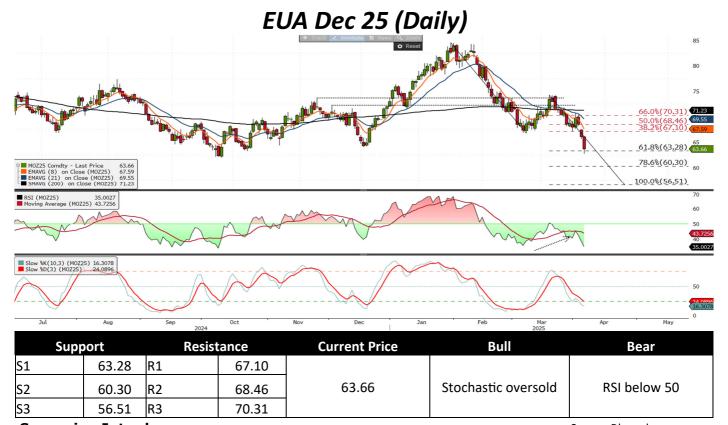
MISSIONS | OIL | FERROUS | FREIGHT | AGRI | METALS | ENERGY | PHYSICAL FREIGHT |

FIS

EUA Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120



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 creature a positive divergence with the RSI; not a buy signal, it warned that we could see a momentum slowdown. Our Ellott 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 buyside 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 form 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.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at <u>freightinvestorservices.com</u>