



DAILY SOFTS COMMENTARY

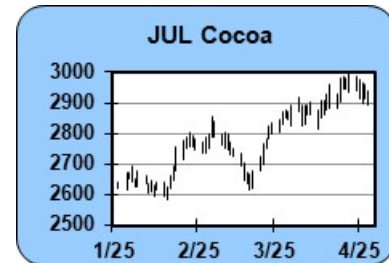
Tuesday May 02, 2023

DAILY COCOA COMMENTARY

5/2/2023

Overbought and will need positive outside markets for up

While cocoa prices continue to hold within their late April/May consolidation, they are having a tough time sustaining upside momentum during the second quarter. Unless there is a positive shift in global risk sentiment, cocoa will remain vulnerable to a sizable near-term pullback. Indications that cocoa will have a sizable global production deficit for a second season in a row have underpinned cocoa prices since the late March recovery move. However, a sharp selloff in the Euro and the British Pound yesterday weighed on cocoa prices later in the day as that will make it more difficult for European grinders to acquire near-term cocoa supplies.



While many markets were closed for the May Day holiday, US equities had a lukewarm finish on Monday which in turn may dampen global risk sentiment over the next few days. While many areas have seen a decline in year-over-year inflation gauges since last year, they remain at high enough levels to negatively impact consumer demand for discretionary items such as chocolates. The market will receive an updated Euro zone CPI reading early in today's action, and a surprise uptick could weaken cocoa's near-term demand outlook.

TODAY'S MARKET IDEAS:

If global risk sentiment remains subdued, cocoa could see a wave of profit-taking. Near-term resistance for July cocoa is at 2956, with key support back at 2849.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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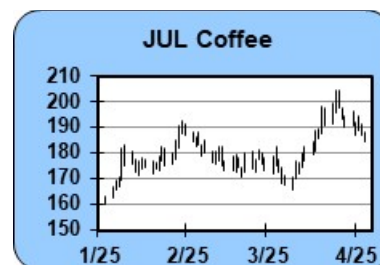
COCOA (JUL) 05/02/2023: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal down puts the market on the defensive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 2880. The next area of resistance is around 2962 and 3001, while 1st support hits today at 2902 and below there at 2880.

DAILY COFFEE COMMENTARY

5/2/2023

Exchange stocks declining and active harvest ahead

Coffee prices extended their late April pullback into the new trading month and have lost nearly 10% in value since reaching a 6-month high on April 18th. With a significant buildup of supply expected by mid-year, coffee could see further downside action before prices can find their footing. Brazil's 2023/24 harvest is underway, with major growing areas forecast to have dry weather through the middle of next week. This has been a source of pressure on the coffee market during the past few weeks, as many forecast have Brazil's 2023/24 Arabica crop having a sizable increase over their 2022/23 crop.



A "risk off" mood in many commodity markets also weighed on coffee prices as that could dampen its near-term demand prospects. ICE exchange coffee stocks fell by 7,798 bags on Monday to reach their lowest levels since December. Vietnam's statistics office said that their January through April coffee exports were 12.55 million bags which is 1.8% ahead of last year's pace.

TODAY'S MARKET IDEAS:

While ICE exchange coffee continue to decline, the out-of-home consumption outlook may need lower inflation to see continued improvement in demand. With Brazil's harvest likely to reach full speed in the weeks ahead, coffee prices are likely to slide further to the downside. Near-term resistance for July coffee is at 191.70, with support at 180.60 and 174.35.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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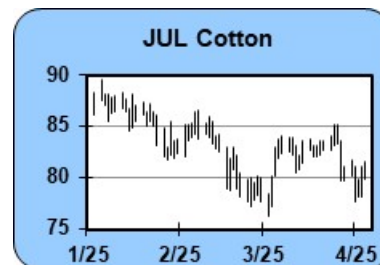
COFFEE (JUL) 05/02/2023: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 181.93. The next area of resistance is around 187.30 and 188.72, while 1st support hits today at 183.90 and below there at 181.93.

DAILY COTTON COMMENTARY

5/2/2023

Positive economic outlook; firm export outlook

The market has closed higher for the third session in a row as demand remains firm. The dollar was moderately higher and crude oil and the stock market moderately lower, all of which is negative to cotton. The weekly crop progress report showed 15% of the US cotton crop had been planted as of April 30, up from 12% the previous week and steady with a year ago. The five-year average is 14%. Of the top producing states, Texas was 20% planted, up +2% from the previous week, Georgia was 8% planted (+4%), Oklahoma 0%, Arkansas 9% (+4%), and Alabama 16% (+10%).



Ample rain in the forecast for west Texas could slow plantings down, but it can also recharge their dry soils. The

1-5-day forecast has up to 1 inch of rain in some areas, and the 6-10 and 8-14-day forecasts have above normal chances of rainfall. With the region still under moderate to severe drought, any chance of improvement will be bearish, especially for the December contract.

TODAY'S MARKET IDEAS:

The technical action remains positive short-term. July cotton support is at 80.55 and 79.67, with resistance at 82.96 and 84.53. December cotton support is at 80.85 and a close above 81.85 will turn the chart pattern more positive.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 05/02/2023: The daily stochastics have crossed over up which is a bullish indication. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 82.69. The next area of resistance is around 82.14 and 82.69, while 1st support hits today at 80.48 and below there at 79.36.

COTTON (DEC) 05/02/2023: The daily stochastics have crossed over up which is a bullish indication. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal up on the daily chart is somewhat positive. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 82.36. The next area of resistance is around 81.88 and 82.36, while 1st support hits today at 80.54 and below there at 79.68.

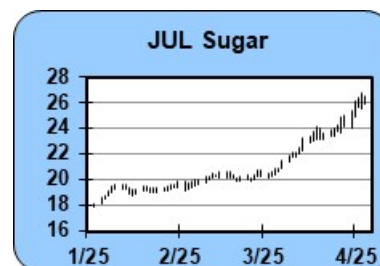
DAILY SUGAR COMMENTARY

5/2/2023

China form deliveries 900,000 tonnes against the May contract

After six positive weekly results in a row, sugar prices have started May squarely on the defensive. News that China firm COFCO delivered 900,000 tonnes of sugar was seen as a bearish force. As market focus shifts from Asian producers to Brazil, sugar will need to see a rebound in key outside markets to regain upside momentum. This season's Brazil Center-South cane crushing and sugar production are running far ahead of last season's pace, which could be a source of pressure on sugar prices as that supply should reach the global export market by the end of the second quarter.

Center-South mills have kept sugar's share of crushing above last season's levels since late March. Brazil has ramped up their corn-based ethanol production over the past few years, and is likely to expand further due to their record corn crop during the 2022/23 season. As a result, Monday's sharp selloff in crude oil and RBOB gasoline prices put significant carryover pressure on the sugar market. Updated forecasts have India's 2022/23 sugar production coming in under 33 million tonnes (versus 35.9 million in 2021/22), which strengthens the case for India to ban further sugar exports this season.



TODAY'S MARKET IDEAS:

News that China firm COFCO delivered 900,000 tonnes of sugar was seen as a bearish force and suggests that China may view sugar prices as overvalued. Near-term resistance for July sugar is at 26.13, with support back at 24.98 and 24.54.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 05/02/2023: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The close below the 2nd swing support number puts the market on the defensive. The next downside target is now at 24.70. The next area of resistance is around 26.06 and 26.79, while 1st support hits today at 25.02 and below there at 24.70.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (JUL) 05/02/2023: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 260.05. The next area of resistance is around 269.25 and 274.30, while 1st support hits today at 262.15 and below there at 260.05.

DAILY TECHNICAL STATISTICS

| | CLOSE | 9 DAY RSI | 14 DAY RSI | 14 DAY SLOW STOCH D | 14 DAY SLOW STOCH K | 4 DAY M AVG | 9 DAY M AVG | 18 DAY M AVG | 45 DAY M AVG | 60 DAY M AVG |
|------------------------------|--------|--------------|---------------|---------------------------|---------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| SOFTS MARKETS COMPLEX | | | | | | | | | | |
| SBAN23 | 25.54 | 65.18 | 69.10 | 86.28 | 80.73 | 26.01 | 25.36 | 24.37 | 22.04 | 21.35 |
| CTAN23 | 81.31 | 50.97 | 49.45 | 32.96 | 36.67 | 80.22 | 80.45 | 81.73 | 81.76 | 82.51 |
| CTAZ23 | 81.21 | 48.73 | 48.02 | 32.70 | 35.56 | 80.52 | 80.80 | 81.82 | 82.01 | 82.48 |
| CCAN23 | 2932 | 52.99 | 56.01 | 70.82 | 63.86 | 2935.75 | 2950.33 | 2923.67 | 2838.78 | 2801.25 |
| OJAN23 | 265.65 | 49.52 | 54.95 | 58.38 | 45.16 | 267.60 | 270.13 | 268.09 | 249.40 | 243.10 |
| KCAN23 | 185.60 | 44.31 | 48.95 | 49.99 | 34.56 | 187.84 | 190.97 | 190.28 | 182.13 | 181.65 |
| MAM23 | 17.05 | 26.97 | 30.18 | 16.53 | 13.02 | 17.24 | 17.52 | 17.81 | 18.23 | 18.39 |

Calculations based on previous session. Data collected 05/01/2023

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

| Contract | | Support 2 | Support 1 | Pivot | Resist 1 | Resist 2 |
|------------------------------|--------------|-----------|-----------|--------|----------|----------|
| SOFTS MARKETS COMPLEX | | | | | | |
| SBAN23 | Sugar | 24.69 | 25.01 | 25.74 | 26.06 | 26.79 |
| CTAN23 | Cotton | 79.35 | 80.47 | 81.02 | 82.14 | 82.69 |
| CTAZ23 | Cotton | 79.68 | 80.54 | 81.02 | 81.88 | 82.36 |
| CCAN23 | Cocoa | 2879 | 2901 | 2940 | 2962 | 3001 |
| OJAN23 | Orange Juice | 260.00 | 262.10 | 267.15 | 269.25 | 274.30 |
| KCAN23 | Coffee | 181.92 | 183.89 | 185.32 | 187.30 | 188.72 |
| MAM23 | Milk | 16.77 | 16.89 | 17.07 | 17.19 | 17.38 |

Calculations based on previous session. Data collected 05/01/2023
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