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KSE-100 INDEX: Support Cluster Holds, but Momentum Weakens

KSE100 – 114,113.93 (+2,787.36)



The KSE-100 index witnessed another highly volatile week, falling 1.17% to close at 114,114. During the session, it tested a weekly low of 110,632, aligning closely with a major support cluster comprising the long-term trendline, the horizontal support at 109,859, and the 30-week SMA (108,448). This confluence of supports helped the index trim early losses. The broader structure remains rangebound between 120,797 and 109,859, a horizontal channel that has persisted since mid-December. A decisive breakout from this range is required to establish the next directional trend. The weekly RSI declined further to 59.80 from 62.74, marking a new low and staying below the August support-turned-resistance at 66.69. This continued slide reflects weakening momentum and suggests caution heading forward.

Looking ahead, the late-week recovery could extend toward immediate resistance around 117,120, which corresponds to the unfilled gap from April 24. Beyond that, the major hurdle remains at 118,790. Unless there is a clear and sustained breakout above this level, rallies are likely to be short-lived and may offer opportunities to reduce exposure. On the downside, the 109,859 level remains critical. A decisive breakdown below this support could open the door to a deeper correction.

OGDC: Momentum Slips, Bearish Signals Build

Oil & Gas Development Company Limited. (OGDC) – PKR 203.25



OGDC closed the week sharply lower at 203.25 (-4.29%), marking a decisive break below the 30-week SMA (206.44), a key support level that had previously cushioned pullbacks. This weekly close increases downside risk and tilts the bias bearish in the short term. The price also sits just above the 50-week SMA (178.03), with the next visible support level at 192.15; a breakdown level that, if breached, would confirm a topping pattern within the rising channel. The RSI has slipped further to 49.75, reflecting weakening momentum and a shift toward a neutral-to-bearish setup. Volume has picked up slightly on the selloff, adding weight to the breakdown.

Looking ahead, the strategy turns more cautious. As long as OGDC remains below the 30-week SMA (206.44) and fails to reclaim 9-week SMA (219), any rebounds should be viewed as selling opportunities. A close below 192.15 would confirm a bearish shift and likely trigger further a decline toward 177.75–175.00. On the flip side, only a strong recovery above 219 would negate the current pressure and reopen upside toward 235.99 and 255.40. Traders should closely monitor price action around 192.15 for the next directional cue.

PPL: Selling Accelerates Near Channel Base

Pakistan Petroleum Limited. (PPL) – PKR 150.83



PPL extended its decline this week, closing significantly lower at 150.83 (-8.06%) after failing to reclaim the 165.50 breakdown zone. This marks a clear continuation of the bearish shift, with price now sitting just above the 50-week SMA (149.33) and nearing the lower boundary of the longstanding rising channel. The RSI has dropped further to 39.79, reflecting deteriorating momentum and increasing downside risk. The uptick in volume reinforces that selling pressure remains dominant.

The short-term trend is now firmly bearish, and the inability to bounce back above former support—now turned resistance—suggests sellers are in control. A decisive break below the 50-week SMA would likely lead to a test of the lower channel trendline near 143.00, with further weakness opening the door to the 128.40 region. On the upside, any rebound attempts would need to clear 165.50 convincingly to neutralize immediate pressure, with further recovery potential only above 30-week SMA (171.78). For now, the trading strategy remains defensive, with priority on managing risk below key support levels and avoiding fresh longs until stability is reestablished.

PSO: Triangle Setup Points to Imminent Move

Pakistan State Oil Company Limited. (PSO) – PKR 353.00



PSO extended its pullback this week, losing 3.01% to close at 353.00 as it continues to consolidate within a symmetrical triangle formed between the 465 high and 334.01 low. The structure suggests a neutral-to-cautiously bullish stance in the short term, with higher lows developing above the 30-week MA (342.25) and RSI holding near 52. This stabilization near a key moving average, combined with declining volume, indicates a coiling setup that may resolve directionally in the coming weeks. While the broader trend has paused, it remains intact unless the price breaks below key structural supports.

Given this context, a cautious buy strategy may be considered with a clearly defined risk. As long as PSO holds above the March 03 low of 322 on a weekly closing basis, short-term upside targets of 372 and 410 remain achievable. A break above 410 would signal a potential bullish breakout from the triangle, shifting momentum back in favor of buyers. Positioning near the 342–345 zone offers an attractive reward-to-risk setup, but a close below 322 would invalidate the structure and open the way for a deeper correction.

BAFL: Structure Turns Cautious after Prolonged Drift

Bank Alfalah Limited. (BAFL) – PKR 72.45



BAFL closed the week lower at 72.45 (-2.28%), marking continued weakness as the stock trades below 30-week SMA (76.35), now confirmed as resistance. Notably, price has also broken down from the long-term rising channel and has remained below it for the past seven weeks, signaling a structural shift in trend. The RSI has further weakened to 45.53, reflecting sustained loss of momentum. With the price hovering just above the 50% Fibonacci retracement level at 71.96, any close below this zone would expose the 61.8% level at 68.08. Given the breakdown from the channel and failure to reclaim key averages, the outlook has turned cautious. Strategy shifts to selling on strength below 76.00, while any long exposure should be strictly defined with a risk level on a weekly close below 70.00.

HBL: Trendline Holds as Buyers Step in Again

Habib Bank Limited. (HBL) – PKR 153.98



HBL ended the week at 153.98, up 4.19%, recovering strongly from the 146–148 zone and closing above the 50-week SMA (144.41) but still below the 30-week SMA (155.60), which continues to cap upside momentum. The broader uptrend from mid-2023 remains intact, with price once again respecting the long-term ascending trendline.

The RSI has risen to 50.95, reflecting a shift back into neutral-bullish territory after holding above the 43.64 support, a level that historically preceded strong rallies. Volume also picked up notably this week, reinforcing the strength of the rebound and hinting at accumulation interest near key support. The strategy remains to accumulate near 146–148 with a stop under 142. A weekly close above 30-week SMA (155.60) would confirm renewed bullish momentum and open the way toward 162.50 and 182.45. Key supports remain 143 and then 133.51 on any breakdown.

SAZEW: Pullback within Trend Offers Opportunity

Sazgar Engineering Works Limited. (SAZEW) – PKR 1,297.60



SAZEW registered a minor pullback last week, closing at 1297.60 with a -4.59% decline, following its breakout above the 936–1195 consolidation range. Despite this dip, the price remains above the breakout zone, and the overall structure stays bullish. The retracement appears corrective in nature, especially as the stock tested and respected the breakout zone around 1272, which now acts as immediate support. Volume remained moderate and did not indicate distribution, while the RSI cooled off slightly from overbought levels, now at 66, still favoring bullish conditions. The rising 30- and 50-week moving averages continue to lend trend support from below.

The strategy remains to stay with the trend, viewing any weakness toward the 1272–1194 support band as a buying opportunity. A weekly close above 1452 remains the key trigger to unlock the next projected target near 1710. However, a decisive break below 1194 would negate the bullish breakout and warrant a reassessment of the trend. For now, the trend remains intact with healthy consolidation after breakout, and bullish bias is preserved.

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