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Daily Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures consolidated yesterday, the market failed into the 10 DMA and closed at 13.38. The stochastics are falling back towards neutral territory. The MACD diff lacks conviction but is negative, this could improve the outlook on the downside. The double rejection of the 10 DMA could trigger losses back towards 13. To confirm the rejection of 13.80 futures need to close back below 13 and the 40 DMA at 12.92, secondary support stands at 12.35. In the long run, futures need to break below 12 in order to confirm the rejection of the ascending triangle. On the upside, the upside tails show some modest buying pressure but futures need to break above previous trend support and then break 13.80. This would help confirm the ascending triangle. Dips have been bought in recent months and this has affirmed the trend.

Ldn 2nd Month Sugar Futures



Ldn sugar futures softened yesterday as selling pressure continued and closed at 368 on the 50% fib level. The indicators are weakening as the stochastics are falling towards oversold, the MACD diff is negative and diverging suggesting lower prices in the near term. A break below the 50% fib level would bring into play the 40 DMA at 362.36, with the 100 DMA at 350.14. Trend support stands between these levels and if futures hold this level we could see the market push back towards 383.43. A break above 383.43 would trigger gains towards back to 400. Near term, momentum is on the downside and we expect futures to soften in the near term.

NY 2nd Month Coffee Futures



NY coffee futures gained ground yesterday as buying pressure prompted a test of 125, but resistance held firm and we closed at 122.95. The stochastics are rising but the MACD diff is negative but fails to diverge on the downside. The downside tails confirm appetite for lower prices, yesterday's candle helps to confirm the hammer candle but prices need to push back towards 130 in order to confirm the trend. We have seen prices struggle between 125-130 and this band of resistance could cap gains. Rejection of prices at 125 could trigger losses back through 120 towards 115, similar to recent activity. The near term trend is on the upside and the 40 DMA has crossed above the moving averages suggesting higher prices, however, this signal is more reactionary.

Ldn 2nd Month Coffee Futures



Ldn coffee futures were supported at 1400 yesterday prompting a close at 1421. The MACD diff is negative but lacks conviction despite the recent gains in the price, the stochastics are rising towards overbought with the %K stochastic in overbought. The recent trend has been strong, and the repeated reaffirmation of trend support could prompt gains towards 1450 in the near term. Yesterday's candle could prompt further gains today through the recent high at 1431. The shooting star candle may trigger prices to weaken toward back towards 1400 but in order to confirm the outlook of lower prices, futures need to break trend support and then 1350 in order to confirm a change in trend on the downside.

NY 2nd Month Cocoa Futures



NY cocoa futures consolidated yesterday after prices failed above 2514 and this prompted a close at 2487. The stochastics are rising but the MACD diff is negative and starting to converge suggesting an improved outlook. The DMI is starting to rise and this could trigger gains in the near term, however, the shooting star candle may trigger losses back through the 200 DMA and then the recent low at 2355. If prices hold above the 200 DMA the market could trigger gains back towards the recent high before targeting 2589. If prices improve on the upside this would help confirm the hammer candle. The indicators favour the upside and we expect the market to edge higher in the near term.

London 2nd Month Cocoa Futures



Ldn cocoa futures edged higher yesterday but failed into 2275 and the market closed at 2250.59. The stochastics are rising and MACD diff is positive but lacks conviction. The DMI is rising but the ADX lacks conviction, this could trigger gains to 2300. Secondary resistance stands at 2420. On the downside, upside tails and rejection of 2275 may prompt a test of support at the 100 DMA and then previous trend support at 2137. The 40 DMA at 2095 is starting to improve and we expect this to provide support on the downside in the near term.

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