



DAILY SOFTS COMMENTARY

Thursday March 14, 2024

DAILY COCOA COMMENTARY

3/14/2024

West Africa grinders grinding to a halt.

May cocoa extended its rally overnight, as dire supply news has continued to emanate out of West Africa. A Reuters story reported that some cocoa plants in Ivory Coast and Ghana have either stopped processing or slowed down because they cannot afford to buy beans. State-controlled Ivorian bean processor Transcao, one of the country's nine major plants, said it was still processing from stock, but it did not say what capacity it was running at. Other processors were reporting similar situations. This is further evidence that the full implications of the poor crops have yet to be felt. Ivory Coast is the world's largest cocoa processor, and it has accounted for 12-15% of global grindings over the past five seasons. Ghana is the seventh largest processor, and it has accounted for 5-6% of global grindings. A shift towards wetter weather over West African growing areas later this week may improve the prospects for the late mid-crop production.



TODAY'S MARKET IDEAS:

It takes a while for tight cocoa supplies to reach the consumer level, which means "demand destruction" may still be a ways off. There is still no indicator of a top, but the market is volatile and subject to wide swings.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

COCOA (MAY) 03/14/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. 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 upside target is 7309. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 7156 and 7309, while 1st support hits today at 6914 and below there at 6826.

DAILY COFFEE COMMENTARY

3/14/2024

ICE stocks steadily climbing.

Coffee continues to have trouble sustaining a recovery move, as bearish supply factors weigh on prices. May coffee was slightly higher overnight after a selloff yesterday, but it has been in a sideways pattern since December. The buildup in ICE exchange Arabica stocks since the start of the year seems to be keeping a lid on the market. Stocks increased yesterday by 7,380 bags, bringing them to their highest level since October. There are more than 172,000 bags pending review. News that Brazil's coffee exports were 58% above last year in February has also pressured the market this week. Tight robusta supplies after poor crops in Southeast Asia last year provide support to the Arabica market. There were reports yesterday that Vietnamese farmers have less than a quarter of their 2023/24 crop left with six months to go till the new crop comes in. London robusta futures traded to new contract highs last week. Uncertainty over Brazil's upcoming crop is also supportive. Dry conditions earlier this year have raised concerns, but recent rains have offered a chance for improvement.



TODAY'S MARKET IDEAS:

We look for more choppy action in May coffee, as the market is supported by tight robusta stocks and concern over the upcoming (2024/25) Brazilian crop but is limited by a strong 2023/24 crop in Brazil and steadily increasing exchange stocks. Look for support in May coffee at 179.50, with resistance at 189.75.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

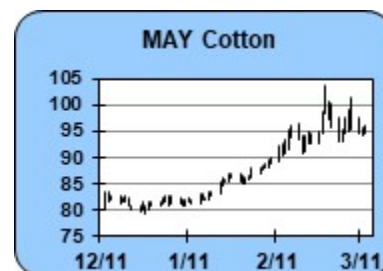
COFFEE (MAY) 03/14/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 177.78. The next area of resistance is around 185.50 and 189.17, while 1st support hits today at 179.80 and below there at 177.78.

DAILY COTTON COMMENTARY

3/14/2024

Looking to export sales for direction today?

Last month nearby cotton broke out above a long consolidation, which was a long-term bullish development, but the subsequent rally appeared to come too far, too fast. US supplies are indeed tight after the disastrous crop last year, and this puts a lot of pressure on the US to recover this year. Soil moisture conditions are much better than they were a year ago. As of last week, approximately 11% of US cotton area was experiencing drought versus 46% at this point last year. The improved conditions (and higher prices) could encourage heavier plantings this year, and the March 28 USDA planting intentions report should become a major focus for the market in the coming weeks. Yesterday, the industry trade group Cotton Australia raised its estimate for Australian production to at least 4.5 million bales from previous expectations of below 4 million. This has followed plentiful rains in the eastern and southern parts of the nation after a long dry period last year. One of the drivers of the rally in cotton since the start of the year has been a surprisingly strong pace of US exports. Sales have dropped off recently, with last Thursday's export sales report showing US cotton sales at 67,089 bales for



the week ending February 29. This was up from 53,342 the previous week but was the second lowest since October 5 and was the lowest for that week in at least five years. However, shipments have been strong, coming in at 330,790 tonnes last week, the highest since January 26 and the second highest since June. They were also the highest for that point in the marketing year in four years.

TODAY'S MARKET IDEAS:

Cotton demand has been stronger than expected, but global supply expectations have been inching higher. US sales have slowed down, but shipments have not. The export sales report could be a key driver today. Look for support in May cotton at 92.89 and 91.45, with resistance at 96.23 and 98.55.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

COTTON (MAY) 03/14/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 93.43. The next area of resistance is around 95.75 and 96.84, while 1st support hits today at 94.05 and below there at 93.43.

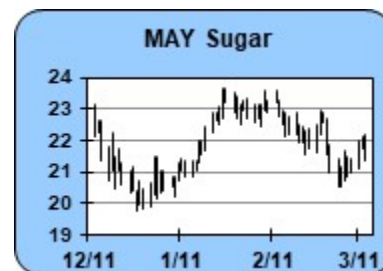
COTTON (JUL) 03/14/2024: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. The downside closing price reversal on the daily chart is somewhat negative. The market tilt is slightly negative with the close under the pivot. The next downside target is 93.00. The next area of resistance is around 95.10 and 96.07, while 1st support hits today at 93.57 and below there at 93.00.

DAILY SUGAR COMMENTARY

3/14/2024

Aggressive selling suggests bulls are nervous.

Sugar's late rebound on Wednesday helped the market to avoid a negative daily reversal, but the heavy selling that emerged off a slight revision in Indian sugar production suggest the bulls are less than convinced. The ISMA trade group raised its forecast for Indian 2023/24 production to 34.00 million tonnes from 33.05 million previously. This still may not be enough for India may to end its current export ban. Drier than normal weather over Brazil's major cane-growing regions the past few months is expected to negatively impact their upcoming (2024/25) cane crop. However, Unica reported that 28 of Brazil's Center-South sugar mills are expected to restart their crushing operations during the first half of March versus 10 mills for the same period last year. Does this mean there is more leftover cane to be harvested than previously thought?



TODAY'S MARKET IDEAS:

May sugar sold off hard yesterday after some minor bearish supply news out of India, which suggests the bulls are hesitant. The market bounced right off a trend line that leaves support today at 21.50. Look for resistance at 22.95.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

SUGAR (MAY) 03/14/2024: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 22.67. The next area of resistance is around 22.34 and 22.67, while 1st support hits today at 21.52 and below there at 21.03.

OJ TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

ORANGE JUICE (MAY) 03/14/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term trend is positive on the close above the 9-day moving average. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is 352.05. The next area of resistance is around 369.15 and 371.90, while 1st support hits today at 359.25 and below there at 352.05.

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										
SBK24	21.93	52.55	49.78	38.02	48.11	21.73	21.36	21.81	22.26	21.86
CTK24	94.90	49.52	53.23	38.42	30.61	95.12	95.49	95.61	90.39	88.05
CTN24	94.34	50.83	53.66	33.74	28.88	94.30	94.35	94.62	90.28	88.13
CCAK24	7035	74.30	73.24	86.38	88.73	6802.00	6619.11	6309.67	5419.84	5118.18
OJK24	364.15	52.38	53.04	43.39	39.63	358.48	362.87	365.72	344.70	341.50
KCAK24	182.65	44.50	46.58	48.88	43.76	184.69	185.64	184.67	185.01	185.91
MAJ24	16.19	39.64	39.41	7.59	8.34	15.99	16.16	16.81	17.05	17.09

Calculations based on previous session. Data collected 03/13/2024

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						
SBK24	Sugar	21.03	21.52	21.85	22.34	22.67
CTK24	Cotton	93.42	94.04	95.13	95.75	96.84
CTN24	Cotton	92.99	93.57	94.53	95.10	96.07
CCAK24	Cocoa	6825	6914	7067	7156	7309
OJK24	Orange Juice	352.00	359.20	361.95	369.15	371.90
KCAK24	Coffee	177.77	179.80	183.47	185.50	189.17
MAJ24	Milk	15.85	16.04	16.14	16.33	16.43

Calculations based on previous session. Data collected 03/13/2024

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

****This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.*