

EUA Dec 25 (Daily)



Support		Resistance		Current Price	Bull	Bear
S1	74.79	R1	79.17	77.57	RSI above 50	Stochastic overbought
S2	73.65	R2	81.97			
S3	72.12	R3	85.54			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Technically bullish last week, the MA on the RSI implied that momentum was supported. Having broken fractal resistance we had entered a corrective phase. However, our Elliott wave analysis suggested that downside moves should be considered as countertrend, making EUR 71.82 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.
- The futures traded to a low of EUR 75.10 before trading back to new highs. We remain supported with price above all key moving averages whilst the RSI is above 50.
- Downside moves that hold at or above EUR 72.12 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bullish, the MA on the RSI implies that momentum is supported; countering this, the new high means we now have a negative divergence in play. Not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. The pullback last week was not deep enough to qualify as the lower timeframe countertrend wave that we were looking for, meaning we have seen a lower timeframe Elliott wave extension. We are cautious on upside moves at these levels due to the divergence; however, downside moves should still be considered as countertrend, making EUR 72.12 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

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