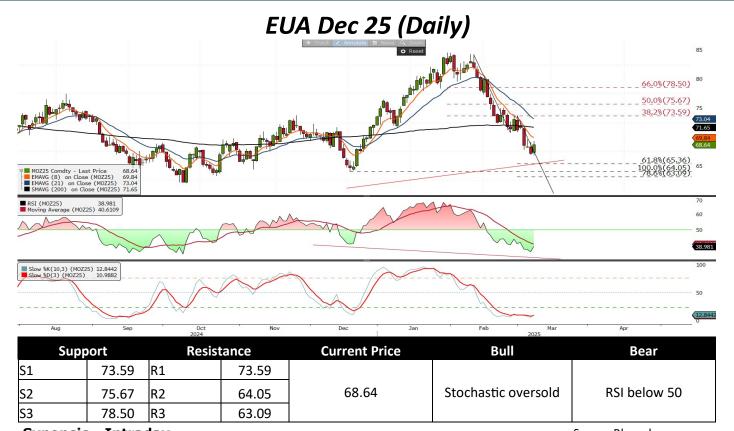
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FIS

EUA Technical Report

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Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (38)
- Stochastic is oversold
- Technically bullish with a neutral bias last week, the probability of the futures trading to a new high had started to decrease. The MA on the RSI implied that momentum was weak; however, both the 1-and-4-hour timeframes were in divergence with the RSI, whilst intraday Elliott wave analysis had 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 were cautious on moves lower at these levels, as momentum and wave analysis suggested they could struggle to hold.
- Despite the divergences last week the futures did see another move lower. We remain below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below EUR 78.50 will leave the futures vulnerable to further tests to the downside, above the level will be back in bullish territory.
- Technically bullish with the neutral bias, the MA on the RSI implies that momentum remains week. The depth of the pull-back does mean that the probability of the futures trading to a new high is decreasing. Despite the move lower last week, we still have a 5-wave pattern lower with price in divergence on both the 1-and-4-hour timeframes; however, if we remain at this levels or continue to move lower, it will create a bearish Elliott wave extension, as the oscillator cross on the intraday technical is marginal. We remain cautious on downside moves due to the divergences in play; however, the depth of the pullback does suggest that upside moves could struggle to hold, making USD EUR 78.50 the key resistance to follow. If broken, the technical will be back in bullish territory.

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