

EUA Dec 25 (Daily)



Support	Resistance	Current Price	Bull	Bear
S1	R1	78.58	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (61)
- Stochastic is at 50
- Bullish but in a corrective phase last week, the MA on the RSI implied that momentum was weakening. Upside moves that failed at or below EUR 77.31 would leave the futures vulnerable to further tests to the downside; conversely, if broken, market bulls would look to test the EUR 78.45 fractal high. Our Elliott wave analysis continued to suggest that downside moves should 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 would start to decrease, increasing the probability of the bullish wave cycle failing.
- The futures traded to a low of EUR 74.51 before trading to a new high. We are above all key moving averages supported by the RSI below 50.
- Downside moves that hold at or above EUR 76.31 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high confirms that we are on an Elliott wave 5 for this phase of the cycle. Fibonacci projections levels suggest that we have the potential to trade as high as EUR 80.44; however, the new high means that the futures are in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, making EUR 76.13 the key support to follow. Below this level the probability of the futures trading to a new high will start to decrease. We are on an Elliott wave 5 whilst in divergence, warning we now have the potential to exhaust, meaning the futures are not considered as technical buy at these levels, as price is vulnerable to a corrective move lower.