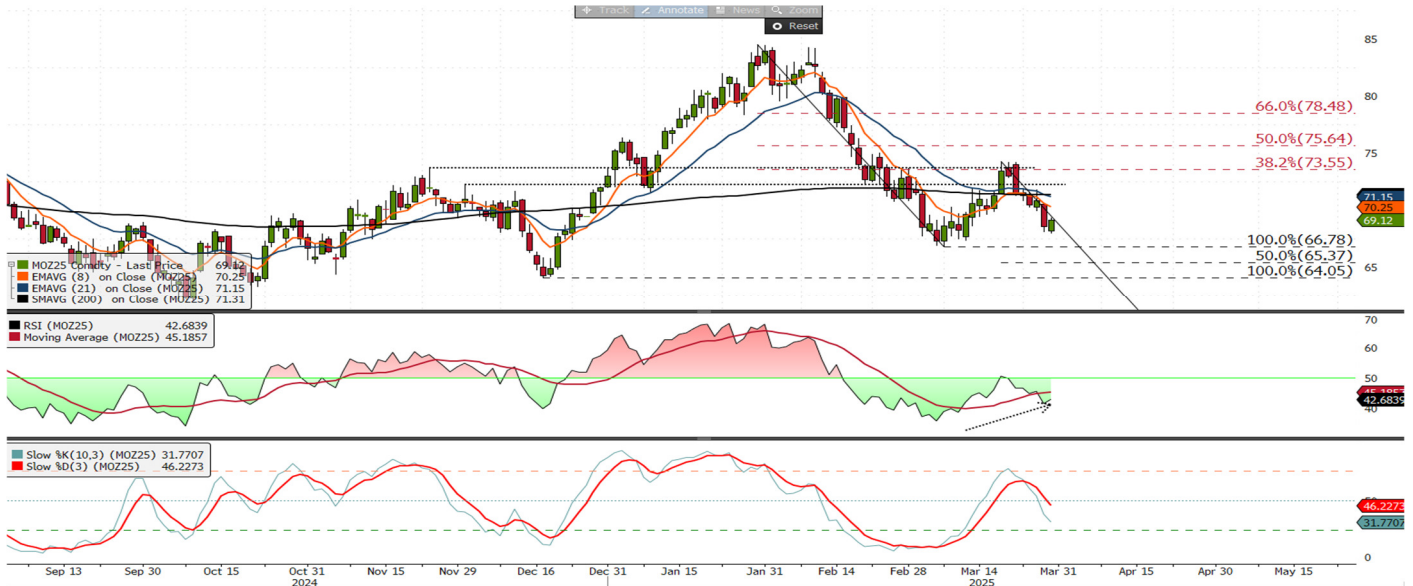




# EUA Technical Report

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## EUA Dec 25 (Daily)



Support	Resistance	Current Price	Bull	Bear
S1	66.78	R1	71.31	RSI below 50
S2	65.37	R2	73.55	
S3	64.05	R3	75.64	

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (42)
- Stochastic is below 50
- Unchanged on the technical last week, we remained bearish with a neutral bias (correction, price was bullish with a neutral bias). The MA on the RSI implied momentum was supported, whilst intraday Elliott wave analysis did warn that the bearish corrective phase may have completed, meaning we continued to have a note of caution on downside moves at that point. The futures were seeing a move lower, as price was struggling to hold above a fractal resistance zone that formed in November 24; however, we were still above the daily 200 period MA. A close below the average would warn that the EUR 69.31 support could come under pressure, as this would also mean that the futures would have closed below the low of the last dominant bull candle (EUR 71.50). If we held above EUR 69.31 level, it would support a near-term bull argument; if broken, then the USD 66.78 fractal would will become vulnerable. A were cautious on moves lower as EUR 69.87—EUR 69.31 was a key support zone.
- The futures closed below the EUR 71.50 level putting price below the 200-period MA (EUR 71.31), resulting in key support levels being broken. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below EUR 78.48 will leave the futures vulnerable to further tests to the downside, above the level will be back in bullish territory.
- The futures remain bullish with a neutral bias. The upside rejection of the fractal resistance zone has been followed by a move below the EUR 69.31 support level, warning the EUR 66.78 fractal support is now vulnerable. We do have a note of caution on downside breakouts below this level, as this will create a positive divergence with the RSI, not a buy signal, it warns we could see a momentum slowdown. Our Elliott wave analysis had suggested (and still does) that the bearish corrective phase looked to have completed. If we do trade below EUR 66.78 it will indicate (confirm) that there is a bearish wave extension in play. Unfortunately we cannot predict this will happen until it is confirmed: However, the upside rejection and the breach in key support does indicate that the odds of a wave extension are increasing. Market buyers will need to see price close above and hold above the 200-period MA (EUR 71.31) to signal buyside pressure is increasing.

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