

EUA Dec 25 (Daily)



Support	Resistance	Current Price	Bull	Bear
S1	63.61	R1	69.42	
S2	60.30	R2	71.20	
S3	56.51	R3	74.23	
		68.71	RSI above 50	

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (51)
- Stochastic is above 50
- Technically bearish on the last report, the MA on the RSI implied that we had light momentum support. However, the futures were trading around the fractal resistance levels from March (highlight by red line on chart) whilst Elliott wave analysis suggested that upside moves should be considered as countertrend. Countering this, we had an inverse head and shoulders pattern on the RSI, supported by high volume on the momentum head (I.E. the market low). Momentum and volume were warning we could move higher, making EUR 69.42 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. The wave cycle and the technical were conflicting, the momentum support with volume meant that we were leaning towards caution on moves lower.
- The futures sold to a low of EUR 64.14; however, the move has failed to hold due to the momentum support, resulting in price trading above the EUR 67.08 fractal resistance. We are above the 8-21 period EMA's supported by the RSI above 50.
- Upside moves that fail at or below EUR 69.42 will leave the futures vulnerable to further tests to the downside, above the level the technical will have a neutral bias.
- Technically we are still bearish; however, the MA on the RSI implies momentum is supported, whilst price is moving higher on the momentum based inverse head and shoulder pattern highlighted last week. The upside moves is now approaching the EUR 69.42 resistance, if broken, then the probability of the futures trading to a new low will decrease, meaning there will be an increased probability that the bearish wave cycle could fail. Like last week, the Elliott wave cycle suggested upside moves should be considered as countertrend; however, we still lean to the buy side, based on the momentum support and increased volume, as it suggests downside moves could struggle to hold.

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