



# 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	R1	1,123	RSI above 50	
S2	R2			
S3	R3			

### Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is above daily pivot level RMB 1,102
- Technical outlook previously: Momentum support
- Having held the daily 200-period MA previously the futures had moved higher on a positive divergence with the RSI, indicating caution on downside moves from. Upside moves above RMB 1,133 would confirm that the corrective phase had completed, warning the RMB 1,173 resistance could be tested and broken. This was a key level on the technical, if rejected it would warn that there could be a larger bearish cycle coming into play. Based on recent price action, the divergence, alongside the RSI breaking resistance, we are now cautious on downside moves.
- The futures initially rejected the intraday 200-period MA at RMB 1,124; however, the downside move failed to hold with price back testing the average. We are just above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below RMB 1,102 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below RMB 1,173 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Momentum support
- The downside move failed to hold, meaning we have a failed swing low, price is back on the intraday 200-period MA at RMB 1,124, technically we are at an inflection point. However, with initial support coming from a positive divergence, while the RSI moving average is moving higher, we are seeing momentum support. Price needs to trade above the RMB 1,133 level, if it does, it will signal the corrective phase has completed, making RMB 1,173 the key resistance to follow. If rejected it would warn that there could be a larger bearish cycle coming into play. Based on recent price action, the divergence, alongside, momentum support and the failed swing low, we continue to cautious on downside moves, as resistance is vulnerable.

Chart source Bloomberg

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