FIS

EUA Technical Report

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EUA Dec 25 (Daily)

Support		Resistance		Current Price	Bull	Bear
S1	76.50	R1	80.44	77.31		
S2	74.62	R2	81.36			
S3	72.77	R3	82.05			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is at 50 (50)
- Stochastic is above 50
- Technically bullish last week, the futures had held near-term support, warning the EUR 80.37 resistance was vulnerable; if broken, it would signal that we had seen a lower timeframe Elliott wave extension. However, a new high would create a negative divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown, which would need to be monitored. With price remaining elevated, it was 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 would start to decrease. Bullish, we had a note of caution on upside breakouts, as the divergence warned that we could struggle to hold above EUR 80.37 in the near-term.
- The futures failed to trade to a new high, resulting in price entering a corrective phase. We are below the 8-21 period EMA's whilst the RSI is neutral at 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.
- The upside rejection last week has resulting in a small double top formation, warning the EUR 76.50 support could be tested and broken. If it is, then it will warn that the probability of the futures trading to a new high within this phase of the cycle will start to decrease. However, as highlighted previously, there looks to be a larger, bullish Elliott wave cycle in play, making EUR 72.77 the key support to follow. If this level is broken, then the Elliott wave cycle will have a neutral bias; if we hold, it will indicate another bull phase is to follow. The upside rejection with the threat of a negative divergence above EUR 80.37 means support levels are now vulnerable in the near-term.