

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

Support		Resistance		Current Price	Bull	Bear
S1	1,094	R1	1,137	1,119	Stochastic oversold	RSI below 50
S2	1,057	R2	1,174			
S3	1,025	R3	1,198			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below daily pivot level RMB 1,137
- Technical outlook last week: neutral. We noted last week that in theory the move above USD 1,198 means that the technical had re-entered bullish territory. However, price had entered a consolidation pattern in the form of a symmetrical pattern, this was a neutral structure as it has both ascending and descending support lines. Directional bias should come from a close that holds outside of the pattern; current trend support and resistance was between RMB 1,158—RMB 1,184.
- The futures broke the symmetrical triangle to the upside, resulting in price trading to a high of RMB 1,233 on increased volume. However, despite the breakout and volume support the futures have sold lower. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above RMB 1,137 with the RSI at or above 51 will mean price and momentum are aligned to the buy side. Up-side moves that fail at or below RMB 1,198 will leave the futures vulnerable to further tests to the downside, above this level price will be in bullish territory.
- Technical outlook: bearish.
- The failure to sustain the symmetrical breakout to the upside carries bearish implications. This is reinforced by the RSI moving average, which signals weakening momentum, while the stochastic oscillator below 25 further supports the view of deteriorating momentum. These indicators warn that the RMB 1,107 fractal support could be tested and potentially broken. Price is drifting lower on reduced volume, suggesting the move currently lacks intensity; however, this may partly reflect thinner participation ahead of the upcoming holidays in China. Overall, the combination of a failed breakout and weakening momentum points to a continued downward drift into the holiday period.