

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

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above daily pivot level RMB 1,119
- Technical outlook last week: Bullish correction.—The recent rally has produced a lower-timeframe negative RSI divergence, signaling a loss of momentum at elevated levels. While the broader technical bias remained bullish, price action appears to be in a corrective phase. The presence of divergence at Fibonacci resistance warranted caution, as it increased the risk of a near-term test of the Fibonacci support zone. Elliott Wave analysis suggested the current pullback was developing as a countertrend Wave 4, with RMB 1,124 identified as the key support level. Corrective retracements that hold above this level would confirm underlying demand and preserve the bullish structure. A break below RMB 1,124 would weaken the technical condition and materially increase the risk that the bullish wave cycle could fail. At that point, momentum was softening, but the broader bullish structure remained intact.
- The futures sold lower on the softer momentum resulting in the RMB 1,124 Fibonacci support being broken. We are below all key moving average supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above RMB 1,219 with the RSI at or above 48.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below RMB 1,200 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technical outlook: Neutral.
- The depth of the pullback below RMB 1,124 has weakened the broader bullish structure, increasing the probability that the bullish Elliott wave cycle may fail. RMB 1,200 is identified as the key resistance level to monitor; a rejection here would warn of the potential for further technical weakness. Conversely, a break above RMB 1,200 would reclaim bullish territory and signal that the RMB 1,245.5 fractal high could be tested and potentially broken. The RSI moving average suggests that momentum remains weak. A close that holds above the 200-period moving average at RMB 1,161 is required to indicate a meaningful increase in buy-side pressure.

Chart source Bloomberg