



DAILY SOFTS COMMENTARY

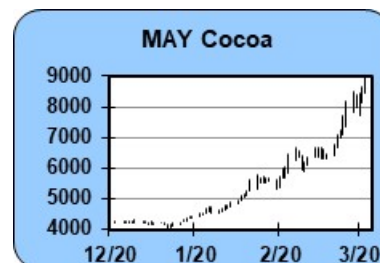
Tuesday March 26, 2024

DAILY COCOA COMMENTARY

3/26/2024

Back and fill after \$10,000 target reached?

May cocoa traded through the \$10,000 level overnight, but it has fallen back to lower on the day. Attaining a such landmark price may encourage profit taking. The chart action has gotten very steep, and traders could be concerned that the rally has reached exhaustion. Commercial buyers appear to have been the key drivers of the rally, with open interest declining for the past two months and the fund net long shrinking to 27,000 last week from 71,000 in early January. This could leave the market less vulnerable to panic selling. The West African supply situation remains extremely tight going into the start of the mid-crop harvest next week. There are reports that Ghana's Cocomob has been unable to access a second loan tranche of \$200 million. The group has a monopoly on purchasing cocoa beans from Ghana's farmers, and it also controls the marketing and export of the beans. If they have trouble making additional purchases this season, this could result in an even larger decline in Ghana's exports. Ivory Coast port arrivals for the week ending March 24 totaled 22,000 tonnes, down from 26,000 for the same period a year ago. Cumulative arrivals since the marketing year began on October 1 have reached 1.284 million tonnes, down 26.6% for the same period last year. To some degree, demand concerns may be pushed into the future, when beans purchased this month are part of chocolate products on store shelves. However, high cocoa prices are encouraging chocolate makers like Hershey and Mondelez to pitch more non-chocolate Easter treats this year.



TODAY'S MARKET IDEAS:

The \$10,000 level has been suggested as a long-term target for the cocoa rally. May cocoa attaining that price overnight may spark some long liquidation. Traders should consider limiting their positions to option strategies with limited risk, given the volatile conditions. Look for support at 9649 and 9399.

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) 03/26/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 10262. Caution is warranted with the RSI over 90, as the market may be limited on further gains. The next area of resistance is around 10046 and 10262, while 1st support hits today at 9252 and below there at 8673.

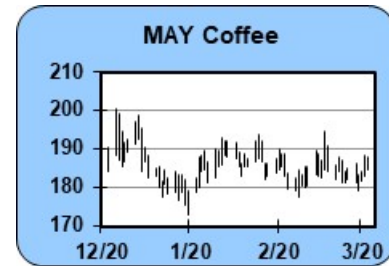
DAILY COFFEE COMMENTARY

3/26/2024

London futures reach new 30-year high.

May NY coffee was higher overnight, but it remains in a consolidation pattern. Reports of a heat wave hitting Vietnam is raising concerns about their upcoming robusta crop after dry conditions last year severely lowered production. There are reports that recent rainfall has been at the lower end of the 10-year range and that temperatures are on the higher side. Near-term supply for robusta coffee remains tight, and Vietnamese farmers have been reluctant to sell their remaining supply. May London (robusta) futures traded to a new contract high overnight, and the nearby contract reached its highest level since 1994.

This should lend support to the NY (Arabica) market as well. Slightly above-average rainfall over Brazil's Arabica growing regions last week should benefit their upcoming crop. However, there were reports of storms causing fruits to drop from trees. ICE exchange stocks rose by 8,926 bags yesterday to reach their highest level since June.



TODAY'S MARKET IDEAS:

London robusta futures reaching new 30-year highs overnight could lend support to NY futures as well. May coffee has been in a sideways pattern since December, and the eventual breakout could be dramatic. Look for resistance at 188.00 and 192.20, with support at 183.35.

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.

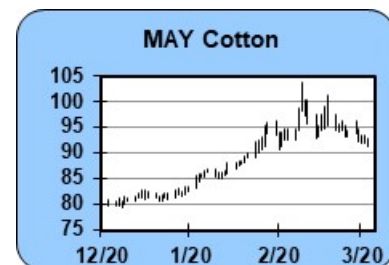
COFFEE (MAY) 03/26/2024: The major trend could be turning up with the close back above the 60-day moving average. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The upside closing price reversal on the daily chart is somewhat bullish. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 188.12. The next area of resistance is around 187.10 and 188.12, while 1st support hits today at 184.20 and below there at 182.33.

DAILY COTTON COMMENTARY

3/26/2024

Consolidation ahead of plantings report.

May cotton was higher overnight after bouncing off retracement support and the 50-day moving average yesterday. The market may be headed for some consolidation ahead of the USDA Prospective Plantings report on Thursday. Keep in mind that US soil moisture has improved much over last year, with only 7% of US cotton production area currently under drought versus 46% a year ago, and that could encourage heavier plantings. For the report, the average trade expectation for US 2024/25 cotton planted area is 10.906 million acres, with a range of expectations from 10.241 million to 11.300. This compares to a forecast



of 11.0 million from the USDA outlook forum in February and 10.23 million for 2023/24. In 2022/23, the US planted 13.75 million acres. Nearby cotton broke above a 15-month consolidation in early February, and it found support at the top of that range this week.

TODAY'S MARKET IDEAS:

Expect some back-and-forth action ahead of Thursday's Prospective Plantings report and possibly a correction of its selloff from the contract high from last month. Look for resistance at 95.02 and 95.88, with support at 91.52.

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) 03/26/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 90.51. The next area of resistance is around 92.68 and 93.16, while 1st support hits today at 91.36 and below there at 90.51.

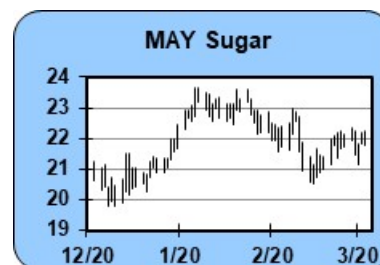
COTTON (JUL) 03/26/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal up is a positive indicator that could support higher prices. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is now at 91.02. The next area of resistance is around 93.21 and 93.67, while 1st support hits today at 91.89 and below there at 91.02.

DAILY SUGAR COMMENTARY

3/26/2024

Delayed Brazilian harvest, stronger crude oil supportive.

Rainfall in the forecast for Brazil's Center-South cane growing regions is expected to delay the start of this year's harvest, and that has lent support to the sugar market this week. Crop expectations are already down due to the extended dry pattern the region has seen over the past several months. There has been talk that Brazil's Center-South mills will increase sugar's share of crushing next season, as stronger ethanol demand will be met by an increase in corn-based ethanol production. However, crude oil prices recently reaching their highest level since October is supportive to ethanol demand and sugar as well. Analysts have modestly increased their forecasts for 2023/24 production in Thailand and India, and the expected end to El Nino this year could improve their prospects for the upcoming crop. Brazilian 2024/25 prospects have been revised down.



TODAY'S MARKET IDEAS:

May sugar is once again approaching the 50-day moving average, which it has failed to clear in several attempts over the past few weeks. A move above there could spark short covering. Look for resistance at 22.30 and 22.46, with support at 21.75.

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) 03/26/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. 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 target is 22.34. The next area of resistance is around 22.15 and 22.34, while 1st support hits today at 21.75 and below there at 21.53.

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) 03/26/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 380.70. The next area of resistance is around 375.75 and 380.70, while 1st support hits today at 366.15 and below there at 361.45.

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										
SBAK24	21.95	51.97	50.23	65.07	70.70	21.91	21.92	21.62	22.31	22.05
CTAK24	92.02	40.38	45.72	11.21	7.91	91.99	93.13	94.57	92.21	89.70
CTAN24	92.55	45.26	48.66	13.83	10.65	92.20	93.04	93.89	91.99	89.70
CCAK24	9649	90.84	87.65	92.32	96.05	8867.75	8236.44	7373.00	6144.60	5670.92
OJAK24	370.90	57.89	55.78	46.84	56.40	361.23	362.04	362.12	355.70	344.19
KCAK24	185.65	53.84	51.85	32.87	35.11	184.65	183.65	184.74	185.77	184.90
MAJ24	15.75	36.89	37.49	15.10	14.29	15.81	16.01	16.14	16.87	16.91

Calculations based on previous session. Data collected 03/25/2024

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						
SBAK24	Sugar	21.52	21.74	21.93	22.15	22.34
CTAK24	Cotton	90.50	91.35	91.83	92.68	93.16
CTAN24	Cotton	91.01	91.88	92.34	93.21	93.67
CCAK24	Cocoa	8672	9251	9467	10046	10262
OJAK24	Orange Juice	361.40	366.10	371.05	375.75	380.70
KCAK24	Coffee	182.32	184.20	185.22	187.10	188.12
MAJ24	Milk	15.50	15.63	15.74	15.87	15.98

Calculations based on previous session. Data collected 03/25/2024

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.