

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

Support		Resistance		Current Price	Bull	Bear
S1	1,058	R1	1,099	1,096		RSI below 50
S2	1,040	R2	1,130			
S3	1,009	R3	1,153			

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below daily pivot level RMB 1,099
- Technically bearish with a neutral bias on the last report, the MA on the RSI implied that we had very light momentum weakness; However, the corrective move lower had held above the RMB 1,058 support, warning there could be a larger, bullish Elliott wave cycle coming into play, making this the key support to follow. If broken, then the technical would be back in bearish territory. With downside support holding, we are currently cautious on corrective moves lower whilst above the RMB 1,058 level.
- The futures had a second test to the downside but have held above the RMB 1,058 support for the second time. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above RMB 1,099 with the RSI at or above 51.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above RMB 1,058 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the MA on the RSI implies that momentum is weak at this point. We now have a 3-wave pattern lower with price holding above the RMB 1,058 support, meaning we remain cautious on downside moves whilst above this level. If broken, then the technical will be back in bearish territory. If price and momentum become aligned to the buy side it will indicate that buy side pressure is increasing, warning resistance levels could be tested and broken.

Chart source Bloomberg