FIS Lithium Technical Report

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Lithium Q4 26 (Daily)



Support		Resistance		Close Price	Bull	Bear
S1	14.33	R1	17.04	15.80	Stochastic oversold	RSI below 50
S2	13.37	R2	18.45			
S3	11.80	R3	20.00			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 period EMA and 55-period EMA
- RSI is below 50 (31)
- Stochastic is oversold
- Technical outlook Previously: Positive Divergence
- Price was making a new lows last week, the RSI was not, this was known as a positive RSI divergence. It was not a buy signal, it was a condition that warned that sell side momentum could slow down, and therefore needed to be monitored. We also noted that price was trading at the 100% Fibonacci projection level of the previous wave lower. In conjunction with the divergence, we had a cautious approach to lower moves at those levels. We noted that the pullback to USD 17.30 was shallow, meaning it could be that there is another wave lower to follow, making USD 18.62 the key resistance to follow. A rejection at or below this level would warn that support levels remain vulnerable.
- The futures traded at a low of USD 15,.45 before finding light bis support. We are below all key moving averages supported by the RSI above 50.
- Upside moves that fail at or below USD 18.45 would leave the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical Outlook:Caution on downisde moves
- The RSI is holding support but the divergence has failed due to the RSI making new lows. However, we continue to see positive divergences on the intraday timeframes that warn sell side momentum could slow down. This is not a buy signal, it is a condition that will need confirmation from bullish price action to signal the divergence is being respected. However, while in play, we have a cautious approach to lower moves at these levels. As high-lighted previously, due to the shallow pullback to USD 17.30, there could still be another bear wave to follow in this corrective cycle, making USD 18.45 the key resistance to follow. A rejection at or below this level would warn that support levels remain vulnerable. A close above the high of the low candle at USD 15.85 would warn that buyside pressure is starting to increase; if the RSI moves above 37.50 before price trades above the 17.30 fractal resistance, then caution is warranted, as it would create a negative reversal pattern, warning support could come back under pressure. For the USD 18.37 resistance to be tested, we would need to see the RSI reclaim the 40 level with price above the USD 17.30 level, as this would signal positive momentum confirmation.

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