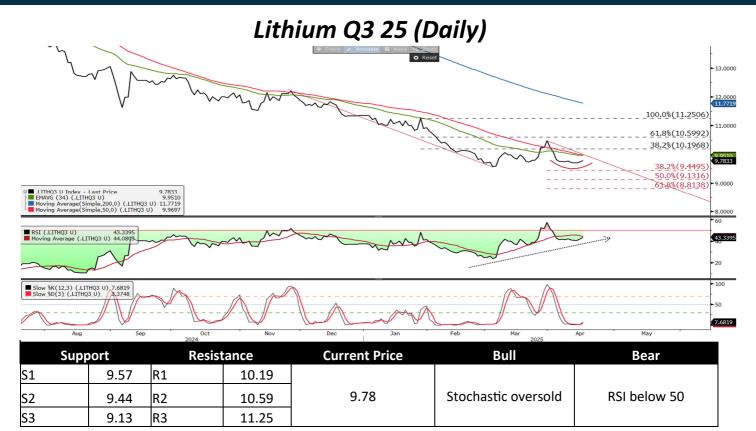
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FIS

Lithium Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120



Synopsis - Intraday

Source Bloomberg

- Price is below the 34 period EMA and 50-period SMA
- RSI is below 50 (43)
- Stochastic is oversold
- Technically bearish on the previous report, the MA on the RSI continued to suggest that momentum remained supported. The failure to hold above the 50 period SMA (USD 10.20), alongside the rejection of the USD 10.67 resistance, warned USD 9.57 support could be tested and broken in the near-term. However, below this level the futures would be in divergence with the RSI; not a sell signal, warned that we could see a momentum slowdown, meaning we maintain a note of caution on downside breakouts.
- The futures sold to a low of USD 9.69 before finding light bid support. We are below all key moving averages supported by the RSI above 50.
- Upside moves that fail at or below USD 10.59 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we are seeing a slowdown in sell side momentum, highlighted by the recent consolidation (sideways price action). This is also highlighted by the medium term moving averages which have started to converge, illustrating that the bearish tend is becoming less stable. As noted previously, downside moves below USD 9.10 will create a positive divergence with the RSI; not a sell signal, it signal, it does warn that we could see a momentum slowdown which needs to be monitored. A cautious bear, form a technical perspective, the futures are not considered a sell due to the divergence below us.

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