FIS EUA Technical Report

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Support		Resistance		Current Price	Bull	Bear
S1	84.47	R1	87.23	84.80	RSI below 50	
S2	84.09	R2	88.53			
S3	82.72	R3	89.32			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (47)
- Stochastic is below 50
- Technical Outlook last week: Buyside pressure increasing
- We noted last week that the small pullback had found bid support resulting in a failed swing low, signaling buyside pressure was increasing, we also note that the RSI is in the process of trying to reclaiming the 60 level. A close and hold above 60 would suggest that the EUR 88.55 fractal high could be tested and broken. The caveat, an upside breakout had the potential to create a negative RSI divergence, implying caution above this level. We also highlighted that we have trend resistance at EUR 88.88; If we were divergent, this resistance could prove significant. The market was showing signs that it remained supported; however, caution was warranted if the RSI rejected the 60 level, as it will warn of momentum weakness.
- The RSI rejected the 60 level resulting in price selling lower. We are below the 8-21 period EMA's supported by the RSI below 50.
- Downside moves that hold at or above EUR 80.87 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Descending triangle pattern
- The failure to reclaim the 60 level has resulted in the RSI moving below 50, the momentum rejection warns that support levels are becoming vulnerable. This upside rejection by price means we have a descending triangle pattern forming, the falling trend line has bearish connotations. If the futures close and hold below the EUR 84.07 support, then the triangle pattern will be in play, warning the EUR 80.87 support could be tested and broken. We are still in a trending environment; however, a falling ADX is indicating that the trend condition is showing signs of weaken. The technical is suggesting that caution is currently warranted on upside moves. To signal buyside pressure is increasing, the RSI will need to reclaim and hold the 60 level, supported by price breaking and holding the trend resistance at EUR 87.37.

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