FIS Lithium Technical Report

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Lithium Q4 26 (Daily)



Support		Resistance		Close Price	Bull	Bear
S1	19.16	R1	19.94	19.25		Stochastic overbought
S2	18.55	R2	20.44			
S3	17.80	R3	21.25			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 period EMA and 55-period EMA
- RSI is below 50 (49)
- Stochastic is overbought
- Technical outlook Previously: Buyside pressure increasing
- We noted last week that the 3-wave pattern lower had ended in a divergence, suggesting that the corrective phase had now completed. Near-term price action had broken fractal resistance, meaning the trend had entered bullish territory. Having reclaimed the 40 level the RSI was at 60, a key resistance level, as a rejection here would warn of momentum weakness. Conversely, a close and hold above the 60 level would signal further increases in buyside pressure, warning the USD 22.35 resistance could be tested. This was a key level on the technical; if rejected it will warn that there is a more complex corrective phase coming into play, potentially in the form of a double 3 pattern (marked as W-X-Y). Market buyers should act with caution on a close and hold below the support line at USD 19.34 ,as it would signal sell side pressure was on the increase. Based on the A-B -C completion, we are currently cautious on downside moves.
- The RSI has rejected 60 with price closing below the trend support line at USD 19.94. We are below the EMA resistance band with the RSI near-neutral at 49.
- Upside moves that fail at or below USD 22.35 will leave the futures vulnerable to further tests to the downside, implying a more complex corrective phase is in play. Likewise, throwbacks that hold at or above USD 18.55 would indicate underlying support in the market.
- Technical Outlook: Caution on downside moves
- The futures have closed below the trend support line at USD 19.94; if we hold below the support line it will warn that support levels could be test-ed. Conversely, a close back above it would signal an increase in buyside pressure. Throwbacks that hold at or above USD 18.55 would imply there is an underlying support in the market; if broken, then the probability of price trading above the USD 20.00 fractal resistance would begin to de-crease. Based on price making a higher high and entering bullish territory previously, alongside the A—B—C pattern lower, we remain cautious on downside moves while above the USD 18.55 level.

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