



# Lithium Technical Report

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## Lithium Q3 26 (Daily)



	Support	Resistance	Close Price	Bull	Bear
S1	20.34	R1	24.00	Stochastic oversold	RSI below 50
S2	19.51	R2	25.81		
S3	18.10	R3	28.38		

### Synopsis - Intraday

Source Bloomberg

- Price is below the 34 period EMA and 55-period EMA
- RSI is below 50 (36)
- Stochastic is oversold
- Technical outlook Previously: Sell side pressure increasing.
- The RSI had broken trend support previously while the RSI MA has turned lower, signaling sell-side pressure was on the increase. However, we were conscious that momentum is selling lower faster than price, meaning there could still be underlying support in the market. The momentum conflict brought into focus the USD 20.34 Fibonacci support, as throwbacks below this level would reduce the probability of price trading to a new high. Market buyer's should be cautious if the RSI closes and holds below the 40 level, as it would signal that the USD 20.34 support was becoming increasingly vulnerable.
- The futures have seen another small move lower, we are below all key moving averages 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: Inflection point
- The RSI is now below 40, indicating further weakness in momentum, warning that USD 20.34 support could be tested and broken. Throwbacks below USD 20.34 would in theory reduce the probability of price trading to a new high. Technically we are now at an inflection point, as the upside move in March and April found resistance between USD 20.20 and USD 20.60, this now has the potential to act as a support zone. If we hold this support zone (even if the USD 20.34 support is breached), it will signal a change in polarity, leaving price vulnerable to a move higher. Technically we need to see how price reacts to the support zone, market sellers should act with caution if the RSI starts to break its trend resistance line. Although this is not a buy signal, it can warn the price could be readying for a move higher.

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