



EUA Technical Report

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	Support	Resistance	Current Price	Bull	Bear
S1	61.74	R1	66.97	64.43	RSI below 50
S2	59.33	R2	69.72		
S3	57.26	R3	71.58		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (47)
- Stochastic is below 50
- Technically bearish last week, the new low meant that we had a positive divergence in play, not a buy signal, it warned that we could see a momentum slowdown; we also highlighted that we had intraday divergences in play on multiple timeframes. Upside moves above EUR 65.08 would mean that the probability of the futures trading to a new low had started to decrease. A cautious bear, the futures were not considered a technical sell at those levels, as they could struggle to hold.
- The futures traded to a low of EUR 59.95 before moving higher on the back of the positive divergence with the RSI. The upside move has breached the EUR 65.08 resistance, meaning the technical now has a neutral bias. We are above the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above EUR 61.74 will support a near-term bull argument, below this level the technical will be back in bearish territory. Likewise, upside moves that reject the EUR 69.72 resistance will warn that there is potentially a larger, bearish, Elliott wave cycle in play.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. The MA on the RSI is implying we have light momentum support; however, we have the 200-period MA at EUR 66.38, this is a benchmark average which will need to be monitored. A close above that holds above the MA will further support a bull argument; likewise, a rejection of the average will warn that the EUR 61.74 support could come under pressure. Faster moving momentum indicators are suggesting that the 200-period MA could hold if tested in the near-term; however, the breach in the EUR 65.08 resistance would suggest that near-term price action is turning bullish, making EUR 69.72 the key resistance to follow on this technical.

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