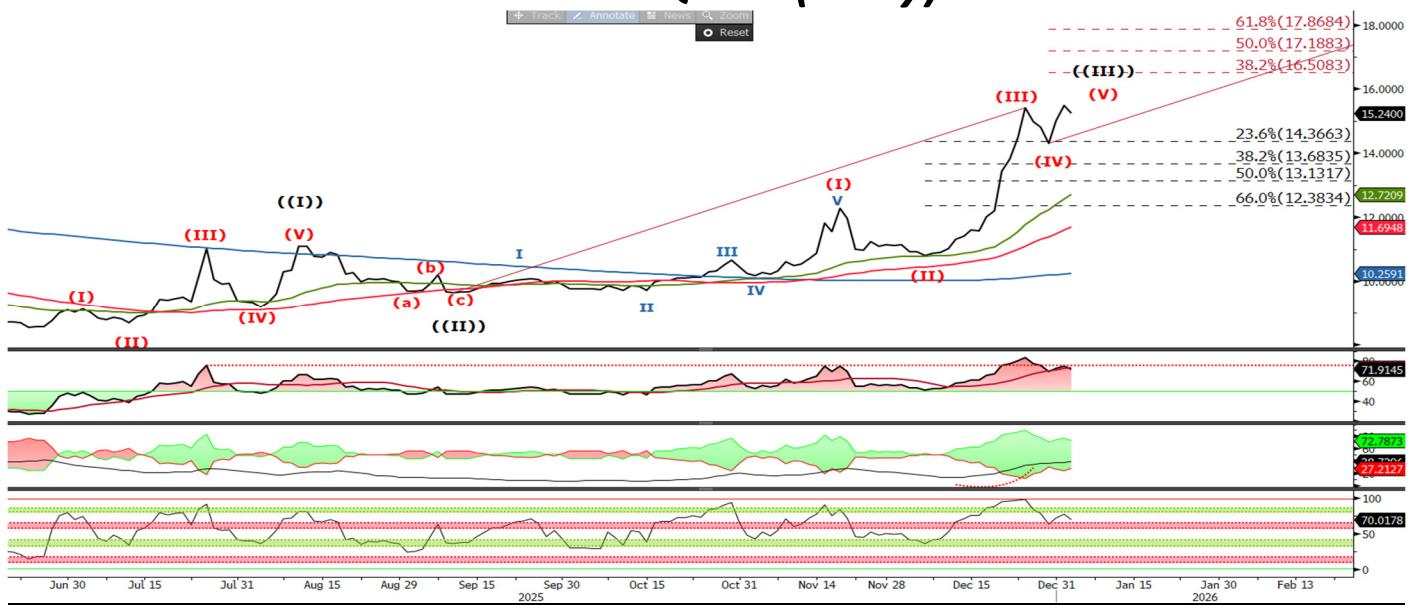


Lithium Q1 26 (Daily)



Support		Resistance		Close Price	Bull	Bear
S1	14.36	R1	16.50	15.24	RSI above 50	
S2	13.68	R2	17.18			
S3	13.13	R3	17.86			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 period EMA and 50-period SMA
- 21-period RSI is above 50 (71)
- ADX at 27 implies we are in a trending environment
- Technically bullish on the last report, the MA on the RSI implied that momentum was supported. The strength of the upside breakout had the potential to be significant, as it signaled that we were seeing an Elliott wave extension (i.e. there was a larger bull cycle in play). We noted that we were working with single point data (lacked clarity, harder to read); however, our Elliott wave analysis suggests that we are on a bullish Elliott wave 3 of a higher timeframe wave 3, meaning downside moves should be considered as countertrend on both timeframes, making USD 11.82 the key near-term support to follow. Whilst above this level resistance levels remained vulnerable; if broken, then the depth of the pullback would be considered as deep, meaning that the probability of the futures trading to a new high would start to decrease. The ADX was rising whilst moving above 25, with the 21 period RSI making new highs; momentum supported our wave analysis, as it also suggested that downside moves should be considered as countertrend. The 6-period RSI was overextended at 95 meaning we could see a technical throwback in the near-term; however, slower moving momentum indicators indicated that downside moves should find buyside support at lower levels. Bullish. (<https://elliottwave-forecast.com/elliott-wave-theory/>)
- The futures traded to a high of USD 15.40 before seeing a shallow throwback to USD 14.30, this has subsequently been followed by a move to new highs. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 12.38 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported; however, the futures are now in divergence with the RSI (both 21 and 6-period). Not a sell signal, it is a warning that we could see a momentum slowdown, leaving price vulnerable to a move lower. Counteracting this, Fibonacci projections suggest that we have a potential upside target at USD 17.86 for this phase of the cycle. The pullback to USD 14.30 was only 23.6%, a little shallow, it does look like it could have seen the lower timeframe corrective wave 4. The longer-term Elliott wave cycle does still suggest that downside moves should be considered as countertrend, but with price now in divergence, we are cautious on upside moves in the near-term. A cautious bull at these levels.