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	1,109	R1	1,140	1,115		RSI below 50
S2	1,102	R2	1,173			
S3	1,087	R3	1,194			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below daily pivot level RMB 1,140
- Technical outlook previously: Momentum support
- The downside move failed to hold previously, meaning we hade a failed swing low. Price was on the intraday 200-period MA at RMB 1,124, indicating we were at an inflection point. However, with initial support coming from a positive divergence, while the RSI moving average was moving higher, we were seeing momentum support. Price needed to trade above the RMB 1,133 level, if it did, it would signal the corrective phase had 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 continued to cautious on downside moves, as resistance was vulnerable.
- The futures traded to a high of RMB 1,195 before entering a corrective phase. Price is back 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 1,140 with the RSI at or above 56 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below RMB 1,173 would leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note, this level is back in play due to a move below the RMB 1,120 support.
- Technical outlook: Neutral
- We have a neutral approach on the technical, as price has breached key support in resistance within consecutive sessions. On the buyside, we are still above trend support at RMB 1,109; corrections that hold support will warn of the potential for further tests to the upside. On the sell side, the RSI has already broken trend support, warning of momentum weakness, leaving trend support vulnerable.