

## Lithium Q1 26 (Daily)



Support		Resistance		Close Price	Bull	Bear
S1	11.06	R1	11.77	11.58	RSI above 50	
S2	10.95	R2	11.96			
S3	10.79	R3	12.28			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 34 period EMA and 50-period SMA
- 21—period RSI is above 50 (60)
- ADX at 16 implies a lack of trend
- Technically bullish last week, the MA on the RSI implied that momentum remained weak; however, the RSI was testing its average, we noted that if we closed and held above it, then it would indicate that buy-side pressure was increasing. The 6-period RSI had held its support band (bottom window), whilst price had held the 34-period EMA support (USD 10.78), warning the USD 11.24 fractal resistance could be tested and broken. If it was, this would also signal that buy-side pressure is increasing, leaving USD 11.77 Fibonacci resistance vulnerable. This was a key level on the technical; if rejected, it would warn that the corrective phase had the potential to become more complex; conversely, above this level, market buyer's would target the USD 12.28 fractal high. Downside moves below USD 10.53 would be considered as deep into the last bull wave, suggesting the probability of the futures trading to a new high would start to decrease. The DMI was starting to show a bullish cross, whilst the 6—period RSI and 34-period EMA were holding support, warning the USD 11.24 fractal resistance could come under pressure.
- The futures held above the 34-period EMA (USD 10.95) whilst the 6-period RSI held support, resulting in the 21-period RSI crossing its average, signaling that buy-side pressure was increasing. The futures have subsequently moved higher with price now above the USD 11.24 fractal resistance. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 10.53 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that we now have light momentum support, whilst the DMA has produced a bullish cross whilst the ADX was below 15, warning the USD 11.77 could be tested and broken. This is the key resistance on the technical, if broken, market buyer's will look to test the USD 12.28 fractal high. Conversely, if rejected, it will signal that the corrective phase has the potential to become more complex, leaving support levels vulnerable. We are seeing momentum support via the DMI/ADX and 21 period RSI/MA; however, the 6-period RSI is at 75 with resistance between 81-86, meaning price needs to breach that USD 1.77 level. If we pullback and hold above the USD 11.06 level, it will indicate that there is an underlying bullish support growing in the market.