



EUA Technical Report

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EUA Dec 26 (Daily)



Support	Resistance	Current Price	Bull	Bear
S1	R1	75.13	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (54)
- Stochastic is above 50
- Technical Outlook last week: Sell side pressure increasing.
- We noted last week that the futures had rejected the 200-period MA, while the RSI had produced a failed swing high, implying sell side pressure was increasing. We highlighted a bullish argument as we had a positive reversal pattern in play; however, the third wave higher between EUR 71.25—EUR 78.07 had a 66% retracement at EUR 73.57, which had been broken. Working on the bases that we had rejected the 200 MA, supported by a deep pullback, and a failed swing high with the RSI, our analysis suggested that support levels were becoming increasingly vulnerable.
- The futures held the EUR 72.35 Fibonacci support resulting in price trading to a high of EUR 77.11 before seeing a small pullback. We are above all key moving averages with the RSI above 50.
- Upside moves that fail at or below EUR 83.36 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: caution on upside moves
- Although the futures have seen light bid support, price remains below the 200-period MA at EUR 78.56. The structure of the upside moves has been a 3-wave pattern that ended in an intraday divergence, suggesting the move is countertrend rather than bullish impulse. Downside moves below EUR 72.43 will signal an increase in sell side pressure, warning support levels could be tested. Conversely, for upside continuation the futures will need to close and hold above the 200-period MA, supported by the intraday RSI making new highs. With the structure suggesting the move higher was countertrend, we maintain a cautious approach to upside moves at this point.

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