA and then trend support to suggest a change in momentum. On the upside, the market has closed the gap and if prices can hold above support at the 23.6% fib level this could trigger gains to 386.80. Recent dips have been bought helping to affirm the trend.

# NY 2nd Month Coffee Futures



NY coffee edged lower yesterday after prices failed above 100, the market closed at 99.70. The stochastics are rising out of oversold and the MACD diff is negative but is starting to improve suggesting improving appetite for prices. The downside tails suggest support for prices towards 97. Appetite for prices below 100 could trigger gains through trend resistance, confirming the rejection of the descending triangle. Secondary resistance stands at 105.33 before the moving averages which are falling. On the downside, repeated failure above 100 would set the scene for lower prices to 95, with secondary support at 93.

# Ldn 2nd Month Coffee Futures



Ldn coffee futures reversed the previous day's action yesterday as prices failed into resistance at 1267, the market closed at 1247. The stochastics are rising and towards overbought and the MACD diff is positive but diverges but is losing momentum. To confirm the outlook of lower prices, the market needs to close below the 100 DMA. Superseding this level, futures need to break towards 1217. If prices are supported below the 100 DMA and futures can take back some of yesterday's activity, this would help reaffirm the trend in the uptrend. The bulls need to take out 1267 and hold above this level to keep momentum on the upside.



# NY 2nd Month Cocoa Futures



NY cocoa futures were well supported yesterday at the 100 DMA. The market closed at 2419. The indicators lack conviction as the stochastics and MACD diff are neutral. Yesterday's bullish engulfing candle suggesting higher prices, but to confirm the reaffirmation of support and the 200 DMA at 2497. This has held firm in recent months and a break above this level would trigger the market to regain upside conviction and help to confirm the breakout of the symmetrical triangle. Conversely, prices have struggled above 2450, and this could trigger losses back towards through the 40 DMA. Trend support at 2330 is the tertiary level.

# Ldn 2nd Month Cocoa Futures



Ldn cocoa futures gained ground yesterday after futures were well supported at 1750. The market closed at 1772. The stochastics are rising and about to give a buy signal. The MACD diff is negative and starting to improve, the market has rebounded off the band of support. The band of support between 1730 and 1750 has held strong in recent months, prompting a test of resistance at 1860. In the near term, prices need to re-test resistance at the lower trend channel. In the longer run, futures need to take out May's high to suggest higher prices. On the downside, prices need to break below 1730 in order to confirm the outlook on the downside.

## Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers ([www.sucdenfinancial.com/en/risk-warning-and-disclaimers](http://www.sucdenfinancial.com/en/risk-warning-and-disclaimers)).