

## EUA Dec 25 (Daily)



Support	Resistance	Current Price	Bull	Bear
S1	70.71	74.27	RSI above 50	Stochastic overbought
S2	69.31			
S3	67.54			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Technically bearish but with a neutral bias last week, the probability of the futures trading to a new low had started to decrease, meaning there was a higher probability of the bearish Elliott wave cycle failing. Having closed above the 200-period MA on the 07/05 (EUR 70.69), price was trading back below the average (the candle was still open), meaning we are at an inflection point. We noted that EUR 71.49 was the 100% Fibonacci projection level of the initial move higher. Technically we are finding resistance, if we closed below and hold below the average, then we could see the Fibonacci support zone come under pressure, making USD 64.04 the key level to follow. A close below the low of the last dominant bear candle EUR 69.05 would warn that sell side pressure is increasing, leaving the futures vulnerable to a technical pullback.
- The futures closed below but failed to hold below the 200-period MA (EUR 70.71), resulting in price trading to new highs. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 65.15 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. The 4-hour RSI is now in divergence, warning that price is vulnerable to a technical pullback. A close below the low of the last dominant bull candle (EUR 70.52), will also put price below the 200-period MA (EUR 70.71), warning the Fibonacci support zone could come under pressure, making EUR 65.15 the key support to follow. If broken, then the probability of price trading to a new high will start to decrease. We are bullish; however, the intraday divergence means we are cautious on upside moves at these levels, as they could struggle to hold.