

EUA Dec 26 (Daily)



Support		Resistance		Current Price	Bull	Bear
S1	75.52	R1	82.92		77.84	Stochastic oversold
S2	73.24	R2	85.00			
S3	70.54	R3	87.82			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Technical Outlook last report: Bearish/neutral. The downside move below the EUR 89.20 Fibonacci support and the EUR 87.10 fractal support previously indicated that the lower-timeframe Elliott wave cycle had failed, leaving the technical bearish based on price. However, we noted that there were conflicting signals: price had 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 had begun to decrease. Conversely, the RSI had broken support on the prior move lower, implying that upside moves should be considered countertrend. These conflicting signals left 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 warranted caution on upside moves, unless we saw a sustained close above EUR 93.80.
- The futures failed to test the upside rejection candle, resulting in price selling to new lows. We are below all key moving averages with the RSI below 50.
- Upside moves that fail at or below USD 87.82 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: bearish—caution on moves higher
- Futures previously closed below the 200-period moving average at USD 78.87 and continue to trade beneath this level. While price remains below the average, sellers are likely to target the USD 73.24 Fibonacci support. The RSI moving average indicates that momentum remains weak, while the ADX, currently at 36 and rising, suggests a strengthening bearish trend. This environment implies that upside moves are likely to struggle to hold. A sustained close back above the 200-period moving average would signal increasing buy-side pressure; however, given the current momentum profile, we remain cautious on any upside attempts while price remains below the USD 87.82 resistance.