

EUA Dec 25 (Daily)



Support		Resistance		Current Price	Bull	Bear
S1	71.84	R1	72.72	72.70	RSI above 50	
S2	70.93	R2	73.35			
S3	69.55	R3	74.01			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (53)
- Stochastic is above 50
- The futures remained bearish with a neutral bias on the last report, with the MA on the RSI implied that we had light momentum support. We had seen a failed downside and upside breakout from the symmetrical triangle, meaning the pattern was no longer in play; however, price remained neutral and at an inflection point, as we were on the 200-period MA (EUR 71.50). The upside move had rejected the linear regression line (EUR 73.37); if we held above the daily 200-period MA and closed above the EUR 73.37 level, then the USD 74.01 resistance would become vulnerable. If broken, then the probability of price trading to a new low would start to decrease. As noted previously, we had a note of caution on downside moves, due to the 3-wave corrective pattern. We highlighted EUR 70.70 as a key level on this technical, as it was the most heavily traded area in the previous 30-days. Market bulls would need to support this level, and should be careful if price started trading and holding below it.
- The futures traded to a low of EUR 70.28; however the move failed to hold, resulting in an ascending triangle forming. Price is above all key moving averages with the RSI above 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. 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.
- Technically bearish, we have a neutral bias as price is trading in an ascending triangle pattern. Due to the rising trend support, the triangle does have bullish connotations; for upside continuation we will need to see a close that holds above EUR 73.35 on rising volume. Conversely, a break to the downside (EUR 70.93) will not need volume support, as the weight of the futures is considered enough. If we break to the upside and breach the EUR 74.01 resistance, then the probability of price trading to a new low will start to decrease. Neutral.

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