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KSE-100 INDEX: Breather in Downtrend, Caution Advised

KSE100 – 78,569.58 (+695.36)



The KSE-100 index concluded the weekly session with a breather move, retesting the support trend line of the falling wedge and slightly penetrating above it. The 30-day SMA stands above as immediate resistance, and a follow-through close above this average is required to build up support. A continuation above the 30-day SMA (79,086) with above the July 22 high of 80,085 would increase the likelihood of retesting the recent top of 81,910.

On the downside, rejection from the 30-day SMA (79,086), may lead index to test critical support range of 50-day SMA (77,644) to the recent low of 76,940 range. Closing below 76,500 would pave the way to test 73,230 38.2% retracement levels (measured from the February 19 low of 59,191 to the June 19 high of 81,939).

We maintain a cautious approach, keeping a cautious sell until the index manages to close above the 79,100 level.

HUBC: Tracking Supports, The Trend Holds

The Hub Power Company Limited. (HUBC) – PKR 146.02



The stock's alignment with the 100-day SMA (139.58) and the trend line support around 137.20, coupled with increasing volume, suggests an accumulation opportunity in the 141.00 to 136.00 range, with a defined risk on a close below 129.45, the 38.2% retracement level. Any upside move may encounter resistance in the 151.20 to 155.00 range, with the 169 to 170 zone remaining a critical supply area.

A cautious buy is advised with risk management in place.

PPL: 100-day SMA act as Critical Resistance

Pakistan Petroleum Limited. (PPL) – PKR 112.54



The 100-day SMA remained a critical resistance level for the stock throughout the week, encountering multiple rejections around the 116.50 level. Previously, the stock had rebounded from the 200-day SMA near the double bottom level of 110.73 on August 1, forming a sideways movement within this range. A breakout above 116.50 could pave the way for a retest of the prior long-term trend line around 123.50 to 126.20, presenting an opportunity to reduce positions.

On the downside, immediate support is seen in the 111 to 109.70 range. A close below 109.00 would likely resume the recent price downtrend, triggered by the breakdown of the long-term support trend line on July 19, potentially driving the price towards the April 2 low of 103.60.

We advise caution in this stock, suggesting that any upside, particularly in the 123.50 to 126.20 range, should be used as an opportunity to reduce positions.

AIRLINK: Breakout with RSI Divergence Signals Caution

Air Link Communication Limited (AIRLINK) – PKR 122.81



The stock experienced a breakout above the upper trend line of a robust long-term bullish channel, reaching a peak at 125.99, in line with the 161.8% Trend-Based Fibonacci Extension at 125.75. Despite this, an intraday correction led to the formation of a shooting star candle, though the stock still closed at an all-time high of 122.81. The daily RSI shows divergence, currently standing at 74.63 compared to its recent peak of 83.38.

A follow-through candle is required to confirm the future direction. A breakout above the 126.00 level could potentially drive the price towards the 200% Trend-Based Fibonacci Extension at 144.22. However, any long positions should define risk by setting a stop-loss on a close below the previous resistance level, which has now become support at 114.00, where more than three weeks of consolidation occurred before the breakout on August 8.

AVN: Holding Gap, Regains Momentum

Avanceon Limited (AVN) – PKR 65.81



The stock recently corrected from a high of 71.20 to a low of 61.33, filling the gap left on July 15 and establishing this level as support. It has since resumed its upward movement, breaking through a shorter resistance line and trading above major moving averages, signaling potential for further gains and a possible retest of the recent high at 71.20. The daily RSI has broken above its resistance trend line, improving from a low of 54.66 to 60.40, indicating strengthening momentum.

We recommend maintaining a positive outlook on the stock, with the potential to retest the recent high, aligned with the long-term bullish channel top in the 71.20 to 72.70 range, and immediate resistance in the 68 to 69 range. Any long position should define risk with a stop loss on a close below the **63.20** level.

GTYR: Tracking Support: Upside Potential Ahead

Ghandhara Tyre & Rubber Company Limited (GTYR) – PKR 43.02



The stock is tracking a shorter support trend line aligned with the 100-day SMA, building a strong support base with improved volumes, and indicating a potential regain in momentum. The stock had previously established a strong upward trend since June 2023, peaking at a high of 49.40 on May 16. Immediate support appears to be in the 41.90 to 41.00 range, suggesting accumulation with a trading stop loss at a close below **40.25** for a short-term upside target in the 46.60 to 48.50 range, with immediate resistance at the 44.50 level.

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