Coking Coal Onshore Intraday Technical

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DCE Coking Coal Active Contract (Jan 27) Daily



Support		Resistance		Current Price	Bull	Bear
S1	1,546	R1	1,626	1,568.5		ROC below 50
S2	1,487	R2	1,635			
S3	1,437	R3	1,693			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 50-period SMA
- 21– period ROC is below 0 (-0.8)
- Price is below the weekly pivot RMB 1,629
- Technical outlook previously: Neutral
- We noted previously that the throwback had breached the RMB 1,619 support, the depth of the pullback indicated the wave cycle was neutral. Upside moves above RMB 1,710 would signal an increase in buyside pressure, leaving resistance levels vulnerable. We had a breach in key support while the 21-period ROC had broken trend support, suggesting caution on higher moves while below RMB 1,710.
- The futures failed to trade above the RMB 1,710 level, resulting in price selling lower. Price remains above the 50-period SMA with the ROC now breaching the 0 level.
- Upside moves that fail at or below the RMB 1,693 level would leave price vulnerable to further tests to the downside, above this level the technical will re-enter bullish territory.
- Technical outlook: momentum trend break
- The 10-period ROC has broken trend support, this is not prerequisite to a momentum change in price; however, momentum often turns before price, and can act as a warning. If the ROC trend break holds, we will need confirmation from price of buy-side support, meaning a close and hold above trend resistance at RMB 1,626 is needed. A close above trend resistance would warn that the USD 1,693 level could be tested; we identify RMB 1,693 as a key resistance, as a rejection at or below it would warn of a more complex corrective phase. Conversely, if breached, then the probability of price trading at a new low would start to decrease. There are warning signs of momentum support; however, confirmation from price is needed on this technical.

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