FIS Coking Coal Onshore Intraday Technical

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DCE Coking Coal Active Contract (Jan 27) Daily



Support		Resistance		Current Price	Bull	Bear
S1	1,371	R1	1,559	1,474.5	Stochastic oversold	RSI below 50
S2	1,297	R2	1,598			
S3	1,266	R3	1,651			

Synopsis - Intraday

Chart source Bloomberg

- Price is on the 50-period SMA
- The RSI is below 50 (41)
- Price is above the weekly pivot RMB 1,452
- Technical outlook previously: Inflection point
- The futures had closed below the rising 50-period SMA; however, we are yet to see bearish follow through, meaning we are at an inflection point. If we held below the average and sell lower, then the CNY 1,371 support would become vulnerable, as the RSI was already below 40. Conversely, caution would be warranted on a close back above the average, supported by the RSI reclaiming the 40 level, as it would signal underlying support in the market. The lack of sell side pressure following the close below the average (which is rising, indicating that the broader trend remained bullish), this meant that we had a cautious approach to lower moves at that point, as we needed to move lower to confirm the break.
- There has been no downisde follow through resulting in price trading on the 50 period MA at RMB 1,474. The RSI remains below 50 and is yet to reclaim the 40 level.
- Upside moves that fail at or below the RMB 1,651 level would leave price vulnerable to further tests to the downside, above this level the technical would re-enter bullish territory.
- Technical outlook: Inflection point
- The futures remain at an inflection point as price is trading on the 50-period SMA. Price is still vulnerable to further tests to the downside; however, below RMB 1,433.5 there is a chance that the intraday 4-hour RSI could be divergent; if it is, then caution is warranted on on downside breakouts. Conversely, as strong move below the 50-period SMA with the RSI moving to new lows would warn we could see the RMB 1,371 support come under pressure. With the potential to be divergent, we currently have a cautious approach to downside breakouts.

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