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Daily Softs Technical Charts

NY 2nd Month Sugar Futures



NY sugar futures gained ground yesterday as buying pressure prompted a test of trend resistance once again. The market closed at 19.77. The stochastics are falling, but %K is seen tailing off, suggesting we could see the end of the recent softness. The MACD diff is positive and converging, suggesting further bearish momentum in the near term before the change of trend. Prices have been supported above the 40 and 100 DMA levels of 19.40 for the last couple of sessions, and if these levels prove robust, we could see prices edge higher in the near term towards 20.00 and 20.29 – a recent high. A break below the support levels, however, could break the trend and set prices down to a 23.6% fib level of 19.19 before 19.00. Longer lower wick points to an appetite for lower prices, but a struggle to break below the current support levels; if these levels hold firm, it would confirm the bullish momentum.

10 Day % K Stochastic	42.66	Falling	
10 Day % D Stochastic	53.07	Falling	
14 Day RSI	51.44	Falling	
Support	19.43	19.19	19.00
Resistance	19.76	20.00	20.38
Moving Averages (10,40,100)	19.75	19.43	19.42
Open Interest	920,471 (-5,223)	Volume	

Source: ICE

Ldn 2nd Month Sugar Futures



Ldn sugar futures strengthened yesterday as protracted buying pressure prompted a test of the 517.60 level once again to close at 517.10. The stochastics are seen converging on the upside as %K continues to decline, highlighting waning selling pressures. The MACD diff is positive and shows signs of diverging. To confirm another bullish candle, futures need to close above 517.60 and then target the 525, the recent high. On the downside, the break below 40 DMA at 507.39 could set the scene for lower prices towards the support of 500. However, the market struggled below that level in recent sessions, and the bullish engulfing pattern suggests a strong buy signal. We believe that prices will strengthen in the near term, however, the futures need to break above the current resistance to confirm that.

10 Day % K Stochastic	52.15	Falling		
10 Day % D Stochastic	57.72	Falling		
14 Day RSI	54.08	Falling		
Support	507.57	500	495.86	
Resistance	517.60	520	525	
Moving Averages (10,40,100)	514.47	507.57	495.86	
Open Interest	65,270 (-231)	Volume		

Source: ICE

NY 2nd Month Coffee Futures



NY coffee futures consolidated yesterday, breaking above resistance at 240 and closing at 242.05, an October 2011 high. The stochastics are fluctuating in the overbought territory and are now pointing to further divergence on the upside. Likewise, the MACD diff is positive and diverging, suggesting the futures still have more room to go. On the upside, futures need to break completely above 240 in order to confirm upside momentum. The reaffirmation of support here could trigger gains towards the level at 250; this could strengthen the trend in the longer run on the upside. A break back below the current support of 228.40 would bring into play 10 DMA at 226.21, which could set the scene for support at 220. The indicators point to further momentum, but we could see some softness in the market today, if prices above 240 seem unsustainable.

10 Day % K Stochastic	87.28	Rising	
10 Day % D Stochastic	83.40	Rising	
14 Day RSI	70.54	Falling	
Support	240	229.70	220
Resistance	244.75	250	255
Moving Averages (10,40,100)	229.68	212.03	194.90
Open Interest	274,610 (-354)	Volumes	26,102

Source: ICE

Ldn 2nd Month Coffee Futures



Ldn coffee futures gained ground yesterday as moderate buying pressure triggered a test of 2327 before the close at 2297. The stochastics have converged on the upside, whilst the MACD diff is about to converge on the upside, pointing to a strong buy signal. This suggests we could see higher prices in the near term above 2300, confirming momentum above a series high. On the downside, the candle found support at 10 DMA at 2254, and if the prices break through this level, we could see prices fall back through 2200 before 40 DMA at 2185. The longer upper wick suggests appetite above the current resistance level, and if futures continue to struggle to break above that level, we could see prices retreat in the near term.

10 Day % K Stochastic	67.11	Rising		
10 Day % D Stochastic	61.56	Rising		
14 Day RSI	60.11	Falling		
Support	2279		2202	2189
Resistance	2300		2320	2340
Moving Averages (10,40,100)	2262		2189	2035
Open Interest	105,700 (+207)		Volumes	11,187

Source: ICE

NY 2nd Month Cocoa Futures



NY cocoa futures softened yesterday after prices failed above the 2600 level, prompting a close on the back foot at 2568. The stochastics are rising and converging, with %K/%D in the overbought territory, and the MACD diff is also converging on the downside, outlining the recent weakness in the market. Selling pressure has been moderate, but a break of 2567 could set the scene for lower prices at 10 DMA at 2556. Alternatively, if prices can gain a footing back above 2600, the bulls could then target 40 DMA at 2611 in order to regain upside conviction. We anticipate prices to remain on the back foot in the near term.

10 Day % K Stochastic	66.85	Falling	
10 Day % D Stochastic	73.12	Falling	
14 Day RSI	45.03	Falling	
Support	2340	2511	2500
Resistance	2567	2600	2609
Moving Averages (10,40,200)	2558	2609	2511
Open Interest	234,219 (-226)	Volumes	30,384

Source: ICE

Ldn 2nd Month Cocoa Futures



Ldn cocoa strengthened yesterday, as buying pressure triggered a close above near term resistance at 1752. The stochastics are rising, yet showing signs of converging in the overbought. The MACD diff is positive and diverging. A narrow bullish candle body with a longer upper wick suggests marginal appetite above 1750; this could set the scene for higher prices to break above the resistance at 1770 towards 50 DMA at 1774. On the downside, a breach of support at 61.8% fib level at 1719 would strengthen the bearish momentum. This could also trigger losses towards the 200 DMA at 1706. Indicators point to higher prices, and a break of the near term resistance could strengthen the momentum on the upside.

10 Day % K Stochastic	78.81	Falling	
10 Day % D Stochastic	79.70	Falling	
14 Day RSI	47.57	Falling	
Support	1719	1707	1700
Resistance	1748	1753	1773
Moving Averages (50,100,200)	1773	1748	1707
Open Interest	296,165 (+1,319)	Volumes	24,553

Source: ICE

Risk warning

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