FIS

Coking Coal Technical Report

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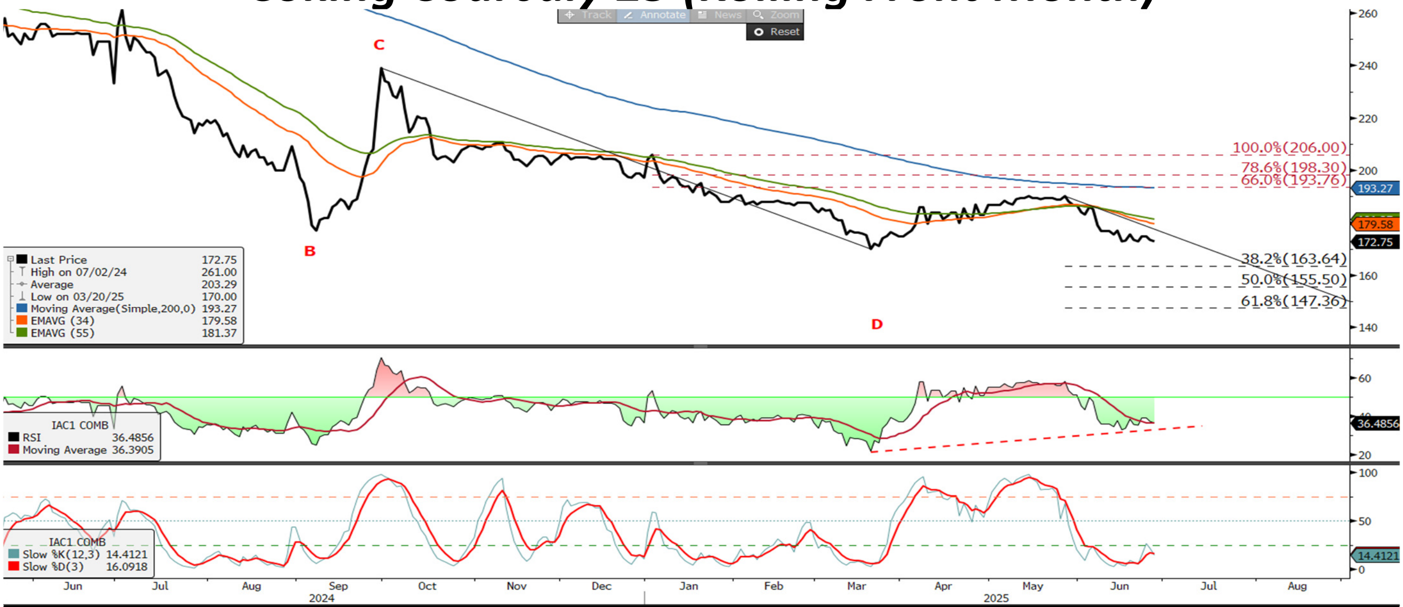
Coking Coal July 25 (Rolling Front Month)



Support		Resistance		last Price	Bull	Bear
S1	170	R1	190	172.75	Stochastic oversold	RSI below 50
S2	163	R2	193			
S3	155	R3	198			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- The futures remained technically bearish on the last report with price holding above the 34-55 period EMA's, whilst the MA on the RSI implies that momentum was supported. Previously we had noted that upside moves looked like they could be countertrend; however, the divergence failure warned that the USD 193 resistance was starting to look vulnerable. This was a key level going forward; if broken, the probability of price trading to a new low would start to decrease. As noted previously, the futures would need to see a close below the USD 179.5 level to signal price action is weakening.
- The futures rejected the USD 193 resistance, resulting in a close below the USD 179.5 level. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 193 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is starting to flatten, implying sell side momentum is starting to slow. The close below the USD 179.5 level is warning that the USD 170 fractal low could be tested and broken. However, a new low will create positive divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown. With the MA on the RSI starting to flatten, alongside the divergence coming into play below USD 170, we have a note of caution on downside moves at these levels.