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Daily Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures gained ground on Friday helping to confirm the three white soldiers pattern. Prices were supported at the 40 DMA which triggered a close at 13.38. The hammer candle and reaffirmation of support at the 40 DMA help to confirm the improving indicators. The stochastics are rising with the %K stochastic approaching overbought, the gap between them suggests that momentum is on the upside. The MACD diff is positive and starting to diverge suggesting we could see prices gain further ground and test 13.80 once again. The downside tail on Friday indicates some moderate selling pressure, in order to suggest a correction to the downside, futures need to close below 12.70 and then take out more robust support at 12.35. We anticipate momentum to remain on the front foot in the near term.

Ldn 2nd Month Sugar Futures



Ldn sugar futures edged higher on Friday after the market found support at the 40 DMA and closed on the front foot at 371.90. The stochastics are rising towards oversold and the MACD diff is positive and starting to diverge suggesting rising momentum on the upside. This helps to confirm the bullish engulfing candle last week, the hammer candle on Friday also suggests an appetite for prices below the 50% fib level and may set the scene for higher prices in the coming days towards 380. Lack of appetite above the 50% fib level could trigger losses back towards 360 and then 346.90. Momentum favours the upside and we expect this to remain the case in the coming sessions.

NY 2nd Month Coffee Futures



NY coffee futures sold off once again on Friday as protracted selling pressure triggered a break of support at 115 before closing at 113.50. The stochastics are falling and the MACD diff is negative and diverging suggesting we could see prices continue to weaken in the near term. The close just off the low and the bearish indicators suggest we could see prices fall further and test 110 in the coming sessions. The market was well supported below 115 last month and this triggered the rally back to 135, and if prices can find support below the 50% fib retracement then this could prompt a test back of 120 once again. The bulls need to close above 120 in order to gain a foothold in the market and pave the way for higher prices in the longer run. Selling pressure has been strong and this could trigger losses back towards 110.

Ldn 2nd Month Coffee Futures



Ldn coffee futures weakened on Friday as lack of appetite for prices above 1400 triggered a close on the back foot at 1356. The indicators continue to favour the downside and we expect this to remain the case in the near term. The MACD diff is negative and diverging as the stochastics are oversold. The upside tails above 1400 show a rejection of higher prices but the market has been well supported at 1350 in recent weeks and this could keep prices above the key band of support at 1337-1350. A break of this support band could pave the way for lower prices towards 1300. On the upside, futures need to gain a footing above 1400 in order to regain upside conviction and prompt a recovery back towards 1450. We do not anticipate this to be the case in the near term and expect prices to remain on the back foot.

NY 2nd Month Cocoa Futures



NY cocoa futures edged higher on Friday as intraday trading caused the market to test appetite at 2650 before closing at 2623. The indicators lack conviction but the RSI is creeping higher and prices have held above key support at 2650. The moving averages are rising and this is expected to provide support in the medium term but prices need to take out 2700 in order to confirm the rejection of the double top and upside trend. On the downside, the upside tails do indicate lack of appetite for higher prices and if futures retreat and close below 2525 and trend support, we could see the market sell-off back towards 2400 in the medium term.

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures consolidated on Friday and posted an inside day. Prices held above the supportive 10 DMA and closed at 2349. The stochastics are falling and the MACD diff is negative but lacks conviction. The repeated failure on the upside could trigger losses towards 2300 in the near term, a subsequent breach of this level may prompt a selloff back to the 100 DMA around 2100. Conversely, support for prices around 2300 has kept prices on the upside and if this remains the case we could see the market push back towards 2400 before targeting the double top at 2450. Near term momentum is cagey and we could see futures consolidate in the immediate term.

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