FIS

Coking Coal Onshore Intraday Technical

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DCE Coking Coal Active Contract (Sep 26) Daily

Support		Resistance		Current Price	Bull	Bear
S1	1,224	R1	1,284	1,260		ROC below 0
S2	1,196	R2	1,291			
S3	1,153	R3	1,325			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 50-period SMA
- 21– period ROC is below 0 (-8)
- Price is below weekly pivot RMB 1,272
- Technical outlook previously: infection point
- We highlighted previously that the last trade in price was at RMB 1,273. The trend support was rising, it had been at RMB 1,266 in the last session, we noted that when we re-opened the support line would be at RMB 1,272. This meant that we are at an inflection point. If we open at RMB 1,272 or lower, it would attract selling pressure looking to test the RMB 1,225.5 fractal low. Conversely, if we held trend support we could see another test to the upside in the near-term. An indecision candle (Doji) that failed to hold above the daily 50– period MA at RMB 1,291 has been followed a bearish candle, suggesting trend support could be broken. Based on the depth of the pullback, we maintained a cautious approach to upside moves while below the RMB 1,397 level.
- The futures held above trend support for two more sessions but failed to reclaim the 50-period SMA, resulting in price breaking to the downside. The ROC remains below the 0 level.
- Upside moves that fail at or below RMB 1,284 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Caution on downside breakouts
- The break in trend support is countered by a bullish engulfing candle, implying there is underlying support in the market. If the 21 period ROC starts to close and hold above its resistance line it will signal that momentum pressure is increasing, warning we could see further buyside support; however, momentum support does not always equate to bullish price action, it is just a warning. Downside moves below RMB 1,225.5 have the potential to create a positive RSI divergence, imply market sellers should act with caution below this level if the divergence is met with bullish price action. Upside moves above RMB 1,284 will reduce the probability of price trading to a new low in the near-term. We identify RMB 1,397 as the key longer-term resistance, as a rejection at or below this level will signal a more complex corrective phase. With a potential divergence coming into play, we are currently cautious on downside breakouts to new lows, as this will also put price into the support zone highlighted on the chart..