



## DAILY SOFTS COMMENTARY

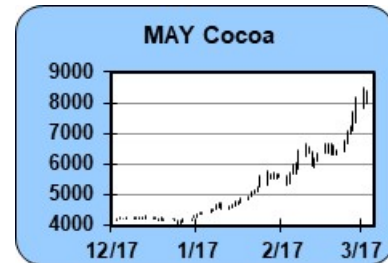
Thursday March 21, 2024

### DAILY COCOA COMMENTARY

3/21/2024

#### Uptrend resumes as commercials scramble.

May cocoa traded to another new contract high this morning, as commercial buying continues to support. There were news stories overnight of grinders aggressively shopping for beans in Ecuador, Peru, and Indonesia as they worry that Ivory Coast and Ghana will not be able to meet their commitments. The market is facing tight supply with little relief in sight, and there has been no technical indicator of a top. Recent reports of rain reaching West Africa have been largely discounted, as it could take some time to determine the condition of the upcoming mid-crop. The dry season normally ends in late March or April. In the meantime, commercials are caught short.



#### TODAY'S MARKET IDEAS:

The move to another new all-time high overnight leaves an initial upside objective for March cocoa at 8687, with support at 8324. Long-term prognostications have been as high as 10,000.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### COCOA TECHNICAL OUTLOOK:

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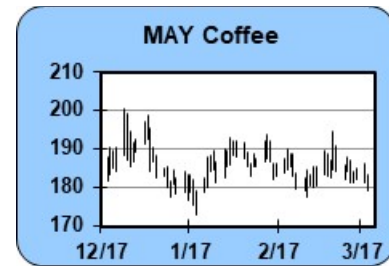
COCOA (MAY) 03/21/2024: The daily stochastics gave a bullish indicator with a crossover up. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal up on the daily chart is somewhat positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 8911. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 8680 and 8911, while 1st support hits today at 7968 and below there at 7486.

### DAILY COFFEE COMMENTARY

3/21/2024

### More consolidation; support from real and robusta.

The coffee market has been trendless since December and looks to stay that way until a new fundamental dominates the market. Global robusta supplies are tight, and this lends support to the Arabica market. Drier than normal conditions in Brazil over the past few months have raised concerns about the upcoming crop. But this is coming off a strong production year for Brazil, and steadily increasing exchange stocks for Arabica coffee point to loosening supply and possibly reduced demand. Private analysts have recently forecasted global production surpluses in 2024/25, particularly for Arabica. Robusta prices in Vietnam are approaching record highs, with farmers reportedly selling beans at 93,000-94,200 dong per kilogram, up from 90,400-92,000 last week, and they are closing in on the record high of 100,000. A bounce in the Brazilian real yesterday provided some support to coffee as that lessened the pressure on Brazilian growers to market their beans. ICE exchange stocks increased to 544,576 bags yesterday, up 12,500 from Tuesday and the highest since July 11. This was up from a low of 224,066 bags on December 1. There were 106,012 bags pending review, down 12,375 from Tuesday and down from a peak of 180,423 on March 12.



### TODAY'S MARKET IDEAS:

The long duration of the sideways pattern in coffee suggests the eventual breakout will be dramatic. In the meantime, look for resistance in May coffee at 190.80 and 192.20, with support at 179.35.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### COFFEE TECHNICAL OUTLOOK:

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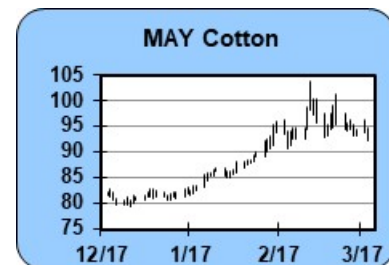
COFFEE (MAY) 03/21/2024: The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market could take on a defensive posture with the daily closing price reversal down. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 179.97. The next area of resistance is around 183.77 and 185.46, while 1st support hits today at 181.03 and below there at 179.97.

### DAILY COTTON COMMENTARY

3/21/2024

### US exports facing stiff competition.

With the Southern Hemisphere harvest proceeding, US cotton is reportedly finding stiff competition from Brazil and Australia, whose basis levels have declined recently. A strong USDA export sales report today could surprise the market and help lift it off its lows. Last week's report showed net sales of 189,573 bales for the week ending March 7, up from 67,089 the previous week and the highest since February 1. Soil moisture conditions in US cotton growing regions are much better than they were a year ago, which improves the chances for strong plantings and a good start to this year's crop. The USDA prospective plantings report comes out a week from today.



**TODAY'S MARKET IDEAS:**

The near-term demand outlook is weak with US facing stiff competition from Brazil and Australia. Look for support in May cotton at 91.35 and 90.70, with resistance at 92.49 and 95.35.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**COTTON TECHNICAL OUTLOOK:**

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COTTON (MAY) 03/21/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 90.75. The next area of resistance is around 93.01 and 94.07, while 1st support hits today at 91.35 and below there at 90.75.

COTTON (JUL) 03/21/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 90.91. The next area of resistance is around 92.82 and 93.72, while 1st support hits today at 91.42 and below there at 90.91.

**DAILY SUGAR COMMENTARY**

3/21/2024

**Brazil production forecasts revised down.**

The positive reaction to the latest Fed meeting results seems to have spilled over into the softs markets today, with coffee, cocoa and sugar all higher this morning. May sugar ended yesterday on a positive note after reversing higher following an early selloff to its lowest level since March 11. The market fell below a technical retracement for a brief period but appeared to reject that level and worked steadily higher for the rest of the day. This may have been a case of the market falling too far, too fast. News that the EU had reached a provisional agreement to grant Ukrainian food producers tariff-free access to its markets until June 25 may have been the culminating factor for this week's selloff. In a positive fundamental story, broker hEDGEpoint Global Markets cut its forecast for the 2024/25 Brazil Center-South cane crop to 605 million tonnes, down from 615 million previously, due to the drier than normal conditions in the past few months.

**TODAY'S MARKET IDEAS:**

A key resistance level for May sugar comes in at the 50-day moving average at 22.23, which it failed at earlier this week. A move above there would leave 22.47 as the next target. Look for support at 21.71.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

## SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 03/21/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The upside closing price reversal on the daily chart is somewhat bullish. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 22.28. The next area of resistance is around 22.10 and 22.28, while 1st support hits today at 21.44 and below there at 20.95.

## OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 03/21/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. A crossover down in the daily stochastics is a bearish signal. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day down and close below the previous day's low is a negative signal. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 337.10. The next area of resistance is around 355.05 and 365.85, while 1st support hits today at 340.70 and below there at 337.10.

## 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
<b>SOFTS MARKETS COMPLEX</b>										
SBAK24	21.77	48.60	47.97	55.00	59.87	21.92	21.82	21.72	22.33	21.96
CTAK24	92.18	39.61	45.78	18.92	12.40	93.51	94.22	95.62	91.66	89.16
CTAN24	92.12	41.54	46.93	21.16	15.69	93.27	93.73	94.69	91.46	89.17
CCAK24	8324	83.07	80.90	87.51	88.39	8135.25	7461.56	6920.72	5837.20	5431.00
OJAK24	347.85	38.79	44.09	42.48	34.33	359.15	359.01	362.49	351.19	342.04
KCAK24	182.40	44.85	46.58	31.99	25.30	182.54	183.64	184.09	185.29	185.25
MAJ24	16.17	42.56	41.48	16.65	21.77	16.16	16.09	16.48	16.94	16.99

Calculations based on previous session. Data collected 03/20/2024

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

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>SOFTS MARKETS COMPLEX</b>						
SBAK24	Sugar	20.94	21.43	21.61	22.10	22.28
CTAK24	Cotton	90.75	91.35	92.41	93.01	94.07
CTAN24	Cotton	90.90	91.41	92.31	92.82	93.72
CCAK24	Cocoa	7485	7967	8198	8680	8911
OJAK24	Orange Juice	337.05	340.65	351.45	355.05	365.85
KCAK24	Coffee	179.96	181.02	182.71	183.77	185.46
MAJ24	Milk	15.87	15.99	16.22	16.34	16.57

Calculations based on previous session. Data collected 03/20/2024

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