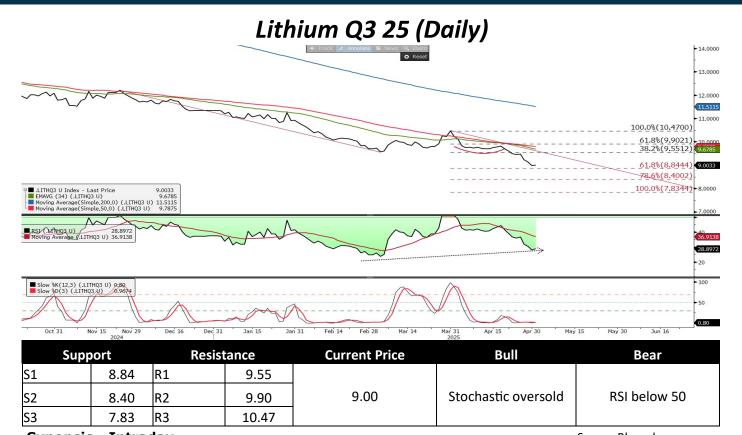
EMISSIONS | OIL | FERROUS | FREIGHT | AGRI | <mark>METALS</mark> | ENERGY | PHYSICAL FREIGHT

FIS

Lithium Technical Report

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Synopsis - Intraday

Source Bloomberg

- Price is below the 34 period EMA and 50-period SMA
- RSI is below 50 (28)
- Stochastic is oversold
- Technically bearish on the last report, we were seeing a slowdown in sell side momentum, highlighted by the recent consolidation (sideways price action). This was also highlighted by the medium term moving averages which had started to converge, illustrating that the bearish trend was becoming less stable. As noted previously, downside moves below USD 9.10 would create a positive divergence with the RSI; not a sell signal, it did warn that we could see a momentum slowdown which needed to be monitored. A cautious bear, from a technical perspective, the futures were not considered a sell due to the divergence below us.
- The futures the futures broke the consolidation to the downside, resulting in price trading to a low of USD 8.98, we are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 9.90 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies momentum weakens. The move lower has been deeper than expected, resulting in the moving averages diverging (widening); however, the breakout means that the futures are in divergence with the RSI (price is making a new low, the RSI is not). Not a buy signal, it warns that we could see a momentum slowdown, which needs to be monitored. Key resistance is now at USD 9.90, a move above this level will be considered as deep into the last bull wave, warning the probability of the futures trading to a new low will have started to decrease. We remain in a bearish trending environment, but due to the divergence with the RSI, we continue to have a note of caution on moves lower at these levels.

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