

Authors

Daria Efanova  
Research Analyst

MON 26 APRIL 2021 10:10

# Daily Softs Technical Charts

## NY 2nd Month Sugar Futures



NY sugar futures edged lower on Friday as prices closed at 16.88. The indicators continue to favour the upside, but %K/%D is about to converge on the downside in the overbought, confirming growing selling pressures. The MACD is positive and converging. A break below 16.85 would bring into play the support level at 16.50. Prices have been able to reject 17.00 level twice in the past and in order to indicate an improvement of market sentiment on the upside, futures need to gain a footing above it and then target the 17.52 in the near term. The bearish doji candle after a strong bullish performance in previous sessions points to market uncertainty, with a growing appetite for lower prices. The break below 16.50 would confirm the outlook for lower prices.

10 Day % K Stochastic	89.10	Falling	
10 Day % D Stochastic	88.57	Neutral	
14 Day RSI	67.72	Falling	
Support	16.50	16.46	16.00
Resistance	17.00	17.05	17.52
Moving Averages (10,40,100)	16.46	15.64	15.26
Open Interest	1,011,627 (+1,928)	Volume	115,753

Source: ICE

# Ldn 2nd Month Sugar Futures



Ldn sugar softened on Friday as protracted selling pressure prompted a close at 456. The stochastics are rising with the %K/%D about to converge on the upside; the gap between them suggests further momentum on the upside in the near term before we see a decline. The MACD diff is positive and is converging, suggesting waning buying pressure; the DMI remains broadly positive. The red candle body being below the previous day's green suggests that the bears have taken over the session, struggling above the resistance at 460. In order to confirm the outlook of higher prices, futures need to reaffirm support at that level and then take out February highs at 469.50 in order to regain upside momentum. To confirm the outlook for falling prices, the market needs to break below 452.80, which could set the scene for a test of 449.60. Near term momentum favours the upside for a while longer before the decline, but if futures break below the current support level, we would expect the bear trend to continue.

10 Day % K Stochastic	86.31	Falling	
10 Day % D Stochastic	85.16	Rising	
14 Day RSI	60.53	Falling	
Support	452.80	451.34	449.60
Resistance	460	465.40	469.60
Moving Averages (10,40,100)	451.34	440.39	431.33
Open Interest	81,385 (+316)	Volume	4,337

Source: ICE

# NY 2nd Month Coffee Futures



NY coffee futures rallied on Friday as buying pressure triggered a close on the front foot at 138.50. The stochastics are rising in the overbought, as the MACD diff is positive and diverging, signalling continued yet softer buying pressures. This suggests we could see higher prices in the near term towards trend resistance, but the market needs to take out immediate resistance at 140 beforehand, rejecting the double top formation at that level. On the downside, trend support around 10 DMA at 133.71 is robust, and if this level does not hold firm, we could see prices retreat back through the 40 DMA at 131.13 before 131. Long upper wick points to an appetite for higher prices; however, appetite struggled above the resistance during the day. Prices need to take out current resistance to confirm the outlook for higher prices.

10 Day % K Stochastic	86.68	Neutral	
10 Day % D Stochastic	83.45	Rising	
14 Day RSI	65.84	Rising	
Support	135	133.71	131.30
Resistance	140	140.45	142.06
Moving Averages (10,40,100)	133.71	131.13	128.06
Open Interest	270,745 (+356)	Volumes	51,684

Source: ICE

# Ldn 2nd Month Coffee Futures



Ldn coffee futures gained ground on Friday as buying pressure prompted a test of 1420 level. The market closed at 1416. The stochastics are rising, with %K/%D about to converge on the downside, and the MACD diff is positive and diverging, suggesting further bullish momentum in the near term. Prices have been testing 1420 for a couple of weeks, suggesting appetite above that level; however, weakness prevailed, capping futures performance on the upside. 10 DMA support has been robust, and a break below that level could break the trend and set prices down to 1380 and 1376. On the upside, a breach above the 1420 level would bring into play the recent firm resistance of 1440, rejecting the triple top formation. The convergence of DMA support levels and trend support provides strong support for prices, and if this remains firm, we could see prices edge higher.

10 Day % K Stochastic	82.41	Falling	
10 Day % D Stochastic	79.45	Rising	
14 Day RSI	58.38	Falling	
Support	1396	1393	1385
Resistance	1420	1425	1430
Moving Averages (10,40,100)	1396	1393	1373
Open Interest	120,964	(-4,030)	Volumes 36,472

Source: ICE

# NY 2nd Month Cocoa Futures



NY cocoa futures edged higher on Friday as intraday trading saw prices supported above 10 DMA. The market closed at 2450. The RSI is rising, while %K/%D is negative and diverging. The MACD diff is positive but lacks the conviction to confirm the outlook. The indicators paint a mixed picture, as prices struggle to break above the trend resistance. To confirm the lower prices in the near term and to confirm the rejection of the support; prices need to take out 2434. A break below this level towards a 38.2% fib level of 2414 would confirm the strong bearish momentum. Conversely, appetite for prices above the trend resistance at 2456 could trigger a test of 100 DMA at 2473, secondary resistance stands at 40 DMA at 2491. Two bullish doji candles point to market uncertainty around price movement, but prices see an appetite for prices marginally higher. The futures need to take out near-term trend resistance to set the scene for further bullish momentum.

10 Day % K Stochastic	60.17 Falling		
10 Day % D Stochastic	62.16 Falling		
14 Day RSI	49.39 Rising		
Support	2434	2414	2400
Resistance	2450	2473	2491
Moving Averages (10,40,200)	2447	2491	2473
Open Interest	197,877 (+2,789)	Volumes	17,469

Source: ICE

# Ldn 2nd Month Cocoa Futures



Ldn cocoa held the nerve on Friday as intraday trading caused futures to close at 2282. RSI is rising marginally, and %K/%D is diverging on the upside, confirming the continuation of a trend in the near term. Likewise, the MACD is diverging on the upside, confirming growing buying pressure. To maintain positive momentum, prices need to close above 50% fib level at 2301 and then target 100 DMA at 2317. On the downside, the rejection of prices above 2300 could trigger losses back to the trend support and then 2211, the long-term support level. Buying pressure has been weak, and the indicators point to an acceleration of that momentum. The narrow candle body and long wicks confirm market uncertainty. The break of resistance at 2300 could confirm the outlook for higher prices in the near term.

10 Day % K Stochastic	61.96	Rising	
10 Day % D Stochastic	51.33	Rising	
14 Day RSI	48.82	Rising	
Support	2267	2250	2211
Resistance	2301	2317	2355
Moving Averages (10,40,100)	2267	2353	2317
Open Interest	221,121 (+2,526)	Volumes	13,964

Source: ICE

## 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)).