ADM Investor Services, Inc.

Weekly Futures Market Summary

April 8, 2024 **by the ADMIS Research Team**

BONDS:

On the one hand, treasury prices deserved to slide late last week with the US jobs report showing much better than expected results. On the other hand, the magnitude of the declines in treasuries were undersized given the upside surprise in payrolls and the decline in the unexpected dip in the unemployment rate. However, given the four point slide in treasuries from the late March high, some traders think the trade has priced the latest reduction of rate cut hopes.

With a downside breakout and the lowest trade since November 30th the downtrend in treasuries has resumed early this week. Not surprisingly, dialogue in the markets has shifted into an inflation gear again partly because of the historic rally in gold, Bitcoin and crude oil prices which are nearing $90.00 per barrel. In fact, two Federal Reserve members at the end of last week deflated the prospect of US rate cuts further by reiterating their fears of "sticky" inflation.

We suspect a large portion of increased hawkish mentality is the result of the much hotter than expected US nonfarm payroll report as that gives the Fed cover to err to the side of extending its fight on inflation over supporting the economy. Therefore, Monday's New York Fed one year consumer inflation expectations report could take on more importance than normal with the markets attuned to anything related to inflation.

Not surprisingly, the CME Fed Watch tool has seen the probability of a June cut decline to 46% or nearly 20% below last week's highest probability of a June hike. While the bonds saw their net spec and fund long reverse into a net short last week, the market likely retains significant selling capacity.

Bonds positioning in the Commitments of Traders for the week ending April 2nd showed Non-Commercial & Non-Reportable traders went from a net long to a net short position of 14,133 contracts after net selling 48,659 contracts. T-Note positioning showed Non-Commercial & Non-Reportable traders added 65,857 contracts to their already short position and are now net short 576,365.

CURRENCIES:

In retrospect, the action in the dollar last week should be extremely disappointing to the bull camp as declining US rate cut prospects and strong monthly jobs data should have resulted in a larger recovery, with the bounce less than 40% of the initial washout last week. However, the euro zone posted very positive PMI data from earlier in the week and a cushion of the trade is still holding out hope for a US rate cut. While the dollar is not giving off definitive direction in the early trade this week, subtle shifts in global central banker views favor the bull camp with US rate cut timing pushed back again, the number of US rate cuts this year reduced again and some foreign central banks like the ECB and BOE thought to be poised to cut rates in June.

Even though today's New York Fed inflation expectations report is 3rd tier reading and is expected to show a minimal downtick, a dip in the dollar could be seen as a buying opportunity for aggressive short-term traders. Dollar positioning in the Commitments of Traders for the week ending April 2nd showed Non-Commercial & Non-Reportable traders are net long 289 contracts after net selling 707 contracts. With the euro sitting in the upper quarter of last week's trading range, US developments bearish for the euro and the trade leaving open the prospect of a June ECB rate cut, we see the euro vulnerable to selling. The Commitments of Traders report for the week ending April 2nd showed Euro Non-Commercial & Non-Reportable traders net sold 19,858 contracts and are now net long 31,824 contracts.

As in the euro, we see the path of least resistance pointing down in the Pound partly because of the potential strength in the dollar and partly because of a soft UK pay data report has temporarily increased the hope for UK rate cuts next month. On the other hand, the trade sees only a 25% chance the Bank of England will cut rates on May 9th. In retrospect, the Canadian deserved last Friday's massive washout as its economic condition deteriorated in the wake of jobs data with service sector jobs particularly soft. On the other hand, reducing the prospect of a June rate cut is last week's private Canadia Ivey PMI index reading which reached a 12 month high.

STOCKS:

Despite posting significant volatility in last Friday’s preopening trade and in the face of the US jobs data, the equity markets managed to delink from the constant need for improved chances of lower US interest rates and instead seem to be cheered by signs the US jobs market continues to hold together. In other words, the stellar jobs report lowers the prospect of a soft landing and accentuates the idea the US economy might not need rate cuts. Global equity markets at the start of this week were higher except for the markets in China which traded nearly 1% lower.

Apparently, strength in global equity markets was lost on US markets in the early trade with opening projections calling for unchanged to slightly lower action. Fortunately for the bull camp, the US trade mission to China has been low-key and seemingly producing some constructive interaction thereby (for now) avoiding fears of a trade war. In addition to the constant monitoring of likely Fed monetary policy, the trade will begin to fret over valuations as key earnings reports loom. According to one measure the US stock market is at the most "expensive" level in 23 months.

While the S&P appears to have found a shelf of support, the index has not thrown off the April corrective pattern on the charts. In addition to disappointment over the probability of and or timing of US rate cuts, the S&P should see some selling interest from another Boeing in-service mechanical problem and from the potential tightening of US data privacy laws as that could restrict big tech revenue sources. The Commitments of Traders report for the week ending April 2nd showed E-Mini S&P Non-Commercial & Non-Reportable traders are net short 11,787 contracts after net buying 74,949 contracts.

It goes without saying that the latest Boeing mechanical problem (737-800 loss of engine cover), deflated rate cut hopes, and fears of inflation from rising oil prices leaves the bear camp in control of Dow futures. The Commitments of Traders report for the week ending April 2nd showed Dow Jones $5 Non-Commercial & Non-Reportable traders are net long 19,887 contracts after net selling 4,359 contracts. In addition to negative macroeconomic forces the NASDAQ should see added pressure from news that US lawmakers have moved to restrict consumer data collection by big tech especially with the legislation allowing consumers to restrict the selling of their information. The April 2nd Commitments of Traders report showed Nasdaq Mini Non-Commercial & Non-Reportable traders added 715 contracts to their already long position and are now net long 2,779.

GOLD, SILVER & PLATINUM:

While the gold and silver markets exhibited significant two-sided volatility at the end of last week, the bull trend has clearly prevailed and is managing that action despite adversity from the dollar and interest rates. However, a small portion of the upside impetus this is likely the failed Middle East peace talks undertaken by Egypt. It appears that gold and silver ETF holdings have started to climb with the flat price of gold in a potential beginning of the end of the rally. In other words, when the small investors begin to jump into the market bullish sentiment could burn hot, and then burnout.

Unfortunately for the bull camp, gold is becoming classically overbought from various technical measures with the net spec and fund long in the positioning report registering the largest long since April 2021. However, if adjusted for the $54 in gains since the positioning report was measured, the net long is obviously understated. Similarly, the net spec and fund long position in silver is overdone with the reading last week the highest since March 2022. Furthermore, with the post COT report rally of $1.55, silver is probably the longest since May 2021.

However, keep in mind the World Gold Council last week indicated central banks continue to add to reserves despite the Chinese central bank indicating that their reserves went up minimally. In our opinion, the Chinese do not want the exact amount of gold purchased known to the world trade as in many other commodities as they would be fighting against themselves. Gold positioning in the Commitments of Traders for the week ending April 2nd showed Managed Money traders added 20,493 contracts to their already long position and are now net long 178,213. Non-Commercial & Non-Reportable traders were net long 253,014 contracts after increasing their already long position by 16,404 contracts.

The April 2nd Commitments of Traders report showed Silver Managed Money traders are net long 34,084 contracts after net buying 3,902 contracts. Non-Commercial & Non-Reportable traders were net long 66,905 contracts after increasing their already long position by 4,185 contracts. The April 2nd Commitments of Traders report showed Platinum Managed Money traders net bought 2,750 contracts which moved them from a net short to a net long position of 9 contracts. Non-Commercial & Non-Reportable traders were net long 15,934 contracts after increasing their already long position by 1,993 contracts. The April 2nd Commitments of Traders report showed Palladium Managed Money traders are net short 10,682 contracts after net selling 601 contracts. Non-Commercial & Non-Reportable traders added 174 contracts to their already short position and are now net short 10,155.

COPPER:

Even though the copper market is likely drafting some lift from the noted strength in industrial commodities like precious metal markets and energies, the trade is likely drafting ongoing support from the Chinese copper smelting industry move to reduce capacity and from the recent sign of improvement in the Chinese economy. The copper market is likely drafting a small measure of lift from an increase in daily per Chinese capita spending jumping 54% in March from February. However, it should be noted that Shanghai copper warehouse stocks have increased in 14 of the last 15 weeks and are currently at the highest level since April 2020.

Another threat to the bull camp and a likely precursor to significant volatility is the latest positioning report reading in copper which posted a net spec and fund long of 30,269 contracts. That positioning is also understated given the rally of $0.16. The Commitments of Traders report for the week ending April 2nd showed Copper Managed Money traders reduced their net long position by 4,907 contracts to a net long 15,362 contracts. Non-Commercial & Non-Reportable traders reduced their net long position by 1,753 contracts to a net long 30,269 contracts.

ENERGY COMPLEX:

Clearly, the massive range up rally in petroleum prices last week was attributable to the increase in tensions in the Middle East as the trade last week saw intelligence chatter suggesting Iran would strike Israel sooner rather than later. However, with the Israeli military pulling back some troops in southern Gaza and hope last week that Egypt could broker a solution, a corrective setback is possible. However, the peace deal has failed and global crude oil in floating storage fell by 17% versus last week's reading giving the bull camp fresh tight supply hope. The bull camp should also be cheered by news of record US TSA traveler figures and from reports of record jet fuel demand. Crude Oil positioning in the Commitments of Traders for the week ending April 2nd showed Managed Money traders added 12,045 contracts to their already long position and are now net long 229,484. Non-Commercial & non-reportable traders were net long 346,155 contracts after increasing their already long position by 16,198 contracts.

In fact, if adjusted for the rally from the positioning report to the high Friday, May crude oil rallied $2.50 potentially leaving the market with the largest net spec long in three years. In the near-term, the Middle East issues look to be supportive while the domestic US condition seems to be shifting bearish with EIA crude oil stocks building by 6.3 million barrels over the last two weeks and the deficit to year ago inventories cut in half from three weeks ago. Even though the April rallies have been forged on rising trading volume and higher open interest, the trade appears to be becoming somewhat price sensitive. As indicated in other coverage, we suggest those with long profits bank those profits or seek protection through bear put spreads.

In addition to further strength in crude oil, the gasoline market is indirectly supported by an outage at a Russian refinery (from flooding), a very strong US jobs report and by record US TSA checkpoint counts. While the significant jump in US refinery operating rate since early February has not built up US inventories yet, traders should watch for that news ahead. Unfortunately for the bull camp, the gasoline market has been the most overbought energy market from a net spec and fund perspective. In fact, the latest COT positioning report shows the noncommercial and nonreportable trade net long 96,524 contracts in gasoline which is the highest since the end of 2020.

Furthermore, adjusted for the post positioning report rally of 5 1/2 cents the net long in gasoline is probably the largest of the post pandemic era. The April 2nd Commitments of Traders report showed Gas (RBOB) Managed Money traders net bought 4,583 contracts and are now net long 83,632 contracts. Non-Commercial & Non-Reportable traders net bought 8,343 contracts and are now net long 96,524 contracts. Heating Oil positioning in the Commitments of Traders for the week ending April 2nd showed Managed Money traders net bought 2,427 contracts and are now net long 5,871 contracts. Non-Commercial & Non-Reportable traders added 6,133 contracts to their already long position and are now net long 34,079.

Even though natural gas has periodically managed to rally in what appears to be against definitively bearish fundamental information, the overall trend remains down. Perhaps the most bearish issue for the natural gas market is very high European seasonal adjusted inventories as that has shifted excess supply to Asia which creates competition for prices in the region. Furthermore, Russian gas flow continues to maintain a uniform pace through the Ukraine, the northern hemisphere shoulder season (between winter heating and summer cooling) has begun, and we expect weekly inventory reports to settle into a pattern of injections.

The latest COT positioning report showed the noncommercial and nonreportable net long positioning is likely the largest spec long since January of 2023. Natural gas positioning in the Commitments of Traders for the week ending April 2nd showed Managed Money traders were net short 83,182 contracts after decreasing their short position by 2,254 contracts. Non-Commercial & non-reportable traders are net short 96,332 contracts after net selling 3,667 contracts. In conclusion, the path of least resistance remains down unless something very surprising surfaces.

BEANS:

Weather will be the focus to start the week before USDA releases their March supply and demand report on Thursday morning. Significant parts of the Midwest have the ideal set up for planting, wet over the last couple weeks and now a warmer drier 6-15 day period coming up. Initial plant dates for crop insurance in Illinois are approaching. April 15 is the earliest plant date for the southern 1/3rd of the states, April 20 for central Illinois and April 24 for the northern counties. Very heavy rains are expected in the southeast US which could cause some replanting issues in that region. Brazil harvest is near 80% done and hedge pressure has likely already hit its zenith.

USDA census export data showed February bean exports at 193 million bushels, down from 197 million a year ago. Commitment of Trader's data showed managed money net shorts 138,000 contracts beans, up 3,500 for the week, short 43,000 contracts of meal, up 13,000 on the week, and long 8,500 contracts a bean oil, up 7,500 to a 5-month high. The April US supply and demand update will be out Thursday morning this week with weather the main market driver until then. Cheaper south American beans are expected to keep US exports from seeing any significant boost. The near-term operative range is 1168-1202 on May futures with weather favoring the bear camp.

The April 2nd Commitments of Traders report showed Soybeans Managed Money traders net sold 3,476 contracts and are now net short 138,256 contracts. CIT traders are net long 124,597 contracts after net selling 2,430 contracts. Non-Commercial No CIT traders are net short 156,362 contracts after net selling 4,360 contracts. Non-Commercial & Non-Reportable traders were net short 162,061 contracts after increasing their already short position by 6,865 contracts.

The Commitments of Traders report for the week ending April 2nd showed Soyoil Managed Money traders net bought 7,432 contracts and are now net long 8,383 contracts. CIT traders added 1,430 contracts to their already long position and are now net long 137,511. Non-Commercial No CIT traders net bought 1,370 contracts and are now net short 52,135 contracts. Non-Commercial & Non-Reportable traders were net short 1,673 contracts after decreasing their short position by 4,731 contracts.

The Commitments of Traders report for the week ending April 2nd showed Soymeal Managed Money traders are net short 42,892 contracts after net selling 13,103 contracts. CIT traders are net long 81,812 contracts after net buying 1,540 contracts. Non-Commercial No CIT traders net sold 10,089 contracts and are now net short 56,425 contracts. Non-Commercial & Non-Reportable traders were net short 27,815 contracts after increasing their already short position by 13,804 contracts.

CORN:

Volatility is expected to pick up later this week as USDA and CONAB give their April updates on Thursday morning. Until then, US weather will be the main focus for traders. Flooding concerns will increase in the next week over the Delta and Southeast as heavy rains are expected there, which may washout some of the early planted fields. The Eastern corn belt is expected to see precipitation later this week, while the Western belt and central Plains will see only light showers.

The latest Commitment of Trader's data showed Managed Money net short 260,000 contracts, an increase of 8,000 from the previous week and their most bearish stance in 4 weeks. China says their efforts to increase grain production have reached a bottleneck, and new actions will be needed to further increase grain output. We assume any new measures will include a more rapid rollout of GMO seed planting.

The Buenos Aries Grain Exchange updated their Argentine corn production to 52 million tonnes, down from 54.1 previously, due to disease pressure, specifically corn stunt disease. USDA stands at 56 million tonnes. Argentine corn conditions dropped 5% for the week and the crop is 11% harvested. A Reuters news article says the Biden Administration's GREET climate model update expected in May is likely to make it tougher for corn ethanol to qualify for sustainable aviation fuel credits, unless farmers use cover crops, efficient fertilizer applications or efficient tillage practices.

The CDC is recommending personal protection equipment for those working around wild birds or avian flu infected cattle, but so far have stopped short of recommending any cattle movement restrictions or culling of herds. This week's warm-up in temperatures will get farmers in the fields, especially across the Western belt and that may offer tough headwinds this week without any bullish news to offset. Support should still be strong on breaks, but rallies will be tough to extend to the upside until we see bullish weather forecasts.

The April 2nd Commitments of Traders report showed Corn Managed Money traders added 7,826 contracts to their already short position and are now net short 259,556. CIT traders net bought 7,854 contracts and are now net long 290,055 contracts. Non-Commercial No CIT traders added 15,614 contracts to their already short position and are now net short 272,131. Non-Commercial & Non-Reportable traders were net short 219,915 contracts after increasing their already short position by 6,227 contracts.

WHEAT:

Having stalled at moving average resistance last week, wheat looks poised for further short covering this week on continue dryness in the Southwest Plains and the Black Sea growing area. Central Oklahoma and central Texas are expected to see rains midweek, but Southwest Kansas and the Oklahoma Panhandle will miss out. Weekend conditions featured very high winds across the southern Plains, which didn't do the crop any favors.

Some bullish news coming out of India as their Flour Millers Association estimates the wheat crop at 105 million tonnes, down 6.25% from the government figure. In addition, the Chairman of India's Food Corporation says the company is expected to buy 31-32 million tonnes of wheat from domestic farmers this year, compared to 26.2 million last season. The Russian government may be using the grain quality issue to slow exports but for what reason we do not know. Russian wheat export prices have come up over the last couple weeks from a low of $198 to $209 per tonne.

The Commitments of Traders report for the week ending April 2nd showed Wheat Managed Money traders net bought 158 contracts and are now net short 91,944 contracts. CIT traders are net long 110,983 contracts after net buying 2,748 contracts. Non-Commercial No CIT traders were net short 116,644 contracts after increasing their already short position by 1,912 contracts. Non-Commercial & Non-Reportable traders were net short 62,359 contracts after decreasing their short position by 1,790 contracts.

The Commitments of Traders report for the week ending April 2nd showed KC Wheat Managed Money traders are net short 40,474 contracts after net buying 2,164 contracts. CIT traders reduced their net long position by 389 contracts to a net long 75,140 contracts. KC Wheat Non-Commercial No CIT traders hit a new extreme short of 61,105 contracts. Non-Commercial No CIT traders net sold 64 contracts and are now net short 61,105 contracts. Non-Commercial & Non-Reportable traders were net short 38,556 contracts after increasing their already short position by 1,288 contracts.

HOGS:

June hogs reached new contract highs last week on expectations for lower supply this summer, but this has taken the market to overbought levels. The USDA pork cutout reached its highest level since September 25 last week, which supports packer margins in the face of higher hog prices. The low price of pork relative to beef and the discovery of bird flu in dairy cattle may have also encouraged retailers to favor pork. If the flu story fails to create much concern by consumers, beef may regain favorability among retailers. The CME Lean Hog Index as of April 3 was 85.88, up from 85.15 the previous session and 84.25 the previous week.

The USDA estimated hog slaughter came in at 2.421 million head last week, up from 2.404 million the previous week and 2.370 million a year ago. Estimated US pork production last week was 521.2 million pounds, up from 517.6 million the previous week and 514.4 million a year ago. The USDA pork cutout came in at $97.84 on Friday, down 22 cents from Thursday but up from $93.06 the previous week. Friday's Commitments of Traders report showed managed money traders were net buyers of 11,977 contracts of lean hogs for the week ending April 2, increasing their net long to 76,928. This is their largest net long since February 2022, and leaves the market vulnerable to heavy selling if support levels are taken out.

CATTLE:

June cattle extended their selloff on Friday despite a lack of news on the Avian flu front. Slaughter and cattle weights were both higher last week, resulting in a surge in beef production. The USDA estimated cattle slaughter totaled 609,000 head for the week, up from 586,000 the previous week and 605,000 a year ago. The estimated average dressed cattle weight last week was 845 pounds, up from 843 the previous week and 820 a year ago. The five-year average weight for that week is 822 pounds. Estimated beef production last week was 513.7 million pounds, up from 494.5 million a year ago.

The USDA boxed beef cutout was 2 cents higher on Friday at $297.17. This was down from $306.72 the previous week but up from $292.91 a year ago. The five-area weighted average live cattle price last week was $186.19, down from $188.08 the previous week. In Texas/Oklahoma the average price was $184 versus $185.75 the previous week. Friday's Commitments of Traders report showed managed money traders were net sellers of 5,883 contracts of live cattle for the week ending April 5, reducing their net long to 53,281, which is in the middle of the historic range and would be considered neutral. The selling trend is short-term negative.

COCOA:

Cocoa prices extended their winning streak to seven positive weekly results in a row, but last Friday’s close was 529 points below last Tuesday’s record high and 645 points above last Thursday weekly low. With bearish supply developments at the start of the second quarter, cocoa remains vulnerable to a sizable near-term pullback. May cocoa followed through on Thursday’s late rebound with a sizable gain during Friday’s trading session. For the week, May cocoa finished with a gain of 29 points (up 0.3%).

Ghana’s Cocoa and Coffee Board announced that they would increase their fixed farmgate purchase price for cocoa beans by 58%. This is a slightly larger increase than Ivory Coast’s 50% hike but is well below the 187% increase that cocoa futures prices have seen since the start of the 2023/24 season in October. Given the financial difficulties that many cocoa farmers in both nations have suffered, these price hikes should increase the flow of cocoa beans to major West African port facilities. Ivory Coast and Ghana are looking at sharp reductions in their production this season, and that continues to be a major source of strength for the cocoa market going into the second quarter.

A positive turnaround in global risk sentiment after US jobs data should strength cocoa’s near-term demand outlook, and that also provided support to the market going into the weekend. The April 2nd Commitments of Traders report showed Cocoa Managed Money traders are net long 19,719 contracts after net selling 2,155 contracts. CIT traders are net long 20,667 contracts after net selling 1,024 contracts. Non-Commercial No CIT traders were net long 13,290 contracts after decreasing their long position by 1,492 contracts. Non-Commercial & Non-Reportable traders reduced their net long position by 2,114 contracts to a net long 30,450 contracts. Cocoa's managed money net long position continues to decline and has reached its lowest level since early last year.

COFFEE:

Coffee's upsurge has been fueled in large part by bullish supply developments, but the market should also benefit from stronger global risk sentiment as well. Last week's rally may leave the market vulnerable to profit-taking early this week, but coffee should remain well supported on near-term pullbacks. May coffee rebounded from early losses to reach a new 2024 high before finishing Friday's trading session with a sizable gain. For the week, May coffee finished with a massive gain of 23.65 cents (up 12.5%) which was a third weekly gain in a row and the largest weekly increase since July 2021. Expectations that Central American production will come in below last season's levels have underpinned coffee prices this week following news that Honduran and Costa Rican exports from October through March were below last season's pace.

Brazil's upcoming 2024/25 crop may not reach early trade forecasts due to recent heavy rainfall, and that also provided the coffee market with support. Colombia's March production came in at 866,000 bags which was 8.4% above last year's total. This put Colombia's 12-month output total at 11.441 million bags which was the highest reading since November 2022, but is well below the readings for March 2021 (14.271 million bags) and March 2020 (14.293 million bags). ICE exchange coffee stocks fell by 14,755 bags on Friday while no grading took place.

The Commitments of Traders report for the week ending April 2nd showed Coffee Managed Money traders were net long 57,325 contracts after increasing their already long position by 9,389 contracts. CIT traders net bought 3,477 contracts and are now net long 53,546 contracts. Non-Commercial No CIT traders were net long 43,059 contracts after increasing their already long position by 8,775 contracts. Non-Commercial & Non-Reportable traders were net long 67,110 contracts after increasing their already long position by 12,236 contracts. Coffee's managed money long is approaching the record high from early 2022, and that may leave the market vulnerable to a pullback.

COTTON:

May cotton fell to the 200-day moving average on Friday and bounced off that area at the start of this week's trading. The market has been under pressure recently from expectations that US exports will meet steep competition from Australia and Brazil as their crops come in, but the steep selloff last week has left the market in oversold condition and receptive to a rally. Export sales last week were flat, and cumulative sales for the 2023/24 marketing year are running behind the average pace. December cotton was also under pressure on Friday after the bounce off a lower-than-expected plantings number the previous week. US soil moisture is much better than a year ago, with only 7% of US cotton production area experiencing drought versus 46% a year ago.

In a Bloomberg survey for the USDA supply/demand report on Thursday, the average trade expectation for US 2023/24 ending stocks is 2.56 million bales, 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 in 2022/23. Friday's Commitments of Traders showed managed money traders were net sellers of 3,880 contracts of cotton for the week ending April 2, reducing their net long to 80,588. The net long is still near historic highs, which leaves the market vulnerable to heavy selling if support levels are taken out.

SUGAR:

After a positive start to the month and quarter, sugar prices lost strength for much of last week. With Brazil's Center-South cane harvest underway, sugar needs to find fresh bullish supply news to regain upside momentum. May sugar was unable to hold onto mild early gains as it fell to a 2 1/2 week low before finishing Friday's trading session with a sizable loss. For the week, May sugar finished with a loss of 0.53 cent (down 2.4%) and a negative weekly reversal from Monday's 5-week high. Brazil's Center-South cane harvest may see early delays due to recent rainfall, but the first half March Unica report showed cane crushing well above last year's levels.

The latest Unica report will be released later this week and will cover the second half of March. While those totals will count toward the 2023/24 season, if harvesting and crushing operations remain at high levels, it would indicate that the 2024/25 season should have a strong start which also weighed on sugar prices late this week. India and Thailand have seen increased production during the first quarter which also pressured the sugar market last week. The French Deputy Ag Minister said that French sugar beet farmers may use more pesticides on this year's crop, and that should result in larger 2024/25 Euro zone sugar production.

Sugar positioning in the Commitments of Traders for the week ending April 2nd showed Managed Money traders were net long 89,163 contracts after increasing their already long position by 20,651 contracts. CIT traders were net long 151,064 contracts after increasing their already long position by 6,842 contracts. Non-Commercial No CIT traders were net long 38,528 contracts after increasing their already long position by 14,080 contracts. Non-Commercial & Non-Reportable traders added 16,973 contracts to their already long position and are now net long 120,073. Sugar's managed money net long position has risen since the start of this year, but it remains well below levels seen during mid-2023.