



Lithium Technical Report

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Lithium Q3 26 (Daily)



Support	Resistance	Close Price	Bull	Bear
S1	R1	21.80		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 34 period EMA and 55-period EMA
- 14—period RSI is below 50 (43)
- Stochastic is below 50
- Technical outlook Previously: cautious bull
- We noted previously that the RSI was testing trend support, which if broken would warn that sell side pressure was increasing. We highlighted that price had gapped higher on the 06/05, resulting in a consolidation phase, where price had traded to a high of USD 24.70; we were testing base support (rectangle floor) at USD 23.60. This meant that price was at an inflection point, if we gapped lower from the consolidation, then we would have an island reversal pattern coming into play. This would signal that market sellers were becoming dominant, warning support levels could be tested and broken. If we traded lower without gapping, there would not be a bearish pattern in play; in this instance we would need to close below the USD 22.45 fractal support to signal sellers were becoming dominant.
- The futures closed below the USD 22.45 level on Friday, resulting in price selling lower. We are between the EMA support band with the RSI below 50.
- Downside moves that hold at or above USD 20.34 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Sell side pressure increasing.
- The RSI has broken trend support while the RSI MA has turned lower, signaling sell-side pressure is on the increase. However, we are conscious that momentum is selling lower faster than price, meaning there could still be underlying support in the market. The momentum conflict brings into focus the USD 20.34 Fibonacci support, as throwbacks below this level will reduce the probability of price trading to a new high. Market buyers should be cautious if the RSI closes and holds below the 40 level, as it will signal that the USD 20.34 support is becoming increasingly vulnerable.

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