



EUA Technical Report

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Support	Resistance	Current Price	Bull	Bear
S1	R1	75.83	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (55)
- Stochastic is above 50
- Technical Outlook last week: caution on upside moves
- Although the futures had seen light bid support previously, price remained 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 was countertrend rather than bullish impulse. Downside moves below EUR 72.35 would 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 maintained a cautious approach to upside moves at this point.
- The futures remain supported with price holding above the 8-21 period EMA's while the RSI is 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: supported
- Although price has not changed since last week, the technical has. The consolidation phase looks like it is turning into an inverse head and shoulders continuation pattern. A close above the high of the left shoulder at EUR 78.07 would be considered as bullish; however, as highlighted previously, for upside continuation we would like to see a close and hold above the daily 200-period MA at EUR 78.70. Conversely, downside moves below the low of the right shoulder at EUR 73.69 would signal an increase in sell side pressure. The market is showing evidence of support; technically we remain conservative and need to see a close hold above the daily 200-period MA to convince price is going to run.

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