

## EUA Dec 26 (Daily)



Support	Resistance	Current Price	Bull	Bear
S1	82.23	85.29	RSI above 50	
S2	79.77			
S3	78.06			
	R1			
	R2			
	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (61)
- Stochastic is above 50
- Technically bullish last week, we noted that the Elliott wave cycle had become increasingly difficult to count (using my methodology). However, price was in a rising channel but in divergence with the RSI, meaning we remained 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 implied we had light momentum weakness, it was also acting as a resistance to the RSI at that point. The technical conditioning was weakening; if we closed below the channel support (EUR 79.22) it would weaken the technical further. Fractal support was at EUR 79.52, if this level is broken, the daily technical would be bearish.
- The futures held channel support last week resulting in price trading to new highs, we are now looking at the Dec 26 contract. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 75.73 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that we have light momentum support, warning resistance levels are vulnerable. Channel support held last week, resulting in price moving higher, warning we could look to test the upper channel resistance at EUR 87.36. If broken, the EUR 86.99 fractal high from Jan 26 will come into focus. The new high means that the futures are in divergence with the RSI, not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored; however, the upside move has volume support at this point, supporting the bullish price action in the near-term. A close that holds below the channel support line (EUR 82.23) will warn that the Fibonacci support zone could come under pressure.

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