

FIS

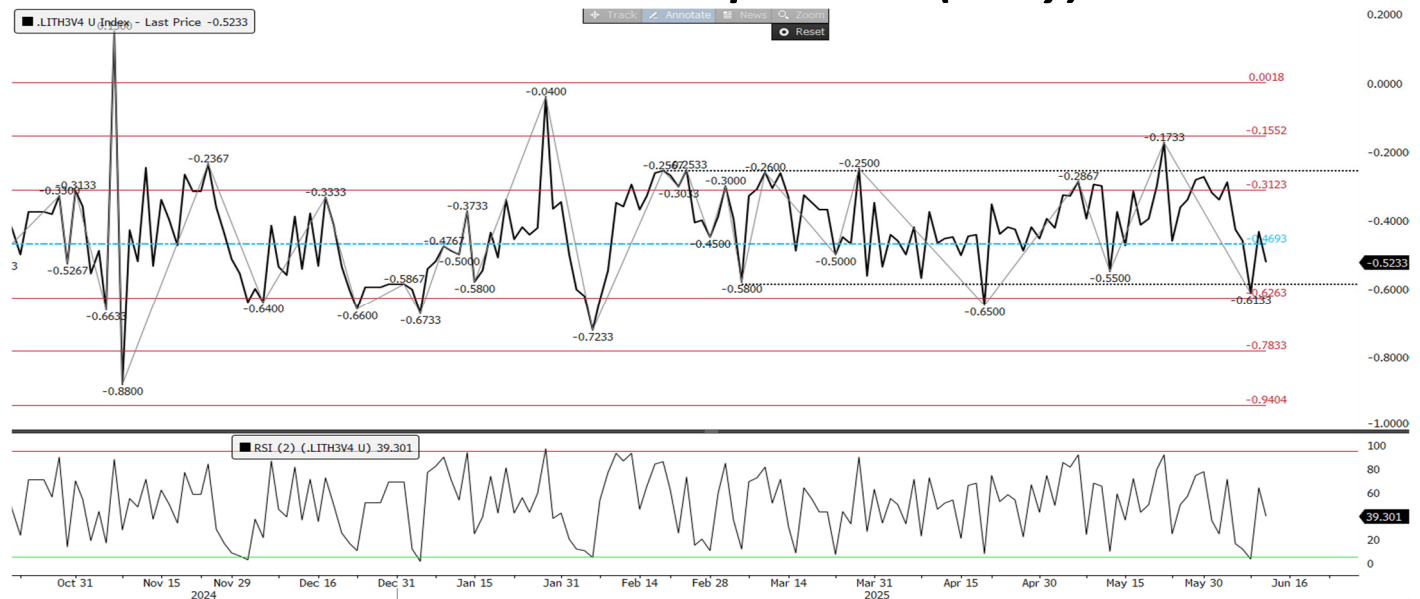
Lithium Technical Report

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Lithium Q3 v Q4 Spread 25 (Daily)



Support		Resistance		Close Price	Bull	Bear
S1	-0.58	R1	-0.31	- 0.52		
S2	-0.62	R2	-0.25			
S3	-0.78	R3	-0.15			

- Synopsis - Intraday

- Price is below Mean value
 - 2—period RSI is above 50 (39)
 - We noted on the last report (back in April) that from a technical perspective, we seemed to be establishing a range between USD –0.58 and USD –0.25. The spread was currently trading just above the range value (USD - 0.47), whilst the 2-period RSI was at 65, warning we could struggle to reach the USD –0.25 resistance in the near-term. If we did trade outside of the range values, expect buying support around USD – 0.63 and selling interest at USD – 0.15.
 - Since running the spread in April, we have seen market peaks at USD –0.28, USD –0.17, USD –0.27 and market lows at USD–0.65, USD–0.55, and USD– 0.61.
 - As noted previously, the spread has remained within two standard deviations of the mean.
 - The 2-period RSI is currently at 65, we are using it to highlight short term over extensions, alongside price. The RSI needs to be used alongside the standard deviation, as momentum above 95 or below 5 does not necessarily mean it is overbought or oversold.
 - Based on recent price action, we maintain the current range between USD –0.58 and USD–0.25. Technically, buying/ selling opportunities should come outside of this range.

Source Bloomberg

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