

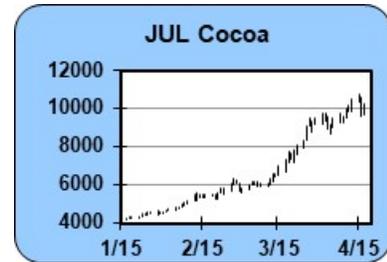


DAILY SOFTS COMMENTARY
Monday April 22, 2024

DAILY COCOA COMMENTARY
4/22/2024

Daily rains in forecast for West Africa.

First quarter grinding totals for Europe and Asia had smaller than expected declines from a year ago, and the North American grind came in substantially higher than a year ago despite cocoa prices being three times higher. This eased concerns about high prices cutting into demand, but apparently processors were able to rely on existing supplies that will have to be replenished at some point. The West African supply situation remains dicey, and that continues to underpin prices. There is daily rainfall in the forecast for key growing areas through this weekend, which should benefit upcoming production, but this year's mid-crop is widely expected to come in far below last year. Friday's Commitments of Traders report showed managed money traders were net sellers of 3,530 contracts of cocoa for the week ending April 16, reducing their net long to 16,136. This was their smallest net long since March 2023 and was down from an all-time high of 79,541 from last September. The funds continue to back away from this market, and they clearly have not participated in this rally, with prices tripling as the funds have reduced their longs.



TODAY'S MARKET IDEAS:

Better chances of rain this week could encourage some selling in the wake of Friday's move to new all-time highs. Momentum indicators are showing divergence with the most recent leg higher, but there is no technical indicator of a top. Look for support for July cocoa at 10,662 and 10,412, with resistance at 11,722.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/9/2024 - 4/16/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Softs						
Cocoa	21,769	-1,103	-28,293	+613	6,522	+489

COCOA TECHNICAL OUTLOOK:

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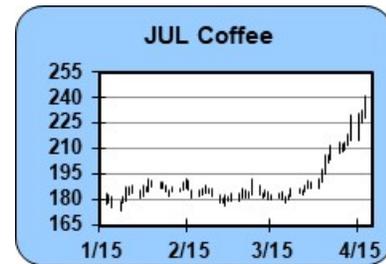
COCOA (JUL) 04/22/2024: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 12245. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 11897 and 12245, while 1st support hits today at 11025 and below there at 10502.

DAILY COFFEE COMMENTARY

4/22/2024

A new record net long for the funds.

The coffee market has avoided significant downside follow-through from last Thursday's wide-sweeping reversal. Vietnam's supply issues continue to underpin prices. Drier than normal conditions have the market expecting their 2024/25 crop come in lower than 2023/24. This has encouraged farmers to hold onto their remaining supplies. Growers in Karala, India are complaining that the lack of rainfall since January and high daytime temperatures are cutting into their robusta crop. Groundwater supplies are down as well due to successive years of drought, which reduces growers' ability to irrigate. India is the world's eighth largest coffee producer, and they mostly grow robusta. ICE exchange coffee stocks increased by 7,980 bags on Friday to reach their highest level since May 2023. Friday's Commitments of Traders report showed managed money traders were net buyers of 4,926 contracts of coffee for the week ending April 16, bringing their net long to a new record high of 71,811. This leaves the market vulnerable to heavy selling if support levels are violated.



TODAY'S MARKET IDEAS:

It may be difficult for the coffee market to put in a top until Vietnam sees consistent rain or the market gets a better idea of how Brazil's production will fare. Stochastics crossed to a sell signal last week, which is short term negative. Look for support in July NY coffee at 228.00 and 214.80, with resistance at is at 235.50 and 245.40.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/9/2024 - 4/16/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Coffee	76,932	+4,004	-79,584	-3,412	2,652	-591

COFFEE TECHNICAL OUTLOOK:

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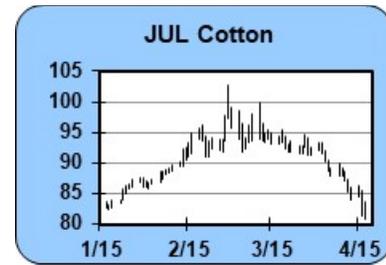
COFFEE (JUL) 04/22/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 222.75. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 236.90 and 242.95, while 1st support hits today at 226.80 and below there at 222.75.

DAILY COTTON COMMENTARY

4/22/2024

Oversold and no weather premium.

Friday's Commitments of Traders report showed managed money traders were net sellers of 25,890 contracts of cotton for the week ending April 16, reducing their net long to 36,142. As recently as March 5 these traders were net long 93,361. July cotton prices fell 20.15 (20%) during that timeframe, and a substantial portion of the selling appears to be fund liquidation. The steady rise in the dollar over the past several months undermines US export prospects at a time when competition is expected from Brazil and Australia as their crops come in. US soil moisture conditions last week were much improved over the past two years, with approximately 9% of US production in an area experiencing drought versus 40% a year ago and 55% two years ago. This bodes well for a strong start for the US crop this year. However, with the market having sold off to its lowest level since late last year, it could be vulnerable to any sort of bad weather news.



TODAY'S MARKET IDEAS:

With cotton prices down some 20% in less than two months, the market is technically oversold, and new crop cotton may need to build some weather premium. Look for support in July cotton at 79.65 and 77.66, with resistance at 83.72.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/9/2024 - 4/16/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Cotton	52,576	-24,836	-55,946	+27,792	3,371	-2,956

COTTON TECHNICAL OUTLOOK:

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COTTON (JUL) 04/22/2024: The crossover up in the daily stochastics is a bullish signal. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The close below the 9-day moving average is a negative short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next upside objective is 82.32. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 81.70 and 82.32, while 1st support hits today at 80.34 and below there at 79.59.

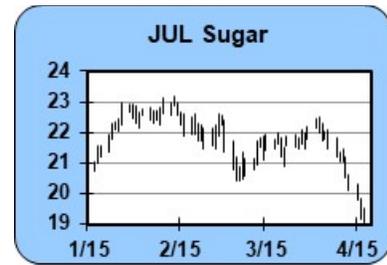
COTTON (DEC) 04/22/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The upside closing price reversal on the daily chart is somewhat bullish. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 76.82. More downside action may be limited by the RSI under 20 putting the market in extremely oversold territory. The next area of resistance is around 77.93 and 78.38, while 1st support hits today at 77.16 and below there at 76.82.

DAILY SUGAR COMMENTARY

4/22/2024

Indian exports could remain limited in 2024/25.

Extremely oversold conditions in July sugar have left the market vulnerable to short covering, especially with bullish supply numbers coming from three of the world's biggest producers. USDA FAS has projected India's 2024/25 centrifugal sugar production at 34.5 million tonnes, but it also reduced the 2023/24 forecast by 2.0 million tonnes to 34.0 million. They put 2024/25 exports at 3.7 million tonnes, stating that they expect the Indian government to maintain its export cap to meet the needs for domestic food consumption and the Ethanol Blending Program. The USDA attache in Brazil forecast that nation's 2024/25 nationwide sugar production at 44.0 million tonnes versus an upwardly revised 2023/24 forecast of 45.54 million. Thailand's Sugar and Cane Board said that their nation's 2023/24 sugar production will come in at 8.71 million tonnes, down 21.7% from 2022/23. Egypt's state grain buyers, the General Authority for Supply Commodities (GASC) bought 250,000 tonnes of raw sugar in a tender versus a previously announced figure of 200,000. Shipments are to arrive from May to July. Friday's Commitments of Traders report showed managed money traders were net sellers of 43,456 contracts of sugar for the week ending April 1, reducing their net long to 34,918. This was their smallest net long since January and was close to a flat/neutral level. The combined non-commercial and non-reportable position was the lowest since September 2022.



TODAY'S MARKET IDEAS:

India is looking like it will continue to limit sugar exports to support domestic ethanol production, Brazil's 2024/25 production is expected to be lower, Thailand's 2023/24 crop is down 21.7%, and spec long liquidation appears to be close to complete. A modest retracement of the selloff from the April high to last week's low puts an initial target in July sugar at 20.37, with support at 19.18.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 4/9/2024 - 4/16/2024						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Softs						
Sugar	41,190	-44,258	-28,666	+62,960	-12,524	-18,702

SUGAR TECHNICAL OUTLOOK:

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SUGAR (JUL) 04/22/2024: 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 market could take on a defensive posture with the daily closing price reversal down. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 19.03. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 19.74 and 20.02, while 1st support hits today at 19.25 and below there at 19.03.

OJ TECHNICAL OUTLOOK:

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ORANGE JUICE (MAY) 04/22/2024: Momentum studies trending lower at mid-range could accelerate a price

break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 351.90. The next area of resistance is around 361.10 and 365.25, while 1st support hits today at 354.45 and below there at 351.90.

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										
SBAN24	19.50	24.13	29.14	11.86	10.67	19.46	20.06	20.98	21.36	21.67
CTAN24	81.02	20.40	26.38	7.38	7.97	81.51	83.99	87.40	91.44	90.88
CTAZ24	77.55	16.13	21.78	9.51	5.74	78.16	79.64	81.66	82.90	82.74
CCAN24	11461	78.79	78.47	83.86	86.28	10595.25	10307.89	9806.22	7813.16	7109.40
OJAK24	357.75	42.05	45.78	44.35	31.33	361.04	365.88	366.66	365.32	361.47
KCAN24	231.85	73.92	74.35	87.22	82.51	232.93	224.54	211.29	194.31	192.48
MAK24	17.80	72.80	66.23	79.77	90.79	17.43	16.93	16.50	16.80	17.04

Calculations based on previous session. Data collected 04/19/2024

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						
SBAN24	Sugar	19.02	19.24	19.52	19.74	20.02
CTAN24	Cotton	79.58	80.33	80.95	81.70	82.32
CTAZ24	Cotton	76.81	77.15	77.59	77.93	78.38
CCAN24	Cocoa	10501	11025	11373	11897	12245
OJAK24	Orange Juice	351.85	354.40	358.55	361.10	365.25
KCAN24	Coffee	222.75	226.80	232.85	236.90	242.95
MAK24	Milk	17.20	17.54	17.71	18.05	18.22

Calculations based on previous session. Data collected 04/19/2024

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