



## DAILY SOFTS COMMENTARY

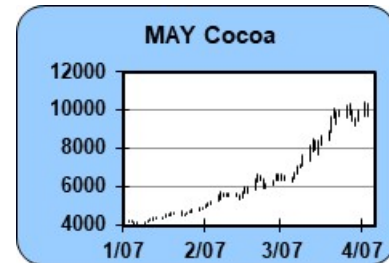
Thursday April 11, 2024

### DAILY COCOA COMMENTARY

4/11/2024

#### Ghana needs to postpone deliveries.

July cocoa traded to a new contract high for the second straight session overnight, and May cocoa reached another new all-time high. Reports that Ghana is in talks with traders to postpone the delivery of 150,000-250,000 tonnes of cocoa until next season is another reminder of the tight supply situation in west Africa. This follows a similar move by Ivory Coast, and it puts more pressure on the mid-crop, which is just beginning to be harvested and is not looking very promising. Stronger than expected revenues for Swiss chocolate maker Barry Callebaut for September-February suggests demand has held up surprisingly well against higher prices. First quarter grinding data for Europe and North America are due to be released on April 18, and the trade is anticipating a decline from last year due to the shortage of beans.



#### TODAY'S MARKET IDEAS:

New all-time highs in cocoa leave the market technically overbought but with no top in sight. Potential bearish fundamental factors, such as rain in West Africa, better than expected mid-crop production, or a sharp decline in grindings, have yet to emerge. The next upside objective for July cocoa is 10,910, with initial support at 9801.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### COCOA TECHNICAL OUTLOOK:

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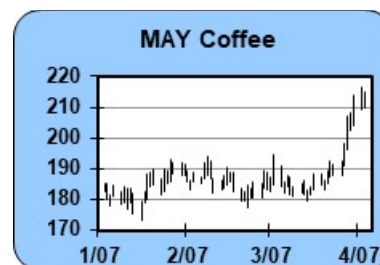
COCOA (JUL) 04/11/2024: Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 10371. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 10142 and 10371, while 1st support hits today at 9600 and below there at 9286.

### DAILY COFFEE COMMENTARY

4/11/2024

## More crop worries in Vietnam.

July NY coffee traded to another new contract high overnight, and the London contract approached its contract high from April 4. Global robusta supplies are tight, and the market is waiting for the Brazilian harvest to bring some relief. Low rainfall in Brazil's Minas Gerais region last week has reignited concerns about the upcoming crops in Brazil. The Mercantile Exchange of Vietnam is expressing concern that if the lack of rainfall and water for irrigation continue, their nation's 2024/25 coffee output in 2024/25 could decrease sharply from 2023/24, which itself is expected to be down 20% from 2022/23. Recall that in March the Vietnam Agriculture Department estimated their 2023/24 crop at 1.472 million tonnes (24.533 million bags), which would be the lowest since 2009/10. In 2022/23 Vietnam was the world's largest robusta producer and the second largest coffee producer overall, representing 18% of global production. ICE exchange coffee stocks increased by 10,630 bags yesterday to reach their highest level since last May. The Brazilian real collapsed yesterday after the US dollar spiked in the wake of a hot CPI number. The lower real encourages Brazilian export selling.



### TODAY'S MARKET IDEAS:

July coffee is up 19% since March 19, leaving the market technically overbought and vulnerable to a correction, but that may require bearish weather news from Vietnam or Brazil. Next resistance levels are 216.30 and 219.30, with support at 200.65.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### COFFEE TECHNICAL OUTLOOK:

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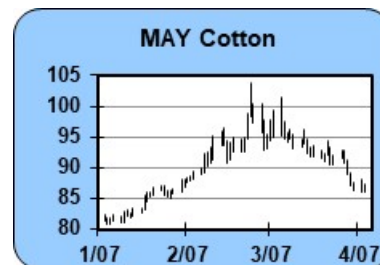
COFFEE (JUL) 04/11/2024: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 216.42. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 214.75 and 216.42, while 1st support hits today at 210.55 and below there at 208.03.

## DAILY COTTON COMMENTARY

4/11/2024

### Approaching key tech support ahead of USDA reports.

July cotton may find support at the 200-day moving average if it can weather a couple of USDA reports today. The sharp rally in the dollar in the wake of a hotter than expected CPI number lowers US export prospects. They are already down because of tight US supply and expected competition from newly harvested crops in Brazil and Australia. China's agriculture ministry raised its forecast for cotton imports in the 2023/24 crop year to 2.3 million tonnes, in a report released today. This was up from 2 million in the March report, and it could boost US export prospects. China has been the number-one buyer of US cotton this year. Regardless, the trade may not be expecting too much from this morning's weekly export sales report. Last week's report showed net sales of 107,779 bales for the week ending March 28, which



was the lowest since early February. Cumulative sales for 2023/24 had reached 94% of the USDA forecast for the marketing year versus a five-year average of 100% for this point in the season. Shipments were still strong at 367,551 bales, the fourth highest for the marketing year. For the supply/demand report today, a Bloomberg survey shows an average trade expectation for US 2023/24 ending stocks of 2.56 million bales, which would be up from 2.50 million in the March update but down from 4.25 million in 2022/23. World ending stocks are expected to come in at 83.38 million bales versus 83.34 million in March and 82.97 million in 2022/23. The trade may also focus on Brazilian and Australian production numbers. Last month's report put Brazil's 2023/24 crop at 14.56 million bales, Australia's at 4.80 million, and the US at 12.1 million. ICE exchange stocks reached 136,124 bales on Tuesday, up 10,400 from Monday and the highest since June 28, 2021. This is up from 1,547 bales on February 27.

#### **TODAY'S MARKET IDEAS:**

Initial support in July cotton comes in at the 200-day moving average at 86.23, followed by 85.00. Given the oversold technical setup, better than expected USDA reports could spark some short covering. Look for resistance around 87.00 and 87.30.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **COTTON TECHNICAL OUTLOOK:**

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COTTON (JUL) 04/11/2024: Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 85.94. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 87.81 and 88.91, while 1st support hits today at 86.33 and below there at 85.94.

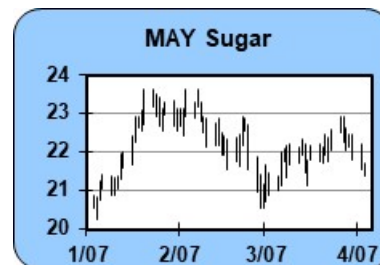
COTTON (DEC) 04/11/2024: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal up on the daily chart is somewhat positive. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 80.54. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 81.89 and 82.38, while 1st support hits today at 80.97 and below there at 80.54.

### **DAILY SUGAR COMMENTARY**

4/11/2024

#### **Bearish on Indian weather but Brazil outlook uncertain.**

India is expected to see a normal monsoon this year with the passing of El Nino and the arrival of La Nina this summer, which would help boost the cane crop, among others. Private forecaster Skymet said they are looking for the monsoon to be around 102% of the long-term average. The poor monsoon last year prompted India to curtail sugar exports. Recent improvements in production forecasts have prompted speculation that they could lift the ban, but the chances of that happening are limited by the possibility that the government would favor an expansion of ethanol production. The president of Brazilian agriculture consultancy Datagro said he expects overall yields in Center-South Brazil to be about 78.5 tonnes/hectare in 2024/25, down from 88.3 in 2023/24, despite improving rainfall last month. The new crop year



begins this month. The collapse in the Brazilian real yesterday is considered bearish for sugar because it encourages export sales. The Unica supply report for the second half of March (the final for the 2023/24 marketing year) is due to be released on Friday. The price trend is down, but uncertainty about Brazil's new crop provides support.

**TODAY'S MARKET IDEAS:**

The collapse in the real and the increased expectations for a strong monsoon in India prompted a resumption in the selloff in July sugar, leaving next support down at 20.42. A break below there would project to 19.68. Look for resistance at 21.44.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**SUGAR TECHNICAL OUTLOOK:**

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SUGAR (JUL) 04/11/2024: Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. The market tilt is slightly negative with the close under the pivot. The next downside objective is 20.76. The next area of resistance is around 21.29 and 21.57, while 1st support hits today at 20.89 and below there at 20.76.

**OJ TECHNICAL OUTLOOK:**

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ORANGE JUICE (MAY) 04/11/2024: The daily stochastics gave a bullish indicator with a crossover up. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's short-term trend is positive on the close above the 9-day moving average. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 389.45. The next area of resistance is around 382.70 and 389.45, while 1st support hits today at 366.75 and below there at 357.50.

**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										
SBAN24	21.09	34.97	40.48	46.36	27.55	21.27	21.71	21.71	21.81	21.94
CTAN24	87.07	29.31	35.59	6.51	3.48	87.78	89.65	91.22	92.72	91.12
CTAZ24	81.43	25.19	33.42	31.45	14.75	82.00	83.14	83.50	83.54	82.88
CCAN24	9871	80.32	80.20	86.86	88.33	9565.25	9413.89	8807.56	7014.09	6403.10
OJAK24	374.65	58.25	56.01	63.88	66.67	364.15	367.12	365.62	364.35	354.11
KCAN24	212.65	83.89	77.56	90.00	93.42	211.24	203.31	193.66	187.86	187.11
MAK24	16.66	59.78	53.16	44.20	61.54	16.63	16.18	16.27	16.93	17.09

Calculations based on previous session. Data collected 04/10/2024

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

**DAILY SWING STATISTICS**

Contract	Support 2	Support 1	Pivot	Resist 1	Resist 2
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**SOFTS MARKETS COMPLEX**

SBAN24	Sugar	20.75	20.88	21.16	21.29	21.57
CTAN24	Cotton	85.93	86.32	87.42	87.81	88.91
CTAZ24	Cotton	80.54	80.97	81.46	81.89	82.38
CCAN24	Cocoa	9285	9599	9828	10142	10371
OJAK24	Orange Juice	357.45	366.70	373.45	382.70	389.45
KCAN24	Coffee	208.02	210.55	212.22	214.75	216.42
MAK24	Milk	16.44	16.52	16.72	16.80	17.00

**Calculations based on previous session. Data collected 04/10/2024**

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