



EUA Technical Report

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	Support	Resistance	Current Price	Bull	Bear
S1	74.15	R1	80.28	RSI above 50	Stochastic overbought
S2	72.23	R2			
S3	69.61	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (63)
- Stochastic is overbought
- Technically bullish last week, as noted previously the upside move had been supported by the RSI making new highs, indicating the move was bullish impulse. Likewise, lower timeframe Elliott wave analysis suggested that downside moves look like they could be countertrend, making EUR 68.23 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. Upside moves that failed at or below EUR 74.72 would warn that there was potentially further downside within the corrective phase. However, we maintain a cautious view on downside moves at that point, as the technical suggests they could struggle to hold.
- The futures failed to trade lower (in line with our wave analysis) with price seeing a strong move higher over the last week. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 69.64 will support a bull argument, below this level the technical will have a neutral bias.
- Despite the strong move higher the technical is unchanged this week. We remain bullish on what looks to be an extended Elliott wave 3, implying downside moves should be countertrend, making EUR 69.64 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The 1-hour RSI is in divergence with price, whilst the futures are trading around the 200-period weekly MA (EUR 79.86), meaning we have a note of caution on upside moves at these levels, as the technical is warning that we are becoming vulnerable to a pullback.

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