



Lithium Technical Report

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Lithium Q2 26 (Daily)



	Support	Resistance	Close Price	Bull	Bear
S1	17.75	R1	20.46	RSI above 50	Stochastic overbought
S2	17.10	R2	20.65		
S3	16.18	R3	21.53		

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 period EMA and 55-period SMA
- 14—period RSI is above 50 (55)
- Stochastic overbought
- Technical outlook last week: Inflection point.
- We had noted previously that the probability of price trading to a new high had started to decrease, resulting in the futures breaking trend support. Having held the 55-period EMA the futures were testing trend resistance at USD 19,97, meaning we were at an inflection point. If the trend line was rejected, then support would come under further pressure; conversely, a close and hold above the trend support line would signal an increase in buy-side pressure. The inflection point was a signal to wait for the reaction to the trend line.
- The futures closed above but failed to hold above the trend line at USD 20.46. We are above the 34-55 period averages with the RSI 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.
- Price is still at an inflection point, as there is an ongoing battle around the trend support line, that is now acting as a resistance. However, we think focus should be on the RSI trend resistance, as this could give us an early indication regarding price. If the resistance line is broken, it will warn that momentum pressure is increasing (working on the basis that momentum moves higher, rather than drifts through the resistance line), this would give an early indication that price could reclaim and hold above the trend line. Conversely, if the RSI rejects the resistance line and closes below its MA, market bulls should act with caution, as it would signal an increase in sell side pressure.

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