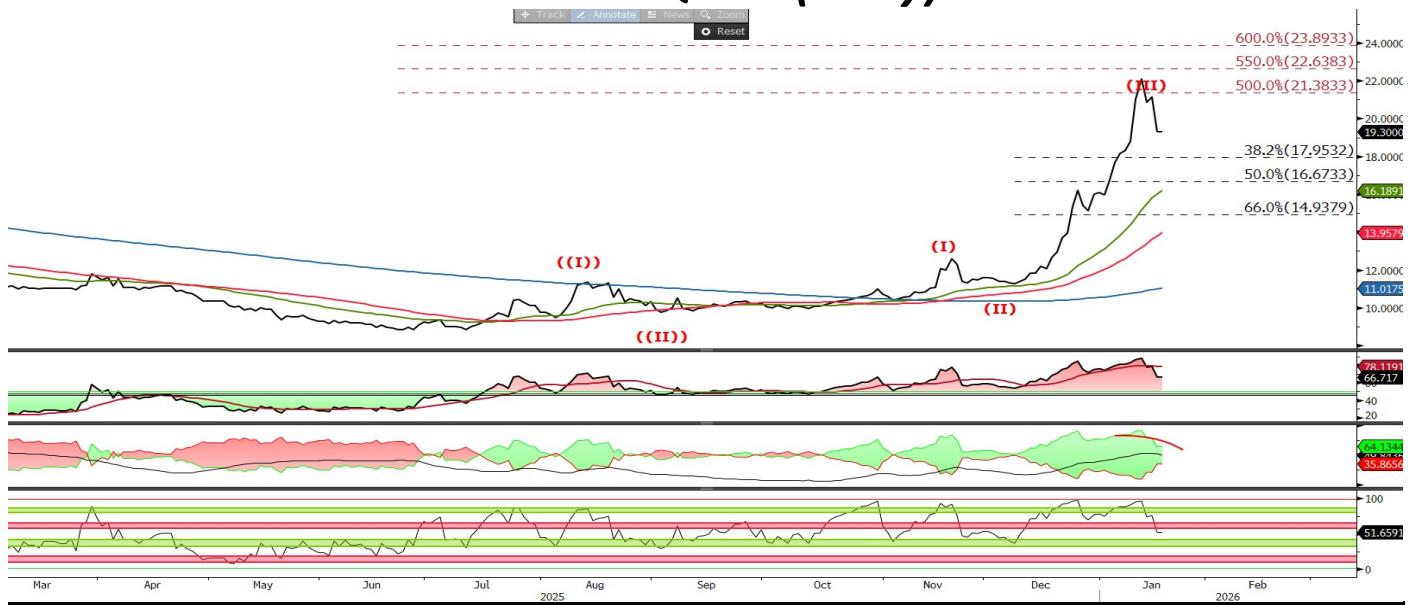


Lithium Q2 26 (Daily)



Support		Resistance		Close Price	Bull	Bear
S1	17.95	R1	21.38	19.30	RSI above 50	
S2	16.67	R2	22.63			
S3	14.93	R3	23.89			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 period EMA and 50-period SMA
- 21-period RSI is above 50 (66)
- ADX at 51 implies we are in a trending environment
- Technical outlook last week: Bullish. Both price and RSI had registered new higher highs, while the ADX at 52 confirmed that the market was in a strong trending environment. Elliott Wave analysis supported this view, suggesting that any downside moves should be treated as countertrend, with USD 14.62 identified as the key longer-term support level. A move below USD 14.62 would weaken the technical structure and reduce the probability of the futures extending to new highs. In the near term we noted that momentum appeared over-extended, with the 6-period RSI at 95 and the 21-period RSI at 86, indicating an increased risk of corrective pullbacks despite the broader bullish trend.
- The Q2 futures traded to a high of USD 22.09 before seeing a corrective pullback. Price remains above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 14.93 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish but corrective. Futures have entered a corrective phase following the overextended RSI highlighted last week. The RSI moving average has flattened, confirming that buy-side momentum has slowed. However, Elliott Wave analysis continues to suggest that downside moves should be viewed as countertrend. USD 14.93 remains the key support level to monitor. Bullish throwbacks that hold above this level would indicate underlying buy-side support remains intact. Conversely, a sustained break below USD 14.93 would weaken the broader bullish structure and suggest the market may struggle to achieve new highs. The ADX is now trending lower, signaling a loss of trend momentum. Should the ADX begin to rise while prices remain in a corrective phase, this would indicate increasing sell-side pressure. Countering this, the DMI remains bullish; upside price action accompanied by a rising ADX would leave the USD 22.09 resistance level increasingly vulnerable. Overall, the broader trend remains bullish. However, market participants holding long positions should remain cautious, particularly if the ADX starts to rise while price action continues to correct.