

Lithium Q4 v Q1 Spread (Daily)



Support	Resistance	Close Price	Bull	Bear
S1	-0.44	R1	-0.06	- 0.17
S2	-0.49	R2	0.14	
S3	-0.70	R3	0.18	

Synopsis - Intraday

Source Bloomberg

- Price is above Mean value
- 2—period RSI is above 50 (59)
- The spread was at USD—0.39 on the last report with the 2-period RSI at 13, meaning we do have some downside room; however, we noted that it could be potentially limited, suggesting we could see buyside support above the USD —0.49—USD —0.52 support zone (USD—0.52 being the most heavily traded area in the last 12 months, based on price). Limited downside in the near-term, if the RSI dropped below 50 we could see buyside support in the market.
- The spread traded to a low of USD —0.43 before seeing buyside support.
- Having held above the range average support (USD —0.49) the futures have closed above the upper channel resistance (USD—0.18). This is the third time of testing the resistance line, having failed to test the channel support, suggesting buyside pressure is increasing. The RSI at 79 is at resistance; however, if price holds above the USD —0.18 level, then the USD —0.06 and potentially the USD 0.14 levels could come under pressure in the near-term. Conversely, failure to hold above the upper channel line will warn price could sell below the USD—0.17 level, and potentially revert back to the range average.