



# EUA Technical Report

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## EUA Dec 25 (Daily)



	Support	Resistance	Current Price	Bull	Bear
S1	63.28	R1	67.10	Stochastic oversold	RSI below 50
S2	60.30	R2	68.46		
S3	56.51	R3	70.31		

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- The futures remained bullish with a neutral bias last week. The upside rejection of the fractal resistance zone had been followed by a move below the EUR 69.31 support level, warning the EUR 66.78 fractal support was now vulnerable. We did have a note of caution on downside breakouts below this level, as it would create a positive divergence with the RSI; not a buy signal, it warned that we could see a momentum slowdown. Our Elliott wave analysis had suggested (and still did) that the bearish corrective phase looked to have completed. If we did trade below EUR 66.78 it would confirm that there was a bearish wave extension in play. Unfortunately we could not predict this would happen until it was confirmed: However, the upside rejection and the breach in key support does indicate that the odds of a wave extension were increasing. Market buyers would need to see price close above and hold above the 200-period MA (EUR 71.31) to signal buy-side pressure was increasing.
- The futures did initially find bid support; however, with US tariffs being higher than expected, global commodity and energy prices have sold lower, carbon futures have gone with it. The futures have traded to a new low, confirming a bearish Elliott wave extension. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below EUR 70.31 will leave the futures vulnerable to further tests to the downside, above the level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is implying that we have light momentum weakness. The RSI is testing support, meaning that is a very minor divergence in play. However, lower timeframe Elliott wave analysis (based on the move lower from the EUR 70.72 high) is suggesting upside moves should be considered as countertrend, making EUR 70.31 the key resistance to follow. Upside moves this level will warn that the probability of the futures trading to a new low has started to decrease.

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