

EUA Dec 25 (Daily)



Support	Resistance	Current Price	Bull	Bear
S1	R1	79.61	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (55)
- Stochastic is above 50
- The downside move in the futures last week was holding above the EUR 76.50 level; however, as highlighted previously, a double top formation alongside a negative divergence above EUR 80.37, meant that we remained cautious on upside moves in the near-term. Below EUR 76.50 the probability of the futures trading to a new high within this phase of the cycle would start to decrease, warning support levels could come under further pressure. Key longer-term support was at EUR 72.77, corrective moves that held above this level would imply that we had another bull phase to follow; if broken, then the higher timeframe Elliott wave cycle would become neutral.
- We were caught out last week as the futures have traded to a high of EUR 82.41 before entering a corrective phase. Price is between the 8-21 period EMA's supported by the RSI above 50.
- Downside moves that hold at or above EUR 73.47 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI failed at resistance on the upside move, meaning there is still a minor divergence in play. A close below the low of the high volume dominant bull candle (EUR 78.78) will indicate that buyside pressure is easing, warning the Fibonacci support zone could come under pressure, making EUR 73.47 the key support to follow. Below this level the technical will have a neutral bias. The upside move last week had been against our expectations, resulting in a bullish Elliott wave extension within the existing cycle from the low of EUR 68.86, meaning downside moves within this phase of the cycle should be considered as countertrend. EUR 78.78 is the near-term level to follow.

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