FIS

EUA Technical Report

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Support		Resistance		Current Price	Bull	Bear
S1	81.22	R1	86.66	83.45	RSI above 50	Stochastic overbought
S2	80.32	R2	87.23			
S3	79.06	R3	93.80			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (57)
- Stochastic is at 50
- Technical Outlook last week: Bearish Harami pattern
- We noted in the last report that price remained within the body of the previous bull day, meaning we had a bearish Harami pattern in play. This pattern was a warning that we could enter a corrective phase, we still needed to see bearish confirmation. The upside breakout meant that the A to E pattern had failed, implying the move higher could be bullish impulse; however, we were struggling to get the shape of the Elliott wave cycle to fit at that point. We did 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 the Harami pattern come into play with the RSI holding below 60, then we could see trend support being tested.
- The futures sold to a low of EUR 80.98 on the Harami pattern, meaning the trend support line has held. Price is now moving higher, we are above all key moving averages support by the RSI above 50.
- 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: Supported
- Having held the channel support line we are now seeing buyside pressure. A move above the fractal resistance at EUR 83.77 would indicate further buyside pressure, warning that the upper channel resistance at EUR 86.66 could be tested. Market buyers should be cautious if the RSI rejects the 60 level, as it will leave price vulnerable to a technical pullback.