

Authors

Daria Efanova
Research Analyst

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Daily Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures sold off yesterday as lack of appetite for higher prices helped to confirm the rejection of Monday's high; the market closed at 17.01. Stochastics are overbought and starting to converge on the downside, and the RSI have edged lower, suggesting waning buying pressures. The MACD diff is positive and converging, suggesting the outlook for negative prices. The close near the lows suggests the strong selling pressure in the near term, and the indicators point to a softer negative trend. A break below the 17.00 level could set the scene for a test of the support level at 16.60. Conversely, if current support around 17.01 holds firm, this would help reaffirm the trend on the upside. If the futures break through this level, the prices could test the resistance at 17.66 in the near term. The downside risks prevail, however the market needs to confirm a break below the key support for stronger bearish momentum.

10 Day % K Stochastic	83.19	Falling	
10 Day % D Stochastic	83.69	Falling	
14 Day RSI	71.43	Falling	
Support	16.45	16.44	16.00
Resistance	17.50	17.66	17.70
Moving Averages (10,40,100)	16.43	15.43	14.50
Open Interest	1,088,079	(-16,209)	Volume 197,628

Ldn 2nd Month Sugar Futures



Ldn sugar futures failed above the previous day's highs yesterday as intraday trading caused futures to close at 459.80. The stochastics have softened, with %K/%D converging out of the overbought, and the MACD diff is positive and converging, suggesting lower prices in the near term. The rejection of prices at 469.60 has formed a candle with a long body but short wicks, suggesting a strong appetite for lower prices. If prices were to break back above Monday's highs, this could trigger a test of 478 and then 480. To confirm the negative trend, futures need to take out 460 and then robust support at 10 DMA at 452.79. A break below this level would confirm the outlook for lower prices.

10 Day % K Stochastic	77.22	Rising		
10 Day % D Stochastic	71.18	Rising		
14 Day RSI	61.98	Rising		
Support	452.80		449.80	439.24
Resistance	470		478.80	480
Moving Averages (10,40,100)	453.23		439.22	413.19
Open Interest	87,459	(-1,401)	Volume	10,550

NY 2nd Month Coffee Futures



NY coffee futures rallied yesterday as protracted buying pressure triggered a close on the front foot at 138.30. The RSI is rising, while %K/%D are diverging on the upside. The MACD diff is positive and diverging, outlining recent market growth. On the downside, a break back below the support level of 135 could trigger losses back towards 131, a break below the 23.6% fib level at 129.51 would confirm the outlook of lower prices in the longer term. On the upside, a break above 140 could trigger gains through trend resistance towards 142.45 – December 2019 highs. The market rally has been strong, with three white soldiers formation confirming the strength of bull sentiment. We could see prices trend even higher today, but support at 135 needs to hold firm for this to be the case.

10 Day % K Stochastic	85.92 Rising		
10 Day % D Stochastic	72.39 Rising		
14 Day RSI	74.33 Rising		
Support	135	131	129.51
Resistance	140	141	142.45
Moving Averages (10,40,100)	127.96	126.96	119.82
Open Interest	257,933 (+2,159)	Volumes	78,408

Ldn 2nd Month Coffee Futures



Ldn coffee futures surged yesterday, breaking above trend resistance at 1423 and closing at 1460. The stochastics are rising, with %K/%D just converging on the upside in the overbought territory, and the MACD diff is positive and diverging, sending a buy signal. The reaffirmation of support at 1423 could set the scene for higher prices back to test the 1471 – the August highs. This would confirm the outlook for higher prices. On the downside, futures need to break below the support of 1400 order end the recent sessions' bull trend. Then, the 10, 40 and 100 DMAs are providing robust support levels. The market needs to gain a footing above 1471 in the immediate term to confirm further bullish momentum.

10 Day % K Stochastic	86.22	Rising		
10 Day % D Stochastic	83.00	Rising		
14 Day RSI	71.72	Falling		
Support	1400	1389	1376	
Resistance	1471	1475	1480	
Moving Averages (10,40,100)	1390	1353	1350	
Open Interest	123,469	(-1,334)	Volumes	40,615

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures edged lower yesterday as prices closed at 2499. The indicators continue to favour the upside, with %K/%D diverging on the upside towards the overbought area, suggesting growing buying pressures. The MACD, however, lacks convictions. A break below the 40 DMA at 2470 would bring into play the recent sessions' support level at 10 DMA at 2442. Prices have been relatively well supported below 2523, and in order to indicate an improvement of market sentiment on the upside, futures need to gain a footing above 50% fib level of 2513.50 and then target 2523 in the near term. The hanging man candle formation suggests that while there was a sell-off during the day, the buyers had an appetite for higher prices. If the 40 DMA does not hold, we could see prices edge below to 2400.

10 Day % K Stochastic	57.98	Rising	
10 Day % D Stochastic	38.91	Rising	
14 Day RSI	55.01	Rising	
Support	2470	2442	2434
Resistance	2513.50	2523	2572
Moving Averages (10,40,200)	2442	2470	2437
Open Interest	208,018	(-1,269)	Volumes 24,960

Ldn 2nd Month Cocoa Futures



Prices weakened yesterday as moderate selling pressure triggered a close at 2391. The stochastics are rising; the %K/%D has entered into overbought territory, signalling a potential change in trend. The MACD is positive and diverging, suggesting we could see higher prices in the near term. Prices tested 2400, however, a close below and a doji candle formation support market indecisiveness above that level. On the upside, a break above 2411 could see the test of 2430 level. Conversely, a break below the 2373 support line could set the scene for a test of 2355. We expect prices to consolidate recent gains today and remain on the front foot.

10 Day % K Stochastic	80.10	Rising	
10 Day % D Stochastic	65.68	Rising	
14 Day RSI	66.81	Neutral	
Support	2355	2350	2327
Resistance	2430	2450	2500
Moving Averages (10,40,100)	2322	2288	2259
Open Interest	234,556	(-967)	Volumes
			28,050

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