



Lithium Technical Report

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Lithium Q4 26 (Daily)



| Support | Resistance | Close Price | Bull | Bear |
|---------|------------|-------------|------|--------------|
| S1 | R1 | 20.35 | | RSI below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 period EMA and 55-period EMA
- RSI is below 50 (48)
- Stochastic is below 50
- Technical outlook Previously: Sell-side pressure increasing
- We noted previously that the downside move below the USD 20.34 support implied that the probability of the futures trading to a new high within this phase of the cycle had started to decrease. The RSI move below 40 signaled weakening momentum, as did the rejection of the USD 20.20—USD 20.60 area, suggesting support levels were currently vulnerable. Market sellers should act with caution on a close and hold above the USD 20.60 resistance, as it would signal buyside support is entering the market.
- The futures sold to a low of USD 18.50 before finding bid support. We have now rolled over to the Q4 contract. Price is below the EMA resistance band with the RSI below 50.
- Upside moves that fail at or below USD 22.62 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Caution on upside moves
- A 3-wave pattern lower has been followed by a rejection of the USD 22.62 resistance; this is a warning that the upside move was potentially a counter-trend wave B, warning support levels remain vulnerable. With the futures looking like they remain in a more complex corrective phase, we currently have a cautious approach to upside moves while below USD 22.62. A breach in the USD 22.62 resistance will warn that the probability of price trading to a new low has started to decrease.

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