

EUA Dec 25 (Daily)



Support	Resistance	Current Price	Bull	Bear
S1	78.91	80.84	RSI above 50	
S2	77.47			
S3	75.82			
	R1			
	R2			
	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (57)
- Stochastic is above 50
- Technically bullish last week, the RSI had failed at resistance on the upside move, meaning there was still a minor divergence in play. A close below the low of the high volume dominant bull candle (EUR 78.78) would indicate that buy-side pressure was easing, warning the Fibonacci support zone could come under pressure, making EUR 73.47 the key support to follow. Below this level the technical would 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 was the near-term level to follow.
- The futures traded to a low of EUR 78.91 before trading back to a new high. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 73.60 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported; however, the RSI is now testing the average, warning momentum could potentially be transitioning to the sell side. The upside move to a high of EUR 82.79 has volume support, this is countered by three successive peaks, and a more prominent negative divergence with the RSI, warning momentum is potentially exhausting. For this reason, we are cautious on upside moves and upside breakouts in the near-term, as momentum is warning that we could struggle to hold. A close below the low of the last dominant bull candle (EUR 80.79) will imply sell side pressure is increasing.

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