

Lithium Q2 26 (Daily)



Support	Resistance	Close Price	Bull	Bear
S1	17.06	R1	18.89	
S2	15.10	R2	19.67	
S3	13.49	R3	20.74	

Synopsis - Intraday

Source Bloomberg

- Price is between the 34 period EMA and 50-period SMA
- 21-period RSI is at 50 (50)
- ADX at 19 implies price is no longer in a trending environment
- Technical outlook last week: bullish throwback, caution on downside.
- The broader Elliott wave cycle remained bullish but in a corrective phase previously; however, we noted that a move below USD 15.10 would negate the bull cycle, taking us into neutral territory. The RSI moving average continued to suggest that momentum remains weak; counteracting this, the 6-period RSI was divergent, while price was between the 34–50 period averages, suggesting caution on downside moves at those levels in the near-term. Upside moves above USD 18.15 would indicate buyside pressure is increasing, warning the Fibonacci resistance zone could come under pressure. We identified USD 20.82 as the key resistance to follow, a rejection of this level would 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 approached the 50-period SMA, the technical warned that we are starting to look overextended to the downside.
- The futures traded up to USD 17.55 before seeing bids fade; however, we remain above the USD 16.35 fractal low. Price remains between the 34-period EMA/50-period SMA with the RSI neutral at 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: Inflection point—on trend support—neutral.
- Having moved higher the positive divergence with the RSI, price has seen a small move lower, suggesting buyside momentum is slowing. We have trend support at USD 17.06 with the 50-period SMA at USD 17.04, indicating price is at an inflection point. A close that holds below the tight support zone will indicate sell-side pressure is increasing, warning the USD 16.35 fractal low could be tested and broken; conversely, while above the support zone we have a cautious approach to downside moves. The technical is now in balance, the RSI is neutral at 50 while the ADX indicates we have exited a trending environment (up or down). Near-term directional bias should be defined by how price reacts to the trend support—while on it, we have a more neutral view.