FIS

EUA Technical Report

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EUA Dec 25 (Daily)

Support		Resistance		Current Price	Bull	Bear
S1	79.63	R1	82.05	80.53	RSI above 50	
S2	79.22	R2	84.10			
S3	78.65	R3	84.50			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (54)
- Stochastic is above 50
- Technically bullish last week, the MA on the RSI implied that momentum was supported; however, the RSI was testing the average, warning momentum could potentially be transitioning to the sell side. The upside move to a high of EUR 82.79 had 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 were cautious on upside moves and upside breakouts in the near-term, as momentum warned that we could struggle to hold. A close below the low of the last dominant bull candle (EUR 80.79) would imply sell side pressure was increasing.
- The futures have seen price close below the EUR 80.79 level, but price is holding between the 8—21 period EMA's whilst the RSI is above 50.
- Downside moves that hold at or above EUR 77.33 will support a bull argument, below this level the probability of price trading to a new high will start to decrease.
- Technically bullish, the Elliott wave cycle has become increasingly difficult to count (using my methodology). However, price is in a rising channel, but in divergence with the RSI, meaning we remain cautious on upside breakouts. We also highlight EUR 84.50 as a key level, as this was the Jan 25 high. The MA on the RSI implies we have light momentum weakness, it is also acting as a resistance to the RSI at this point. The technical conditioning is weakening; if we close below the channel support (EUR 79.22) it will waken the technical further. Fractal support is at USD 79.52, if this level is broken, the daily technical will be bearish.