

FIS

EUA Technical Report

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Support		Resistance		Current Price	Bull	Bear
S1	89.73	R1	90.30	89.23	RSI above 50	
S2	82.19	R2	91.60			
S3	78.49	R3	93.80			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (55)
- Stochastic is at 50
- Technical Outlook last week: Bullish. The continued rally in the futures had resulted in the prior divergence failing, implying further extensions in the Elliott wave cycle. This supported the view that any downside moves should be considered countertrend in nature. We identified EUR 89.20 as the key near-term support level to monitor. Corrective throwbacks that held above this level would warn of further upside continuation. A sustained break below EUR 89.20 would weaken the near-term technical structure and suggest that price may be entering a higher-timeframe corrective phase. However, even if this near-term support is broken, the broader bullish technical outlook would remain intact. Both higher- and lower-timeframe Elliott wave cycles continue to indicate that any corrective moves should be viewed as occurring against the prevailing bullish trend.
- The futures witnessed an aggressive move down to EUR 83.52 before seeing an equally impressive bounce back up to EUR 90.82; however, fractal support was broken on the move lower, indicating we are bearish based on price. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above EUR 78.46 will support a longer-term bull argument.
- Technical Outlook: Bearish/neutral
- The downside move below the EUR 89.20 Fibonacci support and the EUR 87.10 fractal support indicates that the lower-timeframe Elliott wave cycle has failed, leaving the technical bearish based on price. However, there are conflicting signals: price has moved back into the rising channel, with the recent upside move breaching the EUR 90.30 resistance, suggesting that the probability of price trading to a new low has begun to decrease. Conversely, the RSI broke support on the prior move lower, implying that upside moves should be considered countertrend. These conflicting signals leave the technical outlook neutral. A close above the high of the recent rejection candle at EUR 90.82 would indicate an increase in buy-side pressure and warn that the EUR 93.80 fractal high could be tested and broken. However, the presence of two very large high-volume bearish candles warrants caution on upside moves unless we see a sustained close above EUR 93.80.

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