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3 February, 2025

KSE-100 INDEX: Holds Key Support, Resistance Caps Gain

KSE100 – 114,255.72 (+1,049.32)



TradingView

The KSE-100 index continued to trade within a narrow range for the third consecutive week, testing a five-week low at 111,157 before closing at 114,255, marking a second straight weekly decline. The ongoing sideways trend has developed near the ascending channel, where hesitation around the upper boundary has created a congestion zone between 117,039 and 118,735, capping price action since mid-December. Looking ahead, the 9-week SMA (113,273) appears as immediate support, while the 111,157 SMA considers critical supports. Conversely, an upside move may face immediate resistance at 116,424, followed by the congestion zone, which should be closely monitored.

We maintain a cautious near-term outlook, advising traders to stay vigilant and await a clear breakout before taking new positions. Profit booking near the congestion zone is recommended unless a decisive move above occurs.

DGKC: Bullish Momentum Intact, Awaiting Breakout

D.G. Khan Cement Company Limited. (DGKC) – PKR 107.45



DGKC remains in consolidation above the 9-week SMA (102.36) within a bullish ascending channel. The critical resistance at 112.39, aligning with the channel's upper boundary, has held since December 9. A notable increase in trading volume signals a growing investor interest. Moreover, the stock is trading above key moving averages across daily, weekly, and monthly timeframes, while maintaining its position above a significant long-term resistance trendline, reinforcing a bullish outlook. A sustained breakout above 112.39 could initiate an upward move toward 122.24 and 134.40.

Immediate support levels are at 102.90 and 91.30, with risk management for long positions placed on a close below 91.00. We maintain a positive near-term view, favoring accumulation on dips or buying on a confirmed breakout above 112.39.

HUBC: Struggles Below Resistance

The Hub Power Company Limited. (HUBC) – PKR 132.60



TradingView

HUBC continues to struggle near its short-term resistance trend line, forming a double top around 143.50 since mid-December. A persistent decline in volume signals exhaustion and weakening momentum. The 9-week SMA (128.08) serves as immediate support, while the short-term trendline support at 123.30 remains critical. As long as the stock trades below 143.50, a cautious near-term outlook is warranted. Any long positions should define risk with a stop on a close below 123.30.

GAL: Holds Gains, Eyes Higher Targets

Ghandhara Automobiles Limited. (GAL) – PKR 468.04



GAL remained range-bound for the second consecutive week following a strong breakout above the 2017 all-time high of 406 on January 13. The stock recorded a fresh high of 494 before closing near a new weekly high at 468.04. The weekly RSI stands at 79.49, below its August 2024 peak of 92.89, indicating potential for further upside. The broader bullish trend remains intact, with potential upside targets at 542.52 (127.2% extension) and 682.28 (161.8% extension).

On the downside, immediate support lies between 408.00 and 400.00, with a close below 390.00, potentially shifting the outlook toward 369.00 and a gap retest at 322.00. We maintain a positive near-term stance, favoring long positions toward the stated targets while managing risk with a stop-loss on a close below 390.00.

OGDC: Caution Warranted Below Resistance Zone

Oil & Gas Development Company Limited. (OGDC) – PKR 206.51



OGDC remained in a downtrend for the third consecutive week, testing critical support at 206.50 after slipping below the 9-week SMA last week for the first time since September 24. The weekly RSI has retreated from its December 9 peak of 85.72 to 63.55, signaling weakening momentum.

The stock is currently testing a key support level at 206.50, which has held for several weeks. A break below this could lead to further downside toward 191.30, the last breakout point, with a breach potentially triggering additional selling pressure. On the upside, the 9-week SMA at 215.71 serves as immediate resistance, followed by a critical resistance zone between 226 and 235. Given the prevailing weakness, we maintain a cautious near-term outlook, favoring selling on strength as long as the stock remains below this resistance zone.

PPL: Hammer Candle Signals Pause in Downtrend

Pakistan Petroleum Limited. (PPL) – PKR 178.91



PPL extended its downtrend for the third consecutive week, correcting from 216.50 before finding support near 170.50, aligning with the 38.2% Fibonacci retracement of the recent impulsive move (106.00 to 216.50). The stock closed at 178.90, forming a hammer candle on the weekly chart. Weekly volume remained subdued for the third straight week, while the RSI declined to 64.44 after peaking at 85.75 on December 9.

Looking ahead, the hammer candle low at 170.50 serves as critical near-term support, with a break below this level opening the door for a decline toward the 50% Fibonacci retracement at 161.45. On the upside, the 9-week SMA at 188.63 may act as immediate resistance, followed by the January 13 high at 198.99, marking a key resistance level. We maintain a cautious near-term outlook, but the possibility of a short-term bounce following the hammer candle is likely, with a defined risk on a close below 170.50.

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