FIS Lithium Technical Report

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Lithium Q4 26 (Daily)



Support		Resistance		Close Price	Bull	Bear
S1	18.55	R1	20.44	18.55		RSI below 50
S2	17.80	R2	21.25			
S3	17.21	R3	22.35			

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 downside moves
- We noted last week that the futures had closed below the trend support line at USD 19.94; if we held below the support line it would warn that support levels could be tested. 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 decrease. Based on price making a higher high and entering bullish territory previously, alongside the A—B—C pattern lower, we remained cautious on downside moves while above the USD 18.55 level.
- The futures failed to reclaim the trend support line resulting in price selling lower. We are below the 34—55 period EMA's with the RSI below 50.
- 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: Inflection point
- The move lower has resulted in price testing the USD 18,.55 support; however, we are yet to trade below it, meaning price is currently at an inflection point. Below USD 18.55 the pullback would be considered a deep, meaning the probability of price trading back above the USD 20.00 fractal resistance would begin to decrease. Conversely, if we hold above the USD 18.55 level it will warn there is an underlying support in the market. The technical is in balance, meaning we have a neutral bias, as our expectation based on wave analysis was that the correct phase had already completed.

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