



EUA Technical Report

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EUA Dec 24 (Daily)



	Support	Resistance	Current Price	Bull	Bear
S1	66.34	R1	68.21	RSI above 50	
S2	65.58	R2			
S3	64.56	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (56)
- Stochastic is above 50
- Technically bullish last week, we had a neutral bias as price had breached the EUR 63.49 support, meaning the probability of the futures trading to a new high was starting to decrease. However, as noted previously, the downside Elliott wave cycle looked to have completed, meaning we maintain a note of caution on moves lower. We had trend support at EUR 63.01, if we held above the support line, it would warn we had the potential to see further upside within this phase of the cycle; whilst a close below that held below the trend line would leave support levels vulnerable. We maintained a note of caution on downside moves due to the support line; however, there were conflicting signals, as price had rejected the Fibonacci resistance zone and failed to hold above the 200-period MA. We noted that if trend supports broke, market bears would be in control.
- The futures broke to the downside, but the move failed to hold, resulting in a bullish rejection candle that close back above the trend support, meaning buy-side pressure has since increased. We are above all key moving averages supported by the RSI above 50.
- Upside moves that fail at or below EUR 69.72 will warn that there could be a larger, bearish, Elliott wave cycle in play. Likewise, downside moves that hold above EUR 62.96 will warn that there is potentially a larger bullish Elliott wave cycle in play.
- Technically bullish, the downside rejection candle means that price is above the 200-period MA (EUR 66.19), if we hold above this average, it will further support a bullish argument. Likewise, failure to hold above the average would suggest caution, as it will imply that sell side pressure is increasing. Lower timeframe momentum indicators are warning that we are looking a little overextended to the upside, warning that we could see an intraday pullback, making EUR 64.56 a key level to follow. If we hold above this level, then resistance levels will remain vulnerable. As noted previously, our Elliott wave analysis suggests that the bearish wave cycle looks like it may have completed, meaning we maintain a note of caution on downside moves at this point. We are vulnerable to an intraday pullback; however, our wave analysis is implying caution on moves lower as they could struggle to hold.

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