

EUA Dec 25 (Daily)



Support		Resistance		Current Price	Bull	Bear
S1	76.50	R1	80.44	79.23	RSI above 50	
S2	75.59	R2	81.36			
S3	74.62	R3	82.05			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Technically bullish last week, the futures remained on a bullish Elliott wave 5 with Fibonacci projection levels suggesting we had a potential upside target between EUR 80.44 and EUR 81.36. Like the previous week we remained in divergence with the RSI, meaning we maintained our view that the futures were not considered a technical buy at those levels, as we were becoming vulnerable to a technical pullback. Key near-term support was at EUR 76.48, below this level the probability of the futures trading to a new high would start to decrease
- The futures traded to a high of USD 80.44 before selling to a low of EUR 76.68, meaning near-term support and resistance levels have both held. Price is now seeing bid support warning the EUR 80.37 resistance could come back under pressure. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 76.50 will support a near-term bull argument, below this level the technical will have a neutral bias. However, key longer-term support is at EUR 72.77.
- Technically bullish, the futures have held near-term support, warning the EUR 80.37 resistance is vulnerable; if broken, it will signal we have seen a lower timeframe Elliott wave extension. However, a new high will create a negative divergence with the RSI, not a sell signal, it is a warning we could see a momentum slowdown, which will need to be monitored. With price remaining elevated, it is looking like we are seeing a higher timeframe wave extension, suggesting downside moves should be considered as countertrend, making EUR 72.77 the key longer-term support to follow. Below this level the probability of the futures trading to a new high will start to decrease. Bullish, we have a note of caution on upside breakouts, as the divergence is warning we could struggle to hold above EUR 80.37 in the near-term.

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