FIS

Lithium Technical Report

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Lithium Q4 26 (Daily)

Support		Resistance		Close Price	Bull	Bear
S1	17.74	R1	20.95	20.40		RSI below 50
S2	16.61	R2	22.62			
S3	15.66	R3	24.66			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 period EMA and 55-period EMA
- RSI is below 50 (41)
- Stochastic is below 50
- Technical outlook Previously: Caution on upside moves
- We noted previously that a 3-wave pattern lower had been followed by a rejection of the USD 22.62 resistance; this warned that the upside move was potentially a countertrend wave B, implying support levels remained vulnerable. With the futures looking like they remained in a more complex corrective phase, we had a cautious approach to upside moves while below USD 22.62. A breach in the USD 22.62 resistance would warn that the probability of price trading to a new low had started to decrease.
- The futures remain at similar levels to last week. Price Is below the 34-55 period EMA's 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 highlighted previously, the upside rejection of the USD 22.62 resistance following a 3-wave pattern lower warns that upside moves have the potential to be countertrend. The RSI failed to move above the 60 level on the move higher, warning that momentum remains weak, we are now testing 40. This is a key level, if we hold above 40, then it will warn of momentum support, meaning we could see another upside test. Conversely, if we move and hold below 40, and breach the 30 level, it will signal an increase in sell side pressure, suggesting we could trade the USD 18.50 fractal low. We continue to be cautious on higher moves at this point, but now need to see the RSI move and hold below 40.