FIS Coking Coal Onshore Intraday Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

DCE Coking Coal Active Contract (Jan 27) Daily



Support		Resistance		Current Price	Bull	Bear
S1	1,466	R1	1,584	1,494	Stochastic oversold	RSI below 50
S2	1,371	R2	1,665			
S3	1,297	R3	1,736			

Synopsis - Intraday

Chart source Bloomberg

- Price is above the 50-period SMA
- The RSI is below 50 (41)
- Price is below the weekly pivot RMB 1,555
- Technical outlook previously: momentum trend break
- The 10-period ROC has broken trend support last week, this was not prerequisite to a momentum change in price; however, we noted that momentum often turned before price, and could act as a warning. If the ROC trend break held, we would need confirmation from price of buy-side support, meaning a close and hold above trend resistance at RMB 1,626 was 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 were warning signs of momentum support; however, confirmation from price is needed on this technical.
- The futures failed to produce a bull close above the trend resistance, resulting in price selling lower. We remain above all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below the RMB 1,665 level would leave price vulnerable to further tests to the downside, above this level the technical will re-enter bullish territory.
- Technical outlook: testing MA support
- The corrective move lower means price is testing the 50-period SMA at CNY 1,455 while the RSI is testing the 40 level. If price and momentum hold, then the futures will be vulnerable to a move higher. However, a close and hold below the MA with the RSI moving below 40 would suggest technical weakness, leaving the CNY 1,371 support vulnerable. We identify this as a key level on the technical, as throwbacks that hold at or above CNY 1,371 would warn that there could be a larger bullish Elliott wave cycle in play. Conversely, upside moves that fail at or below CNY 1,665 would suggest that the corrective phase has the potential to become more complex. With price approaching the 50-period MA support, we have a cautious approach to lower moves while above the average.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com