



EUA Technical Report

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	Support	Resistance	Current Price	Bull	Bear
S1	71.00	R1	71.83	Stochastic oversold	RSI below 50
S2	68.43	R2			
S3	64.05	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Technically bullish but in a corrective phase last week, the MA on the RSI implied that momentum is weak. The futures had traded down to, but were holding above the 200 period MA (EUR 71.98). We noted that if we traded below this level and breached the EUR 71.00 support, then the probability of the futures trading to a new high would start to decrease, meaning there was a greater chance of the Elliott wave cycle failing. We were still in bullish territory whilst trading above the high of the previous days bear candle (EUR 73.97), if we closed above this level, then resistance levels could come under pressure in the near-term.
- The futures failed to close above the EUR 73.97 level, resulting in a move below the EUR 71.00 support. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below EUR 79.80 will leave the futures vulnerable to further tests to the downside, above the level will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of the futures trading to a new high has started to decrease. The MA on the RSI implies that momentum is weak; however, both the 1-and-4-hour timeframe are in divergence with the RSI, whilst intraday Elliott wave analysis suggests we have a 5-wave pattern lower, from the downside move that started on the 10/02 from a high of EUR 84.25. For this reason, despite the move below the EUR 71.00 support, we are cautious on move lower at these levels, as momentum and wave analysis suggests suggest they could struggle to hold.

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