

## Lithium Q3 25 (Daily)



Support		Resistance		Close Price	Bull	Bear
S1	8.40	R1	8.87	8.66	Stochastic oversold	RSI below 50
S2	8.35	R2	9.19			
S3	7.83	R3	9.67			

### 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 last week, the MA on the RSI implied momentum weakness. The move lower had been deeper than expected previously, resulting in the moving averages diverging (widening); however, the breakout meant that the futures were in divergence with the RSI (price was making a new low, the RSI was not). Not a buy signal, it warned that we could see a momentum slow-down, which needed to be monitored. Key resistance was at USD 9.90, a move above this level would be considered as deep into the last bull wave, warning the probability of the futures trading to a new low would start to decrease. We remained in a bearish trending environment, but due to the divergence with the RSI, we continued to have a note of caution on moves lower at those levels.
- The futures continue to sell lower, resulting in the divergence failing. We remain below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 9.67 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 is flat, implying sell side momentum is slowing; however, the moving averages continue to diverge. We remain in a bearish channel with price below the center line at USD 6.63. A close below this level (current price USD 6.60) would suggest that the Fibonacci support at USD 8.40, and channel support at USD 8.35 could come under pressure. Conversely, if we hold above the USD 6.63 level, it will warn that the upper channel resistance (USD 8.87) could be tested; if broken, it will signal that buyside pressure is increasing, meaning market buyers will look to test the USD 9.19 and potentially the USD 9.67 resistance levels.