FIS

EUA Technical Report

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Support		Resistance		Current Price	Bull	Bear
S1	83.09	R1	84.47	83.67	RSI above 50	Stochastic overbought
S2	80.32	R2	87.23			
S3	79.45	R3	93.80			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Technical Outlook last week: Sell side pressure increasing
- We noted last week that the futures were below the 200-peirod MA at EUR 79.19, while the breach in the EUR 77.90 level implies that the probability of price trading to a new high had begun to decrease. The RSI had negative velocity and negative acceleration, meaning we had bearish momentum confirmation, this indicated that sell side pressure was increasing. Price had rejected key resistance and breached key support, we had broken trend support with the futures below the 200-peirod MA. Technically, we were cautious on higher moves at that point. For upside continuation, price would need to breach the USD 83.36 resistance.
- Everything on the technical warned that we would move lower last week; however, price has seen bid support, resulting in a move to new highs, this will be linked to the situation in the strait and its subsequent effect on gas prices. Having traded to a high of EUR 86.91 the futures have seen a small technical pullback.
- Downside moves that hold at or above EUR 80.32 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Bearish Harami pattern
- Yesterdays bearish price range remained within the body of the previous bull day, meaning we have a bearish Harami pattern in play. This pattern is a warning, that we could enter a corrective phase, we still need to see bearish confirmation. The upside breakout means the A to E pattern has failed, implying the move higher could be bullish impulse; however, we are struggling to get the shape of the Elliott wave cycle to fit at this point. We do have a series of highs and low and a bullish trend support line that supports the bull technical. Throwbacks that hold above the trend support line at EUR 79.45 would warn of further upside; conversely, a close and hold below the support line would signal an increase in sell side pressure. If we see the Harami pattern coming into play with the RSI holding below 60, then we could see trend support being tested.