



# Lithium Technical Report

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## Lithium Q2 26 (Daily)



Support	Resistance	Close Price	Bull	Bear
S1	R1	19.55	RSI above 50	
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 34 period EMA and 55-period SMA
- 14—period RSI is above 50 (52)
- Stochastic below 50
- Technical outlook last week: Trend break, sell-side pressure increasing
- Price had broken trend support while the MA on the RSI implied momentum was weak last week. We noted that a close and hold below the support line would warn that the USD 16.35 fractal low could be tested and broken. Likewise, a close below the 55-period MA at USD 18.19 would further weaken the technical. As highlighted previously, the depth of the pullback means that the probability of the futures trading to a new high had started to decrease, indicating caution on higher moves. If price does close and held back above the trend support line USD 19.23 it would warn that buy-side support is entering the market.
- The downside breakout last week has held the 55-period EMA, resulting in the futures finding bid support, while the RSI has moved above 50.
- Upside moves that fail at or below USD 21.53 will leave the futures vulnerable to further tests to the downside, above this level price will re-enter bullish territory.
- Technical Outlook: Inflection point.
- We noted previously that the probability of price trading to a new high had started to decrease, resulting in price breaking trend support. Having held the 55-period EMA the futures are testing trend resistance at USD 19,97, meaning we are at an inflection point. If the trend line is rejected, then support will come under further pressure; conversely, a close and hold above the trend support line will signal an increase in buy-side pressure. The inflection point is a signal to wait for the reaction to the trend line.

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