



EUA Technical Report

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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	
		63.45		

Synopsis - Intraday

Source Bloomberg

- Price is above the 34—55 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is on the weekly the daily pivot EUR 64.46
- Although the daily divergence had failed last week when we traded to a low of USD 60.86, the 4-hour chart remained in divergence, resulting in the intraday move higher. I 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. Using Fibonacci projection levels, we had a potential downside target for this phase of the cycle at USD 53.83; however, below USD 60.86 the futures would be in divergence with the RSI. This meant that the minimum requirement for cycle completion would have been met, implying caution on any downside breakout, as any divergence would need to be monitored. If we traded above USD 66.43 before making a new low, then downside targets will need to be revised higher. We noted that there remained a larger bearish cycle in play, we have moved to this timeframe to highlight near-term price action. The futures have consolidated for the last week with price remaining above the EUR 60.86 low but below the EUR 66.43 fractal high. Price is above the 8-21 period EMA's but on the weekly pivot level, the RSI remains below 50.
- Upside moves that fail at or below USD 74.32 will leave the futures vulnerable to further tests to the downside, above 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.
- We remain technically bearish, the MA on the RSI is suggesting we have light momentum support at this point; however, the EMA's are flat, implying that we lack directional bias. We continue to have a potential downside target at EUR 53.83 but suggest caution on downside breakouts as the futures will be divergent with the RSI, this will need to be monitored. Upside moves look like they could be countertrend based on the intraday Elliott wave cycle.

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