

Authors

Daria Efanova
Research Associate

WED 08 SEPTEMBER 2021 10:00

Daily Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures edged lower yesterday after futures tested 20.14 to close at 20.15. The stochastics are diverging on the downside, and the MACD diff is negative and diverging, suggesting lower prices in the near term. To confirm the bearish indicators and rejection of prices above trend resistance, futures need to take out 20.14 and then target 20.00. This would cause the futures to break out of the current trending range, confirming the outlook for negative momentum. On the upside, futures need to close above 10 DMA at 20.47 and 20.90, respectively, in order to confirm the outlook of higher prices towards 21.00. Short wicks and a bearish candle point to an appetite for lower prices. Prices need to take out current support to confirm the outlook for lower prices.

10 Day % K Stochastic	23.28	Falling	
10 Day % D Stochastic	39.20	Falling	
14 Day RSI	53.96	Falling	
Support	20.14	20.00	19.46
Resistance	20.46	20.90	21.00
Moving Averages (10,40,100)	20.46	19.46	18.19
Open Interest	1,069,556 (+1,382)	Volume	142,822

Source: ICE

Ldn 2nd Month Sugar Futures



London prices weakened yesterday as moderate selling pressure triggered a test of support at 10 DMA once again; the market closed at 504.60. The stochastics are beginning to converge on the downside, signalling a potential change in trend. The MACD is negative and diverging, and a short candle body supports market indecisiveness, with prices struggling below 10 DMA. In order to confirm the negative momentum, prices need to break below the current support at 10 DMA at 505.15 and then 500. Conversely, support at 511.40 could set the scene for a test of 519.20. We expect prices to weaken today and remain on the back foot.

10 Day % K Stochastic	60.07 Falling		
10 Day % D Stochastic	63.33 Falling		
14 Day RSI	57.63 Falling		
Support	500	494.60	485.45
Resistance	505.68	511.40	520
Moving Averages (10,40,100)	505.68	485.45	468.89
Open Interest	85,903 (-77)	Volume	

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures opened above the previous day's close; however, prices struggled above 197.45 and closed on the back foot at 193.95. The stochastics are falling, with %K/%D seen diverging on the downside out of the overbought. The MACD is positive and converging, suggesting a strong sell signal in the near term. The rejection of higher prices may prompt a break back towards support at 10 DMA at 192.51, a subsequent breach of this level could trigger losses towards 23.6% fib level at 191.22. On the upside, a break of trend resistance at 198.87 may prompt futures to test 200. A subsequent breach of this level would prompt prices to regain upside momentum in the near term. Longer upper and lower wicks point to an appetite out of the current trading range; however, the future needs to break below 10 DMA support to confirm the outlook.

10 Day % K Stochastic	63.62	Falling	
10 Day % D Stochastic	68.28	Falling	
14 Day RSI	59.99	Falling	
Support	193.35	191.22	190
Resistance	198.33	200	201.55
Moving Averages (10,40,100)	193.38	185.06	165.01
Open Interest	284,247 (+108)	Volumes	30,986

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures held their nerve yesterday, causing the market to close at 2102. The stochastics are converging in the overbought, with %K/%D converging on the downside in the overbought, and the MACD diff is positive, however, lacks to point out an outlook. To confirm the outlook of higher prices, futures need to close back above 2123 and then target 2130. The 10 DMA is closing in and supporting prices on the downside. However, a break below that level could set the scene for 2000. A narrow candle body with a long upper wick points to a potential change in trend in the near term, and if the futures break below the 10 DMA at 2034, this would confirm the further bearish momentum.

10 Day % K Stochastic	92.31	Rising	
10 Day % D Stochastic	89.88	Rising	
14 Day RSI	79.17	Rising	
Support	2049.60	2000	1976
Resistance	2113	2120	2139
Moving Averages (10,40,100)	2049	1892	1699
Open Interest	106,132 (+1,209)	Volumes	10,375

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures rallied yesterday as protracted buying pressure triggered a close on the front foot at 2704. The RSI is rising, while %K/%D are diverging on the upside. The MACD diff just converged on the upside, a strong buy signal. On the downside, a break back below the support level of 38.2% fib level at 2601 could trigger losses back towards 2534, a break below the 40 DMA at 2505 would confirm the outlook of lower prices in the longer term. On the upside, a break above 2705 could trigger gains through towards 2726 – November 2020 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 2675 needs to hold firm for this to be the case.

10 Day % K Stochastic	71.73	Rising	
10 Day % D Stochastic	54.56	Rising	
14 Day RSI	66.23	Rising	
Support	2603	2601	2534
Resistance	2702	2685	2675
Moving Averages (10,40,200)	2616	2513	2488
Open Interest	226,629 (+493)	Volumes	35,216

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa futures consolidated yesterday as protracted buying pressure triggered a close on the front foot at 2530. The RSI is rising, and %K/%D is diverging on the upside. The MACD diff is positive and diverging on the upside, suggesting growing buying pressure. The indicators point to higher prices in the near term, and to confirm the momentum, prices need to take out 2531. A break above this level towards 2550 would confirm the strong bullish momentum. Conversely, an appetite for prices below the 10 DMA at 2477 could trigger a test of support at 2450. Longer upper wick points to increased appetite on the upside, and a break above 2531 would confirm the outlook for higher prices.

10 Day % K Stochastic	84.12	Rising	
10 Day % D Stochastic	72.06	Rising	
14 Day RSI	69.06	Neutral	
Support	2510	2500	2477
Resistance	2550	2565	2573
Moving Averages (10,40,100)	2477	2387	2327
Open Interest	291,285 (+1,717)	Volumes	

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).