



# EUA Technical Report

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

## EUA Dec 24



Support	Resistance	Current Price	Bull	Bear	
S1	60.86	R1	68.65	Stochastic oversold	RSI below 50
S2	58.64	R2	71.06		
S3	56.24	R3	74.32		

### Synopsis - Intraday

Source Bloomberg

- Price is below the 34—55 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the weekly the daily pivot EUR 64.47
- We remained in a bearish trending environment last week with the MA on the RSI suggesting that momentum remained weak. Theoretically the RSI was still in divergence, as the futures were trading at new lows, but the RSI is holding at support levels. The divergence was marginal but continued to warn that we were vulnerable to a momentum slowdown, warning we could see a countertrend move higher. Channel support was at EUR 61.17 with the 200-period weekly EMA at EUR 69.87. We remained a cautious bear, as we continued to see warning signs that momentum was slowing down. The futures traded to a low of USD 60.86 before finding light bid support to trade back up to USD 66.43. We have moved down a timeframe this week, to take a closer look at the intraday 4-hour technical. Note: resistance levels on this report will be related to the intraday only, for longer-term support and resistance see last week's technical.
- The futures are below the 8-21 period EMA's with the RSI below 50. Upside moves that fail at or below USD 74.32 will leave the futures vulnerable to further tests to the downside, below this level the intraday technical will have a neutral bias, meaning that the probability of price trading to a new low will start to decrease.
- Although the daily divergence failed when we traded to a low of USD 60.86, the 4-hour chart remained in divergence, resulting in the intraday move higher. I have highlighted a lower timeframe Elliott wave cycle to illustrate that the current intraday upside moves looks to be a countertrend wave 4, meaning we are cautious on moves higher from here. Using Fibonacci projection levels, we have a potential downside target for this phase of the cycle at USD 53.83; however, below USD 60.86 the futures will be in divergence with the RSI. This means the minimum requirement for cycle completion will have been met, implying caution on the downside breakout as any divergence will need to be monitored. If we trade above USD 66.43 before making a new low, then downside targets will need to be revised higher. We should note that there remains a larger bearish cycle in play, we have moved to this timeframe to highlight near-term price action. Below is a basic outline on wave cycles. [https://en.wikipedia.org/wiki/Elliott\\_wave\\_principle#:~:text=The%20Elliott%20wave%20principle%20states,the%20wave%2C%20or%20price%20pattern.](https://en.wikipedia.org/wiki/Elliott_wave_principle#:~:text=The%20Elliott%20wave%20principle%20states,the%20wave%2C%20or%20price%20pattern.)

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](http://freightinvestorservices.com)