***MORNING SOFTS COMMENTS***

 ***Jack Scoville***

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**Price Futures Group, CBOT**

**Chicago, IL**

**(312) 264-4322**

**jscoville@pricegroup.com**

**JSL, SA de CV**

**San Salvador, El Salvador (503) 2260-7806****jslsadecv@comcast.net**

**JSL, SA**

**San José, Costa Rica (506)2282-7024**

**jslsa@comcast.net**

**COTTON**

***General Comments:***CottonwassharplyloweronlongliquidationafterJulyfailed to takeouttheMarchhighs in early trading. Demandremainsstrong in exportmarkets as theweeklyexport sales reportshowedimprovedvolumes. Chart trends are up ondaily charts and onweekly charts. The weather in the western Great Plains isshowingsomeimprovement as someareashavefinallyseensomeprecipitation.However, theprecipitationwasminimal and not of muchbenefit to farmers. US farmers in justaboutallproductionareas plan to plant more Cotton, and theprecipitationwillhelpfarmers in thoseareasgetstarted. In contrast, farmers in the Delta and Southeasthaveseentoomuch rain and havehaddelays as soilsdryout.

***Overnight News:*** TheDeltaandtheSoutheastwillgetdrierweatherearlythisweek, butsomerains are likelyoverthesecondhalf of theweek.Temperaturesshouldbemostlybelow normal. Texas willseemostlycryconditions.Temperatureswill bebelow normal.The USDA averagepriceisnow77.94ct/lb. ICE saidthatcertified stocks are now 67,714 ba1es, from 67,997 bales yesterday. ICE saidthattherewere 51contractstenderedfordeliverytoday andthat total deliveries are now 51contracts.

***Chart Trends:*** Trends in Cotton aremixed. Support is at 8220, 7980, and 7860July, withresistance of 8230, 8400, and8540July.

**FCOJ**

***General Comments:***FCOJwashigheragain. The weather has beendry and theharvestisstarting to winddown in some áreas. The marketisstilldealingwith a short cropagainstweakdemand, and theweeklyMovement and Pack report in Florida isshowinghigherinventoriesyearonyear. The currentweatherisgood as temperatures are warm and itismostlydry, butsome light to moderaterainswerereportedovertheweekend. The harvestisprogressingwell and fruitisbeingdelivered to processors. Producers are nowintothe Valencia crop. Florida producers are seeing pea sized to marblesizedfruit. Conditions are reported as generallygood, although most producerswouldlike more rain. Irrigationisbeingused. Brazil alsocould use more rain. Variable conditions are reported in Europe and northernAfrica.

***Overnight News:***Floridashouldgetshowers and stormstoday, thenmostlydryweathertherest ofthisweek.Temperatureswillaveragenear to below normal. Brazil shouldgetmostlydryweather and near to abovenormal temperatures. The bestprecipitationshould be thisweekend.

***Chart Trends:***Trends in FCOJ areup withobjectives of 151.00 May. Support is at 143.00, 142.00, and 140.00 May, withresistance at148.00, 150.00, and 152.00 May.

**COFFEE**

***General Comments***Futures in New York werehigher as strong comercial buyingmetsomefundselling. A weaker US Dollarhelped créate new buyinginterest as well as somefund short covering. London was a littlehigher. More talkisbeing Heard aboutthesize of the net short speculative position, with ideas aroundthatit has becomewaytoobig. More and more traders are nowlookingforthemarket to reverse as thespecuatorgetsout of theway and tries to bookprofits,Sometraersnowthink a significant rally is justa round thecorner.Originisstilloffering in Central America and isstillfindingweakdifferentials. Goodbusinessisgetting done and exports are active. Tradersanticipatebigcropsfrom Brazil and from Vietnam thisyear and haveremained short in themarket. New York traders are talkingaboutgoodweathercurrentlybeingreported in Brazil and expectanotherbumpercrop. Robusta remainsthestrongermarket as Vietnameseproducers and merchants are notwilling to sell at currentprices and are willing to waitfor a rally. Vietnamese cash pricesweresteadyagainlastweekwithgoodsuppliesnoted in thedomesticmarket.

***Overnight News:***Certified stocks arelowertoday and are about 1.982million bags.The ICO compositepriceisnow113.71ct/lb. Brazil willgetdrierconditionsuntilshowersappearonSunday.Temperaturesshould be near to above normal. Colombia shouldgetisolatedshowers. Central America andsouthernMexicoshouldgetisolatedshowersordryconditions. Vietnam willgetshowers in thenorthstartingtomorrow. ICE saidthattherewere 0 deliveriestoday in New York and that total deliveriesforthemonth are 87 contracts.

***Chart Trends:***Trends in New York aremixed todownwithobjectives of 115.00 and111.00 July. Support is at117.00, 115.00, and 112.00July, and resistanceis at 121.00, 123.00 and 124.00 July. Trendsin London aremixed to up withobjectives of 1800, 1820, and 1870 July. Support is at 1740, 1720, and 1700July, and resistanceis at 1780, 1790, and 1810July.

**SUGAR**

***General Comments:***Futuresweresharplyloweragain in bothmarkets.There has beenlittle in theway of positive newsfortraders in thelastyear as producionewstimateshaveclimbed and demandestimateshavenot. The fundamentalsremainlittlechanged, and theredoesnotseem to be muchfornowthat can shakethemarketout of itscurrenttrend.Tradershearaboutbigproductionfromtheworldproducers and little in theway of specialdemandthatcouldabsorbsome of the surplus. Ideas thatSugarsuppliesavailable to themarket can increase in the short termhavebeenkey to anyselling. India is back toexportSugarthisyearafterbeing a net importerforthelastcouple of years.They hope to export 2.0 milliontonsthisyear, butwillhave a surplus thatis doublé thatamount.Thailand has produced a record crop and isselling. Brazil stillhas plenty of Sugar to sell, and eventhe EU has hado ver production in thepastyear.

***Overnight News:***BrazilwillgetdryweatheruntilsomeshowersreturnonSunday. Temperaturesshould be near to above normal.

***Chart Trends:***Trends in New York aredownwithobjectives of 1120 July. Support isat 1110, 1080, and 1050July, and resistanceis at 1180, 1200, and 1240 July. Trends in London aredownwithobjectives of 318.00 and 314.00 August. Support is at 322.00, 319.00, and 316.00 August, and resistanceis at 332.00,336.00, and 340.00 August.

**COCOA**

***General Comments***Futures werehigher inboth New York and Londonas thegrind data wasleftbehind and tradersinsteadconcentratedonthecurrencies. Ideas thatworldproductionhas beenlargelysoldremainpart of the rally. Showers and more seasonaltemperatureshavebeenseen in thelastfewweeks to improveoverallproductionconditions in West Africa. The midcropharvestisstarting, and wirereportsindicatethatsomeinitialmidcropharvestisunderway in Nigeria. No yieldreportshavebeenseenyet, butestimatesfromthe country implythat variable yields can be expected. The harvestshouldbeginsoon in IvoryCoast and Ghana.

***Overnight News:***Scatteredshowersareexpected in West Africa.Temperatureswillaveragenear toabovenormal. Malaysia and Indonesia shouldseefrequentshowers. Temperaturesshouldaverageabovenormal. Brazil willgetcryconditionsand near to abovenormaltemperatures. ICE certified stocks arehighertodayat 5.295million bags.ICE saidthat10deliverynoticeswerepostedagainst May Contracts and that total deliveriesforthemonth are now 147contracts.

***Chart Trends:***Trends in New York aremixed toupwithno objectives. Support is at2750,2700, and2670July, withresistance at 2860, 2890, and 2920July. Trends in London aremixed toupwithobjjectives of 1910July. Support is at 1810, 1780, and 1750July, withresistance at 1870, 1890, and 1910July.



**141 W. Jackson Blvd. Suite 1340A, Chicago, IL 60604  |  (800) 769-7021  |  (312) 264-4322 (Direct)   |** [**www.pricegroup.com**](http://www.pricegroup.com/)

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