

Lithium Q2 26 (Daily)



Support	Resistance	Close Price	Bull	Bear
S1	R1	16.60		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 34 period EMA and 50-period SMA
- 21—period RSI is below 50 (47)
- ADX at 37 implies we are in a trending environment
- Technical outlook last week: Cautious bull. The recent rally to a high of USD 23.13 suggested that the futures had 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 indicated a potential near-term upside target at USD 26.92 for this phase of the cycle. However, momentum indicators were showing early signs of fatigue. The ADX continued to weaken, while the 6- and 21-period RSIs were diverging, suggesting that buy-side momentum may slow and should be closely monitored. Additionally, the RSI divergence occurring below a bearish-sloping moving average further reinforced 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.
- A the futures have entered a corrective phase on the back of the negative divergence with the RSI. Price is now between the medium term moving averages with the RSI below 50.
- Downside moves that hold at or above USD 15.10 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: bullish throwback, caution on downside.
- The broader Elliott wave cycle remain bullish but in a corrective phase; however, a move below USD 15.10 would negate the bull cycle, taking us into neutral territory. The RSI moving average continues to suggest that momentum remains weak; countering this, the 6-period RSI is divergent, while price is between the 34—50 period averages, suggesting caution on downside moves at these levels in the near-term. Upside moves above USD 18.15 will indicate buy-side pressure is increasing, warning the Fibonacci resistance zone could come under pressure. We identify USD 20.82 as the key resistance to follow, a rejection of this level will imply that the corrective phase could become more complex, warning we could see further downside within the corrective phase. With the 6-period RSI in divergence as price approaches the 50-period SMA, the technical is warning that we are starting to look overextended to the downside.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com