

EUA Dec 25 (Daily)



Support	Resistance	Current Price	Bull	Bear
S1	R1	70.64		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (47)
- Stochastic is below 50
- Technically bearish on the last report, the MA on the RSI implied that we had light momentum weakness. The futures had tested but were currently holding the EUR 69.41 level, this was two standard deviations below the linear regression line. A close that held above the 200-period MA (EUR 71.06) would indicate that there was an underlying support in the market, warning the EUR 74.01 resistance could be tested and broken. If it was, then probability of the futures trading to a new low would start to decrease. We noted that we had a three wave corrective pattern lower that was holding linear support, warning the corrective phase may have completed, making EUR 74.01 the key resistance to follow. We were cautious on downside moves, as the 3-wave pattern lower (A, B, C) suggested that resistance levels were starting to look vulnerable.
- Having traded to a low of EUR 69.52 the futures had a small move higher; however, price is struggling to hold above the 200 period MA (EUR 71.23) at this point. 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 the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that we have light momentum support. The upside move to a high of EUR 72.39 failed to hold, resulting in a small rejection candle and a close below the 200-period MA. However, as noted previously, we have a note of caution on downside moves, due to the 3-wave corrective pattern, alongside linear regression support (2 standard deviation below at EUR 68.89). Price is consolidating within a symmetrical triangle, this is a neutral pattern with directional bias coming from a close that holds outside of the triangle (EUR 69.68 - EUR 72.26). However, as noted, we will have a note of caution on a downside breakout.

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