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OCTOPUS: Bullish Setup Forms Near Long-Term Trendline

Octopus Digital Limited

PSX: OCTOPUS | Bloomberg: OCTOPUS PA | Reuters: OCTO.PSX



Octopus (LDCP 50.48) has confirmed a potential double-bottom formation today by closing above the key support level of 49.00. This rebound follows a prolonged downtrend from the August 2023 high of 121.35 to a low of 49.00, which was first tested on April 09. The pattern is developing near a long-term ascending trendline, adding further significance to this support zone. The daily RSI has formed a higher low at 35.70 versus 24.90 on April 09, while price retested the 49.00 level, confirming a bullish divergence and signaling weakening selling momentum.

Looking ahead, the stock has room likely to rebound toward the 56.00 - 58.00 area. This zone coincides with the neckline of the double bottom, the 9-week and 30-month SMAs, and a horizontal resistance region from mid-2023. A sustained breakout above this zone would likely trigger further upside toward 64.00–66.00, aligning with the March peak and the 23.6% Fibonacci retracement level drawn from the 121.35 to 49.00 decline.

We suggest accumulating the stock as long as it holds above 49.00, with a defined risk on a daily close below this level. A breakout above 58.00 would confirm bullish momentum and pave the way for further gains toward the next resistance range.

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