FIS Lithium Technical Report

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Lithium Q1 27 (Daily)



Support		Resistance		Close Price	Bull	Bear
S1	14.33	R1	15.80	15.50	Stochastic oversold	RSI below 50
S2	13.37	R2	17.16			
S3	11.80	R3	17.30			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 period EMA and 55-period EMA
- RSI is below 50 (28)
- Stochastic is oversold
- Technical outlook Previously: Caution on downisde moves
- The RSI was holding support last week but the divergence had failed due to the RSI making new lows. However, we continued to see positive divergences on the intraday timeframes that warned sell side momentum could slow down. This was not a buy signal, it was a condition that will need confirmation from bullish price action to signal the divergence is being respected. However, while in play, we had a cautious approach to lower moves at those levels. As highlighted 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 remained vulnerable. A close above the high of the low candle at USD 15.85 would warn that buyside pressure was starting to increase; if the RSI moved above 37.50 before price traded above the 17.30 fractal resistance, then caution would be 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.
- The futures have see another small move lower, we remain below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 18.44 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 downside moves
- The downside move below USD 15,45 means price is divergent on both the daily an intraday timeframes. The divergence is a warning that sell side momentum could slow, it is not a buy signal; however, it does mean a cautious approach to lower moves is warranted while the divergence is in play. Upside moves above the USD 15.80 fractal resistance would signal an increase in buyside pressure based on price, the RSI reclaiming 40 alongside a fractal break would be preferable on higher moves. Key resistance is at USD 18.44, upside moves that fail at or below this level would imply that the corrective phase remains complex, warning that support levels remain vulnerable.

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