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KSE-100 Index: Bearish Signals Emerged, Caution Ahead



The KSE-100 Index closed at 113,443 yesterday, slipping below the 30-day SMA of 113,890 for the first time since September 2024, signaling near-term weakness. The daily RSI also breached its December 19, 2024, support level of 53.85, standing at 52.20 developing a bearish divergence. Declining trading volumes since December 2024 suggest waning investor interest.

The corrective phase is likely to persist, with immediate support at 112,014 (January 10 low), followed by the gap level of 109,847 left on December 20, 2024. Further downside may target the 50-day SMA at 108,460. A sustained break below this SMA could lead to a retest of critical support at 105,600, marked by the December 20 low.

Upside attempts may face resistance at 114,380–116,400, followed by the congestion zone at 117,039–118,375, which has capped price action since mid-December. A cautious stance is advised, favoring sell strategies near resistance levels unless the index manages a sustained close above the congestion zone.

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