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Daily Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures gained ground on Friday as buying pressure triggered a close on the front foot at 16.57. The stochastics are rising, as the %K just crossed into the oversold, signalling a buy trend in the near term. The MACD diff is positive and diverging. This suggests we could see higher prices in the near term towards 17.52, but the market needs to take out immediate resistance at 16.85 beforehand, confirming the ascending triangle. On the downside, trend support around 15.82 is robust, and if this level does not hold firm, we could see prices retreat back through the 40 DMA at 15.68 before 10 DMA at 15.50. Long lower wick on Friday points to the appetite for higher prices, however, futures need to take out 16.50 in order to confirm the outlook on the upside.

10 Day % K Stochastic	90.91	Rising	
10 Day % D Stochastic	80.12	Rising	
14 Day RSI	70.46	Falling	
Support	16.00	15.68	15.67
Resistance	16.85	17.05	17.52
Moving Averages (10,40,100)	15.68	15.67	15.13
Open Interest	1,037,006	(-31,853)	Volume: 204,537

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures have had the inside day on Friday, but moderate buying pressure prompted a close below yesterday's highs of 458.10 at 453.40. The stochastics are rising, but the %K/%D is converging in overbought territory, highlighting waning buying pressures. The MACD diff is positive and diverging. To confirm another bullish candle, futures need to close above 449.60 and then target Thursday's highs at 458.10. On the downside, the break below the current support level of 40 DMA at 441.14 could set the scene towards the 10 DMA level at 434.39. However, the market struggled below that level in recent sessions, and so a break below would be needed to confirm the bearish outlook. The indicators point to a softer bullish outlook, and we expect prices to remain supported at 40 DMA in the near term.

10 Day % K Stochastic	82.58	Rising	
10 Day % D Stochastic	68.98	Rising	
14 Day RSI	62.40	Falling	
Support	441.14	434.39	427.60
Resistance	460	465.40	469.60
Moving Averages (10,40,100)	434.39	441.14	427.91
Open Interest	75,994 (+2,903)	Volume	7,869

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures sold off on Friday as lack of appetite for higher prices helped to break the 40 DMA support; the market closed at 131.20. Stochastics begin to fall, with %K/%D converging in the oversold, suggesting increased selling momentum in the near term. MACD diff is positive and converging, supporting the outlook for deteriorating prices. The last two days formed a bearish engulfing pattern, a sign of an impending market downturn. The sell-off on Friday and close near the lows suggest further selling pressure below the current support level, and the above-mentioned indicators support lower prices. The inverse head and shoulders pattern looks to have been formed, signalling a bullish market. A break below the 10 DMA at 130.23 could set the scene for a test of support at 23.6% fib level at 129.51. The 100 DMA is at 127.23, and we expect robust support at this level. On the upside, support around 132.75 would help reaffirm the bullish trend in the near term. The futures formed a double top formation at 135, and we believe that the market lacks conviction and prices should continue to fall.

10 Day % K Stochastic	80.45	Falling	
10 Day % D Stochastic	76.67	Rising	
14 Day RSI	52.58	Falling	
Support	131	130.23	129.51
Resistance	135	140	140.45
Moving Averages (10,40,100)	130.23	131.25	127.23
Open Interest	279,204	(-1,241)	Volumes 51,264

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee weakened on Friday, as protracted selling pressure triggered a close on the back foot at 1380. The stochastics are rising, with %K/%D converging on the downside, whereas the RSI has edged lower. The MACD diff is positive, however, lacks the conviction to suggest an outlook. Long lower wick suggests growing selling pressures; this could set the scene for lower prices to break below the 10 DMA support level at 1369. This would confirm the trend for falling prices, down to 1350. On the upside, resistance at 40 DMA at 1397 has proven to be strong in recent sessions, and support above that level would strengthen the bullish momentum. This could also trigger gains towards 1420. Narrowing support and resistance levels at 10 and 40 DMAs are creating a narrow trading range, but we believe that the prices will edge marginally lower today.

10 Day % K Stochastic	65.02 Rising		
10 Day % D Stochastic	50.39 Rising		
14 Day RSI	49.98 Falling		
Support	1368	1360	1350
Resistance	1397	1400	1420
Moving Averages (10,40,100)	1368	1397	1372
Open Interest	122,701 (-903)	Volumes	15,829

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa edged higher on Friday as intraday trading caused futures to test appetite for prices above 200 DMA at 2466 once again, the market closed below at 2464. Stochastics are rising, and %K/%D is converging on the downside near the oversold, confirming a change in momentum. The MACD diff is positive and diverging. The positive DMI has just crossed above the negative one, suggesting there is more upward pressure in prices, while DMI is below 25, suggesting that the strength of the trend is not yet above the threshold. To maintain positive momentum, prices need to close above 200 DMA at 2466 and then target 40 DMA at 2500, which is also the last weeks' highs. On the downside, the rejection of prices above 2470 could trigger losses back to 2434 before targeting 10 DMA at 2420. Buying pressure remains weak; the indicators point to an end of the bullish trend, and the doji candle confirms market uncertainty. The reaffirmation of support above 40 DMA could strengthen the outlook of higher prices.

10 Day % K Stochastic	72.78	Rising	
10 Day % D Stochastic	57.15	Rising	
14 Day RSI	51.24	Neutral	
Support	2434	2420	2414
Resistance	2466	2500	2513.50
Moving Averages (10,40,200)	2420	2500	2466
Open Interest	188,320	(-6,369)	Volumes 44,818

Source: ICE

Ldn 2nd Month Cocoa Futures



Prices weakened on Friday as moderate selling pressure triggered a close above trend support; the market closed at 2255. The stochastics are rising moderately; %K/%D is edging out of the oversold, signalling a potential change in trend. The MACD is negative and converging, but the doji candle formation supports market indecisiveness. Prices have been trading in a narrow range between 10 DMA and trend support, and in order to confirm the change of momentum, prices need to break above the current resistance at 10 DMA at 2258 and then 50% fib level at 2301. Conversely, a break below the trend support could set the scene for a test of 38.2% fib level at 2211. We expect prices to consolidate recent gains today and remain on the front foot.

10 Day % K Stochastic	34.91	Rising	
10 Day % D Stochastic	27.56	Rising	
14 Day RSI	41.15	Rising	
Support	2246	2211	2200
Resistance	2258	2301	2332
Moving Averages (10,40,100)	2258	2368	2327
Open Interest	215,089 (+2,527)	Volumes	23,783

Source: ICE

Risk warning

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