

EUA Dec 25 (Daily)



Support		Resistance		Current Price	Bull	Bear
S1	70.70	R1	72.72	71.04		RSI below 50
S2	69.55	R2	73.37			
S3	68.19	R3	74.01			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (49)
- Stochastic is above 50
- Technically bearish in the last report on the 18/07, the MA on the RSI implied that we had 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 had 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 was consolidating within a symmetrical triangle, this was a neutral pattern with directional bias coming from a close that held outside of the triangle (EUR 69.68 - EUR 72.26). However, as noted, we would have a note of caution on a downside breakout.
- The futures broke to the downside but the move failed to hold, resulting in price trading to a high of EUR 73.35, before seeing a technical pullback. We are below the 8-21 period EMA's with the RSI near-neutral at 49.
- 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. Likewise, downside moves that hold at or above EUR 65.66 will warn that there could be a larger, bullish Elliott wave cycle in play.
- The futures remain bearish with a neutral bias, with the MA on the RSI implying we have light momentum support. We have seen a failed downside and upside breakout from the symmetrical triangle, meaning the pattern is no longer in play; however, price remains neutral and at an inflection point, as we are on the 200-period MA (EUR 71.50). The upside move has rejected the linear regression line (EUR 73.37); if we hold above the daily 200-period MA and close above the EUR 73.37 level, then the USD 74.01 resistance will become vulnerable. If broken, then the probability of price trading to a new low will start to decrease. As noted previously, we have a note of caution on downside moves, due to the 3-wave corrective pattern. We highlight EUR 70.70 as a key level on this technical, as it is the most heavily traded area in the last 30-days. Market bulls will need to support this level, and should be careful if price starts trading and holding below it.

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