



EUA Technical Report

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	Support	Resistance	Current Price	Bull	Bear
S1	64.35	R1	68.87	Stochastic oversold	RSI below 50
S2	63.13	R2	70.41		
S3	62.46	R3	71.62		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is below 50 (48)
- Stochastic is oversold
- Technically bearish last week, the MA on the RSI implied momentum was weak, whilst the RSI was making new lows, implying caution on moves higher in the near-term. The upside rejection of the trend resistance warned that support levels could be tested and broken.
- The futures traded to a low of EUR 64.05 before finding strong bid support on the 19/12 resulting in price trading to a high of EUR 68.70. Price is between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below EUR 70.41 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures traded and closed below trend support last week resulting in a technical sell off; however, the upside move means we are now back testing the trend line (EUR 68.21). In theory, support should act as resistance, suggesting caution on upside moves whilst below this level. If we reject it, the futures will be vulnerable to further tests to the downside. Likewise, a close above that holds above the trend line will warn that the EUR 70.41 level could come under pressure, if broken, then the probability of the futures trading to a new low will start to decrease. The RSI breakdown with price is warning that upside moves could struggle to hold (be countertrend); however, the bull candle on the 19/12 is dominant, suggesting market sellers will need to see confirmation of a rejection of the trend resistance before entering fresh shorts.

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