

## EUA Dec 26 (Daily)



| Support  | Resistance | Current Price | Bull         | Bear |
|----------|------------|---------------|--------------|------|
| S1 86.15 | R1 88.90   | 88.64         | RSI above 50 |      |
| S2 82.52 | R2 91.14   |               |              |      |
| S3 80.55 | R3 92.29   |               |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8–21 period EMA's
- RSI is above 50 (63)
- Stochastic is above 50
- Technically bullish last week, the futures looked to be on an Elliott wave ((5)) of this phase of the cycle. Higher timeframe Elliott wave analysis did suggest that downside moves should be considered as countertrend; however, price was in divergence, meaning we maintained a note of caution on upside moves above the EUR 88.88 fractal resistance. A close below the trend support line (EUR 85.34) would imply sell side pressure is increasing, warning the Fibonacci support zone could come under pressure. We were a cautious bull in the near-term.
- The futures have consolidated near third highs. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 77.88 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook—Cautious Bull. The futures continue to test their highs, we have highlighted a rounded bottom pattern indicating that buy-side pressure is increasing, warning resistance levels could be tested and potentially broken. Fibonacci projection levels based off our Elliott wave analysis indicate that we have a potential upside target at EUR 92.92 for this phase of the cycle. Countering this, as upside breakout above the EUR 88.88 double top pattern will create a negative divergence between price and the RSI. The divergence is not a sell signal but it does warn that buy-side momentum could weaken. The conflict between the rounding bottom pattern and the divergence indicates caution.