



EUA Technical Report

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Support	Resistance	Current Price	Bull	Bear
S1	R1	51.52	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the weekly the daily pivot EUR 57.19
- Technically bearish last week, our intraday Elliott wave cycle suggested that we had a potential downside target zone between EUR 53.83 – EUR 51.93. We maintained our view that upside moves looked like they would still be countertrend in the near-term, providing we did not trade below the EUR 55.41 fractal low. If we did trade to a new low the futures would create a second negative divergence with the RSI, warning we could see a momentum slowdown. As noted the previous week, there remained a larger bearish wave cycle in play, meaning upside moves would still be considered as countertrend on the higher timeframe. We remained a cautious bear due to the potential divergence alongside the MA on the RSI turning higher. The futures have continued to move lower with price below all key moving averages supported by the RSI below 50. Price is now below our downside target of EUR 51.93.
- Upside moves that fail at or below EUR 56.35 will leave the futures vulnerable to further tests to the downside, above this the futures will have a neutral bias; whilst above USD 59.05 the intraday technical is bullish. However, key resistance on the higher timeframe wave cycle is now at EUR 71.00.
- Technically bearish, there are now 3 positive divergences in play, meaning the futures are no longer considered a technical sell at these levels. This would also suggest that resistance levels are vulnerable, as we have another 5-wave pattern lower within this 5th wave. For Elliott wave enthusiasts, we appear to be on a wave 5 of a wave 5 on a higher timeframe wave 3. Technically we look to be nearing an exhaustion point with upside moves considered as countertrend (Elliott wave 4).

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