



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	1,101	R1	1,159	1,116.5		RSI below 50
S2	1,084	R2	1,176			
S3	1,061	R3	1,198			

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below daily pivot level RMB 1,152
- Technical outlook last week: neutral. The depth of the pullback below RMB 1,124 previously had weakened the broader bullish structure, increasing the probability that the bullish Elliott wave cycle could fail. RMB 1,200 was 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 suggested that momentum remained weak. A close that held above the 200-period moving average at RMB 1,161 was required to indicate a meaningful increase in buy-side pressure.
- The upside move in the futures has rejected the intraday 200-period MA (RMB 1,158), resulting in price selling lower. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above RMB 1,152 with the RSI at or above 48.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below RMB 1,198 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 technical structure remains neutral on the basis we are yet to make a lower low; however, the depth of this pullback and subsequent rejection of the intraday 200 period MA suggest the recent rally was not bullish impulse, this would imply that support levels are looking increasingly vulnerable. The counter argument to this is that below RMB 1,107 the intraday RSI will be in divergence, not a buy signal it warns that we could see a momentum slowdown, this will need to be monitored. If the divergence fails, it will leave the futures open to further downside moves. With the rejection of the 200-period MA alongside the bullish Elliott wave failure, we are becoming increasingly cautious on upside moves at this point.

Chart source Bloomberg

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