



DAILY SOFTS COMMENTARY

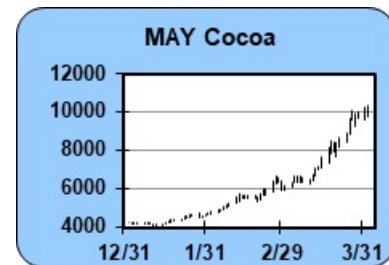
Thursday April 04, 2024

DAILY COCOA COMMENTARY

4/4/2024

Ghana raises its official price too.

May cocoa extended yesterday's losses overnight. The market has been under pressure this week from moves by the cocoa marketing boards in Ivory Coast and Ghana to increase farmgate prices paid to producers, as this may draw more beans to market. A spokesman for Ghana's marketing board, Cocobod, said yesterday that the group will raise its fixed farmgate price by 50% for the mid-crop. This follows a similar move by Ivory Coast earlier this week. The boards are also hoping to slow the smuggling of beans across borders. Cocobod said they lost about 150,000 tonnes to smuggling and illegal gold mining in 2022/23. Nearby cocoa reached all-time highs this year after extremely hot and dry conditions in west Africa this winter lowered expectations for the upcoming mid-crop, which would exacerbate an already tight global supply situation. There is a possibility that the shift towards wetter weather will improve the mid-crop's prospects. Long term structural issues with aging trees, poor maintenance, and an inefficient marketing setup persist.



TODAY'S MARKET IDEAS:

The 11% selloff in May cocoa so far this week may attract commercial buyers anxious to cover some of their needs. Look for support in May cocoa at 9020 and 8172, with resistance at 9524 and 9825.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COCOA TECHNICAL OUTLOOK:

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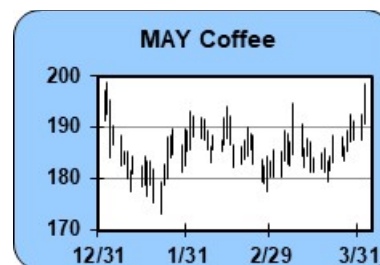
COCOA (MAY) 04/04/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-day moving average. The close below the 1st swing support could weigh on the market. The next downside objective is now at 8987. Short-term indicators on the defensive. Consider selling an intraday bounce. The next area of resistance is around 9843 and 10262, while 1st support hits today at 9205 and below there at 8987.

DAILY COFFEE COMMENTARY

4/4/2024

Dry Vietnam adds to robusta supply concerns.

May NY (arabica) coffee extended yesterday's rally overnight to trade to its highest level since September 2022. May London (robusta) coffee traded to a new contract high, with the nearby contract reaching its highest level since October 1994. The NY contract is clearly being led by London, as robusta supplies are extremely tight, and the market is vulnerable to any reports of problems with upcoming crops. There are renewed concerns about heat and drought in top robusta producer Vietnam. Brazil is the world's largest arabica producer, but it is also the second largest robusta producer, and they are expected to harvest a larger robusta crop this year. Harvest should begin later this month and extend into May, with supplies becoming available in June and July, once drying and processing are completed. Reports this week of heavy rains doing damage to trees in Minas Gerais, Brazil are raising concerns about the upcoming arabica crop. ICE exchange coffee stocks increased by 12,603 bags yesterday to reach a new 11-month high.



TODAY'S MARKET IDEAS:

May coffee has achieved a 0.618 recovery of the decline from the contract high in November 2022 to the twin lows in 2023, and that level, 207.10, could be key bull/bear line this week. A close above there would leave 220.00 as a next target area. With RSI above 80, the market is technically overbought. Nearby robusta prices are the highest since October 1994. The contract peaked at \$4,287/tonne in September 1994, \$438 above the overnight high.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COFFEE TECHNICAL OUTLOOK:

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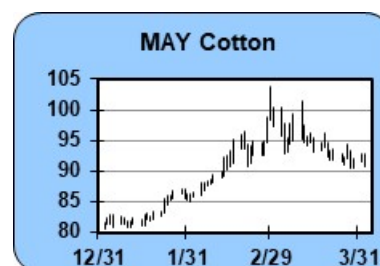
COFFEE (MAY) 04/04/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside objective is at 213.51. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 209.02 and 213.51, while 1st support hits today at 198.18 and below there at 191.82.

DAILY COTTON COMMENTARY

4/4/2024

US facing competition from the south.

May cotton has been under pressure this week from indications of strong production in Australia, which will offer competition with the US as their crop comes in. Most of their cotton is harvested in April and May. The dollar index sold off yesterday, but prior to that it had reached its highest level since early November. The strong dollar makes US cotton appear more expensive on the export market. If it continues to decline, it could lend support to cotton. Traders are looking to morning's weekly US export sales report for clues of emerging competition from Brazil and Australia. Last week's report showed net cotton sales of 170,375 bales for the week ending March 21, which was the second highest in five weeks but well below year ago



levels. Cumulative sales for 2023/24 reached 93% of the USDA forecast for the marketing year versus a five-year average of 99% for this point in the season. Shipments totaled 360,721 bales, which was the third highest for the marketing year so far. December cotton has seen mild pressure this week, but it has stayed clear of last week's lows, as the market appears to be interested in holding a premium ahead of the growing season.

TODAY'S MARKET IDEAS:

May cotton fell right to key retracement support overnight around 88.42, and a poor showing in today's export sales report might spark a move down to the 87.00-85.00 area. Look for resistance at 91.35.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

COTTON TECHNICAL OUTLOOK:

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COTTON (MAY) 04/04/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. The daily stochastics gave a bearish indicator with a crossover 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. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 87.21. The next area of resistance is around 90.12 and 91.78, while 1st support hits today at 87.84 and below there at 87.21.

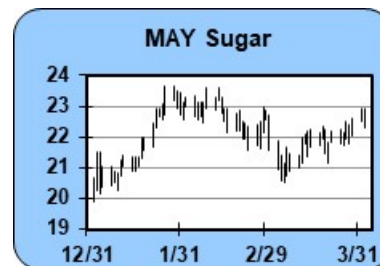
COTTON (JUL) 04/04/2024: The major trend has turned down with the cross over back below the 60-day moving average. A crossover down in the daily stochastics is a bearish signal. Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is now at 88.65. The next area of resistance is around 91.17 and 92.60, while 1st support hits today at 89.19 and below there at 88.65.

DAILY SUGAR COMMENTARY

4/4/2024

Asia production forecasts inching higher.

The sugar market has seen pressure this week from improving production prospects out of Asia. The Thai Sugar Millers Corporation has raised its forecast for Thailand's 2023/24 sugar production to 8.75 million tonnes, up from 7.5 million previously. In India, the ISMA trade group is asking the government to allow 1 million tonnes of sugar exports this season. The group has projected India's 2023/24 ending sugar stocks at 9.1 million tonnes, up from 5.6 million tonnes in 2022/23. There have been suggestions that the government may be more open to lifting the ban on sugar exports after the parliamentary elections in early June. Brazil's Center-South cane harvest is getting underway, and it should reach full speed by mid-April. The trade will be watching the early production numbers, as the dry conditions in the region over the past several months have lowered expectations for the upcoming crop.



TODAY'S MARKET IDEAS:

May sugar remains inside a trading range defined by December low at 19.80 and January high at 23.66, and it may have a difficult time breaking out of there until the market gets a better handle on the Brazilian crop or India makes a move to allow exports. The 200-day moving average, currently around 23.42, has held the market since

December 6, and it is a key resistance level. Interim resistance comes in at 22.91, with support at 21.91.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SUGAR TECHNICAL OUTLOOK:

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SUGAR (MAY) 04/04/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. 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 under the swing pivot. The next downside objective is 21.69. The next area of resistance is around 22.51 and 22.86, while 1st support hits today at 21.93 and below there at 21.69.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/04/2024: Rising stochastics at overbought levels warrant some caution for bulls. 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 close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 381.10. The next area of resistance is around 377.15 and 381.10, while 1st support hits today at 366.60 and below there at 359.90.

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	22.22	52.09	51.71	77.16	72.97	22.45	22.25	22.03	22.22	22.21
CTAK24	88.98	34.24	39.56	11.99	9.78	90.98	91.54	92.88	92.92	90.67
CTAN24	90.18	37.57	42.31	15.77	13.44	91.79	92.13	92.93	92.71	90.68
CCAK24	9524	67.89	72.37	90.51	86.56	9839.75	9552.33	8506.94	6839.11	6230.97
OJAK24	371.90	55.98	54.91	70.27	76.15	369.29	368.62	363.81	363.52	348.94
KCAK24	203.60	80.24	71.98	71.00	84.14	195.50	190.77	187.20	186.67	185.60
MAK24	15.64	24.49	28.68	7.99	4.44	15.79	16.03	16.28	17.09	17.19

Calculations based on previous session. Data collected 04/03/2024

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	21.68	21.92	22.27	22.51	22.86
CTAK24	Cotton	87.20	87.83	89.49	90.12	91.78
CTAN24	Cotton	88.64	89.19	90.62	91.17	92.60
CCAK24	Cocoa	8986	9205	9624	9843	10262
OJAK24	Orange Juice	359.85	366.55	370.50	377.15	381.10
KCAK24	Coffee	191.81	198.17	202.66	209.02	213.51
MAK24	Milk	15.47	15.53	15.69	15.75	15.91

Calculations based on previous session. Data collected 04/03/2024

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