



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	1,128	R1	1,112	Stochastic oversold	RSI below 50
S2	1,088	R2			
S3	1,066	R3			

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is on below pivot level RMB 1,125
- Technical outlook previously: Failed breakout—support vulnerable
- We noted previously that the failed of the upside breakout had resulted in price selling below fractal support with the RSI breaching the 30 level, the momentum weakness warned that the RMB 1,110.5 fractal low could be tested and broken in the near-term. A downside breakout warned that we could trade as low as RMB 1,043; however, a new low had the potential create a positive divergence with the RSI, warning sell side momentum could slow, this needed to be monitored.
- The futures sold to a low of RMB 1,096.5 on the momentum weakness, 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 1,125 with the RSI at or above 35 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below RMB 1,226 will leave the futures vulnerable to further tests to the downside, above the level the technical will have a neutral bias.
- Technical outlook: Caution on downside moves
- The new low means that the futures are in divergence with the RSI; not a buy signal, it is a warning that we could see a momentum slow-down. In theory, we have a potential to trade as low as RMB 1,045 within this phase of the cycle; however, due to the divergence, we are cautious on lower moves at these levels. Market sellers should be cautious if the RSI closes above 38, as it will signal an increase in buy-side pressure.

Chart source Bloomberg