



Coking Coal Onshore Intraday Technical

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DCE Coking Coal Active Contract (May 26) Intraday 4-hour



Support		Resistance		Current Price	Bull	Bear
S1	1,103	R1	1,138	1,125.5	RSI above 50	Stochastic overbought
S2	1,092	R2	1,158			
S3	1,077	R3	1,192.5			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above daily pivot level RMB 1,103
- Technically bearish on the last report, the MA on the RSI implied that momentum was weak; however, the new low meant that the futures were in divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. For this reason, we were cautious on downside moves at those levels, as the technical warned that they could be limited. If price and momentum became aligned to the buyside, or we closed above the high of the last dominant bear candle (RMB 1,073), it would indicate that buyside pressure was increasing, meaning the RMB 1,138 resistance could come under pressure. This was the key resistance to follow, if broken, then the probability of the futures trading to a new low would start to decrease.
- The futures sold to a low of RMB 1,009.5 before finding bid support on the divergence. Price and momentum became aligned to the buyside, resulting in the RMB 1,138 resistance being breached. We are above the EMA resistance band supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below RMB 1,103 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above RMB 1,055 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the strength of the upside move means that the probability of price trading to a new low has started to decrease. However, the move to a new high means we have a minor negative divergence in play, alongside a lower timeframe 5-wave pattern. This is warning that price is becoming vulnerable to an intraday pullback, making RMB 1,055 the key support to follow. Corrective moves that hold at or above this level will warn that there could be a larger, bullish Elliott wave cycle coming into play; conversely, if broken, the futures will be back in bearish territory, leaving the RMB 1,009.5 fractal low. Due to the lower timeframe wave cycle (highlighted) and the negative divergence, we are cautious on intraday upside moves in the near-term.