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KSE-100 INDEX: Maintaining Upward Trajectory

KSE100 – 80,212 (-70.01)



After a corrective week before last, the KSE-100 index resumed its positive trend, setting a new closing high of 80,212 with an intra-session high at 80,888. Despite the last two trading sessions forming small red candles and staying below the short-term channel resistance line, the daily RSI presented a trend-line break, indicating a positive divergence to the index channel line.

A break above the 80,890 to 81,600 resistance range is needed for a bullish move, potentially pushing the index to test the long-term ascending channel top between 85,350 and 86,000. Immediate support levels are at 80,060 to 79,550 points.

OGDC: Indecision Prevails

Oil & Gas Development Co. Ltd. (OGDC) – PKR 132.95



After the June 26 spike candle, the stock has been trapped below the high of 138.40, facing resistance at this level. The 30- and 50-day moving averages have been frequently violated, while the 200-day SMA holds steady. Despite being in a short-term ascending channel, the overall behavior remains indecisive. Immediate resistance levels are at 138.40 and 142.00, with channel resistance around 148-149. Immediate support is at 128.15, with critical support at the June 12 gap of 120.35.

PPL: Retest of Breakout Likely

Pakistan Petroleum Limited. (PPL) – PKR 122.30



With improved weekly volume, the stock broke the short-term resistance trend line, peaking at 126.20 before closing at 122.20. The recent correction suggests a retest of the breakout trend line in the 120.80 to 120.00 range, with critical support at the June 12 gap of 114.90. Upward movement may face resistance between 126.20 and 128.40 (May 6 high), with a break above the latter, potentially leading towards 131.50 to 137.90 (Jan 12 top). We recommend cautious buying on dips, as long as the stock holds the June 12 gap at 114.90.

NCL: Watch for Price Reaction at Support

Nishat Chunian Limited (NCL) – PKR 25.57



The stock has failed to maintain its long-term moving averages, specifically the 100- and 200-day SMAs, and is approaching a long-term bullish trend line near the 24.70 level. Previously, in May 2024, the stock saw significant volume that drove prices from a low of 24.75 to a high of 32.24, followed by the current correction. We suggest watching for improved volume near the trend line support and an upward move above the 100-day SMA (26.38) to generate positive sentiment and potentially push prices towards the trend-line resistance around the 29-30 range. The daily RSI has corrected from a peak of 78.14 to the 32.30 level, bringing the indicator to its key support around 30.

UBL: Sideways Move Continues

United Bank Limited (UBL) – PKR 262.09



The stock faces resistance at 264.07, the 23.6% retracement of the recent rally (June 7 low of 206 to June 21 high of 282). It has been consolidating sideways between 269.10 and 254.92 over the past two weeks. The next support levels are at the 38.2% and 50% retracements, at 252.99 and 244.09, respectively. The daily RSI has cooled from 88.14 to 75.67, with stable volume over the last two weeks. We recommend buying on dips with a stop loss at 244.00 or on a close above 264, targeting the 282-283 range.

FABL: Robust Trend toward Higher Levels

Faysal Bank Limited (FABL) – PKR 57.19



TradingView

The robust bullish trend continues, with FABL closing at a new high of 57.50 for the fourth consecutive week, maintaining above the 161.8% Trend-Based Fibonacci Extension level with high volume. A breakout above the short-term ascending channel is evident, though the May 2008 high of 57.70 remains a resistance level. Following the recent upward trend, the next resistance is near the 261.8% Fibonacci Extension level at 63.35. Immediate support levels are defined at 55.12 and 53.31. We recommend staying positive on the stock, with a risk-defined strategy based on a closing below 50.00.

SAZEW: Breakout Signals Higher Potential

Sazgar Engineering Works Limited (SAZEW) – PKR 914.91



SAZEW broke a month-long horizontal resistance area around 865, forming a strong green candle with significantly improved volume, closing at 914.91. Prior to this, the stock traded in a long-term bullish channel, consolidating along the inner trend line; the stock now holds above the 30- and 50-day SMAs. This recent move suggests potential to test the upper trend line of the ascending channel in the range of 990 to 1015 level. We recommend staying positive on the stock, targeting the said range, with a risk-defined by a closing below the previous resistance level of 865.

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