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MFL: Approaching Demand Zone

Matco Foods Limited

PSX: MFL | Bloomberg: MFL-PA | Reuters: MATC.PSX



MFL (LDCP 24.87) MFL (LDCP 24.87) recently corrected from the high of 42.50 on December 14, 2023, to a low of 24.03 yesterday, posting a 43% decline while approaching a three-year-long demand zone ranging from 23.85 to 23.00. The stock saw a spontaneous rebound from the low of 24.05 to test 25.90 high, closed at 24.87, with improved trading volume, indicating a likely bottom formation. The daily RSI also approached key support level around 30.

We recommend accumulating the stock from the current level down to the support range of 23.85 to 23.00, with a risk defined by a closing below **23.00**. The potential upside targets are 28.30 (short-term bearish trend line) and the recent high of 29.20. Further upside to the 38.2% and 50% Fibonacci retracement levels at 31.07 and 33.25 can be achieved on a closing above 29.20.

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