

## Lithium Q2 26 (Daily)



Support	Resistance	Close Price	Bull	Bear
S1	18.59	R1	24.01	
S2	17.19	R2	25.47	
S3	15.29	R3	26.92	

## Synopsis - Intraday

Source Bloomberg

- Price is above the 34 period EMA and 50-period SMA
- 21-period RSI is above 50 (68)
- ADX at 47 implies we are in a trending environment
- Technical outlook last week: Bullish but corrective. The futures had entered a corrective phase following the overextended RSI highlighted previously. The RSI moving average had flattened, confirming that buy-side momentum had slowed. However, Elliott Wave analysis continues to suggest that downside moves should be viewed as countertrend. USD 14.93 remained the key support level to monitor. Bullish throwbacks that held 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 was trending lower, signaling a loss of trend momentum. Should the ADX begin to rise while prices remained in a corrective phase, this would indicate increasing sell-side pressure. Counteracting this, the DMI remained bullish; upside price action accompanied by a rising ADX would leave the USD 22.09 resistance level increasingly vulnerable. Overall, the broader trend remained bullish. However, market participants holding long positions should remain cautious, particularly if the ADX starts to rise while price action continues to correct.
- A short bullish throwback to a low of USD 19.30 has been followed by price trading to a new high. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 15.29 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Cautious bull.
- The recent rally to a high of USD 23.13 suggests that futures have entered a bullish Elliott Wave 5 on the lower-timeframe cycle, unfolding within a broader Elliott Wave 3, as marked on the chart. Fibonacci extension analysis indicates a potential near-term upside target at USD 26.92 for this phase of the cycle. However, momentum indicators are showing early signs of fatigue. The ADX continues to weaken, while the 6- and 21-period RSIs are diverging, suggesting that buy-side momentum may slow and should be closely monitored. Additionally, RSI divergence occurring below a bearish-sloping moving average further reinforces the warning of weakening momentum. While the broader market structure remains bullish and any corrective pullback would still be considered counter-trend, the deterioration in momentum warrants caution on further upside in the near term at current levels.