



EUA Technical Report

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	Support	Resistance	Current Price	Bull	Bear
S1	63.07	R1	74.84	RSI above 50	
S2	61.99	R2	77.83		
S3	58.96	R3	80.88		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (52)
- Stochastic is above 50
- Technical Outlook last week: Negative reversal pattern—cautious on upside moves
- We noted previously that the futures were moving higher on the positive divergence with the RSI; however, the RSI was about to test and potentially break resistance, price was not. This was known as a negative reversal pattern, warning price remained vulnerable to further tests to the downside in the near-term. If the RSI made a new high, and price traded above EUR 74.48, then we would have positive momentum confirmation, implying buy-side pressure was increasing. In this scenario, the Fibonacci resistance zone would become vulnerable.
- The futures remain supported but below the EUR 74.84 level. We are above the 8-21 period EMA's supported by the RSI above 50.
- Upside moves that fail at or below EUR 83.50 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Negative reversal pattern—cautious on upside moves
- Unchanged on the technical today, the futures remain supported but below the EUR 74.84 fractal resistance; however, the RSI has broken resistance, meaning the negative reversal pattern highlighted previously is in play. This pattern is not a sell signal, it will need confirmation, but it does warn that price behaviour is weaker than the RSI, meaning we continue to be vulnerable to a move lower. If however the futures trade above the EUR 74.84 level, then price and the RSI will have made a new high, meaning we will have bullish momentum confirmation. This would signal an increase in buy-side pressure, warning the Fibonacci resistance zone would become vulnerable.

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