



EUA Technical Report

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Support	Resistance	Current Price	Bull	Bear
S1	R1	80.12	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- Technical Outlook last week: inflection point
- We noted previously that the futures had entered a corrective phase with price back below the 200-period MA. However, the pullback was testing an area that had previously acted as a resistance (EUR 76.20—EUR 77.45), this now has the potential to act as a support zone. We also note that the RSI was at 52; if it went below 50 while price is above EUR 74.80, then we would have a positive reversals pattern in play. With price on support and the positive reversal pattern below us, we were cautious on downside moves, as they could struggle to hold.
- The futures traded to a low of EUR 75.60 with the RSI making a new low, creating a positive reversal pattern, resulting in price trading at a high of EUR 82.28 before seeing a light throwback. We are between the 8-21 period EMA's supported by 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
- The futures are in the process of rejecting trend resistance, while the RSI has broken trend support. I originally had this marked as a W, X, Y pattern; however, it is now looking like a rising wedge with 5-points of contact (Note, this should possibly be market as A to E). The ADX does signal that we are in a trending environment, but the rejection of the resistance line is also supported by an intraday divergence, meaning we are currently cautious on higher moves. We have key support at EUR 77.90 and trend support at EUR 77.81; for clarity, price will need to close and hold below trend support to confirm weakening price action.

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