



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	1,045	R1	1,065	Stochastic oversold	RSI below 50
S2	1,014	R2			
S3	976	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is on above pivot level RMB 1,064
- Technical outlook previously: Caution on downside moves
- We noted previously that the new low meant that the futures were in divergence with the RSI; not a buy signal, it warned that we could see a momentum slowdown. In theory, we had the potential to trade as low as RMB 1,045 within this phase of the cycle; however, due to the divergence, we were cautious on lower moves at those levels. Market sellers should be cautious if the RSI closed above 38, as it would signal an increase in buy-side pressure.
- The futures sold to a low of RMB 1,043 before seeing light bid support. We remain below all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below RMB 1,064 with the RSI at or below 29 will mean price and momentum are aligned to the sell side. Up-side moves that fail at or below RMB 1,207 will leave the futures vulnerable to further tests to the downside, above the level the technical will have a neutral bias.
- Technical outlook: Upside moves considered as countertrend.
- The downside move has created a 5 wave pattern lower, suggesting we could be looking at a 5-3-5 correction, indicating upside moves should in theory be countertrend. We identify RMB 1,207 as the key resistance to follow; upside moves that fail at or below this level will leave price vulnerable to further tests to the downside. Conversely, if the RMB 1,207 resistance is breached, then the probability of price trading to a new low will begin to decrease. The RSI has moved back above 30, signaling that if price sells below the RMB 1,043 low, we will be divergent, meaning we continue to be cautious on downside moves at these levels.

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