

FIS

EUA Technical Report

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Support	Resistance	Current Price	Bull	Bear
S1	R1	70.50		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (46)
- Stochastic is below 50
- Technically bearish yesterday, the futures were trading above the 200-period MA (EUR 70.98). We noted that if we held above the average, then resistance levels could come under pressure, making EUR 74.01 the key level to follow. A move above this level would mean that the probability of price trading to a new low would start to decrease. Conversely, a close below the average would leave the EUR 68.71 fractal low vulnerable. As highlighted previously, with the bullish Elliott wave cycle looking like it had completed, we are currently cautious on moves higher at this point, as the technical suggested they could struggle to hold. Downside moves that hold at or above EUR 65.66 will warn that there could be a larger, bullish, Elliott wave cycle coming into play.
- The futures have seen a test to the downside, but failed to trade below the EUR 68.71 fractal support. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below EUR 74.01 will leave the futures vulnerable to further tests to the downside, above this level will warn that there could be a larger bullish Elliott wave cycle coming into play.
- Technically bearish, the MA on the RSI implies that we have light momentum weakness. The futures have tested but are currently holding the EUR 69.41 level, this is two standard deviations below the linear regression line. A close that holds above the 200-period MA (EUR 71.06) will indicate that there was an underlying support in the market, warning the EUR 74.01 resistance could be tested and broken. If broken, the probability of the futures trading to a new low will start to decrease. We have a three wave corrective pattern lower that is holding linear support, warning the corrective phase may have completed, making EUR 74.01 the key resistance to follow. We are now cautious on downside moves, as resistance the 3-wave pattern lower (A, B, C) suggests that resistance levels are starting to look vulnerable.

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