

FIS

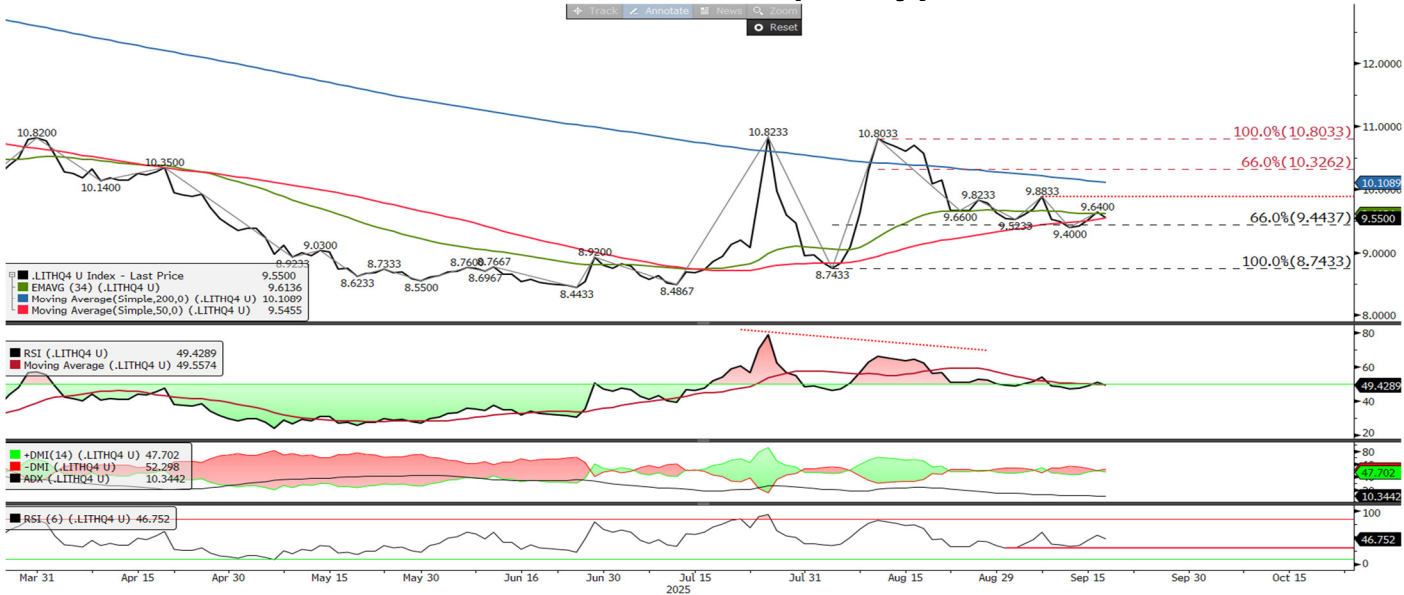
Lithium Technical Report

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Lithium Q4 25 (Daily)



Support		Resistance		Close Price	Bull	Bear
S1	9.44	R1	9.88	9.55		RSI below 50
S2	9.54	R2	10.10			
S3	8.74	R3	10.32			

Synopsis - Intraday

Source Bloomberg

- Price is between the 34 period EMA and 50-period SMA
- RSI is below 50 (49)
- ADX at 14 implies a lack of trend
- Technically bearish but in a corrective phase in the last report, the MA on the RSI implied that momentum is weak (the moving average on the RSI is sloping lower). We noted that we had seen two tests to the upside that have failed to hold above the 200-period MA, the second attempt effectively had a negative divergence in play, warning of momentum weakness. The ADX was below 20, meaning we were no longer in a bearish trending environment; however, despite price making new highs and entering bullish territory, we were not yet in a bull trend. If we held above the USD 9.44 level, it would support a bull argument, but for upside continuation we needed to see a close that held above the 200-period MA (USD 9.36). If the USD 9.44 support was broken, then the depth of the pullback would suggest that the probability of the futures trading to a new high had started to decrease, making this the key level to follow. The ADX at 14 suggested the USD 9.44 level could be broken, which would take the technical into neutral territory.
- The futures traded below USD 9.44 to a low of USD 9.40. We have since seen light bid support, meaning price is trading between the 34-period EMA and 50 period SMA, the RSI is near neutral at 49.
- Upside moves that fail at or below USD 10.32 will warn that there is the potential for further downside within the corrective phase, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of the futures trading to a now high has started to decrease. The ADX at 10 indicates a lack of directional bias, this is supported by the RSI at 49, which is also neutral. A close above USD 9.88 will imply that buyside pressure is increasing; however, for upside continuation, the futures will need to close and hold above the 200-period MA (USD 10.10). Although the pullback is considered as deep, we are cautious on downside moves below USD 9.40, as price found bid support on a divergence with the 6-period RSI below USD 9.44, implying caution on downside breakouts below this level. Neutral, but cautious on moves below USD 9.40.

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