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KSE-100 INDEX: Faces Correction, Recovery Potential Ahead

KSE100 – 113,247.29 (+609.03)



The KSE-100 index experienced a corrective phase throughout the week, declining from the 118,735 peak to find support near 112,013, aligning with the 30-day SMA, before closing at 113,247 with a slight recovery. The daily RSI, which found support near 53.85 (Dec 19), recovered to 55.18 by the last session, indicating potential for a short-term rebound. Looking ahead, a recovery is likely, with immediate resistance around the 9-day SMA at 115,470, followed by a retest of the congestion zone between 117,040 and 118,735, observed over the past four weeks. This zone presents an opportunity to book profits unless a sustained breakout above 119,200 occurs.

However, a dark cloud cover bearish reversal pattern on the weekly chart signals a potential momentum shift, requiring confirmation with a follow-through bearish weekly candle below the last week's low. We maintain a cautious near-term outlook. Immediate support is at 111,670, with critical support at the Dec 20 gap near 109,847. Any long position should define risk with a stop-loss on a close below 104,900.

OGDC: Sideways Consolidation Nears Critical Test

Oil & Gas Development Company Limited. (OGDC) – PKR 224.96



OGDC has maintained a sideways trajectory over the past four weeks, recently finding support near the Dec. 16 low of 206.51. The stock has since rebounded, closing at 224.96, marking its highest weekly close since Dec 09. Trading volume showed a modest recovery to 33.02mn shares, halting a four-week declining trend. Meanwhile, the weekly RSI, which peaked at 85.72, has remained flat over the same period.

Looking ahead, the broader trend remains bullish; however, the resistance zone between 235 and 255 is likely to cap gains unless a sustained breakout occurs. As long as the stock holds above 191.00, we maintain a cautiously optimistic outlook. Traders are advised to book profits within the identified resistance range. On the downside, immediate support stands at 206.00, with critical support at 191.33.

PPL: Holds Key Support, Awaits Breakout

Pakistan Petroleum Limited. (PPL) – PKR 193.09



PPL tested the prior breakout support near the 2014 peak of 179.73, aligning closely with the 9-week SMA at 180.32. The stock recovered early-week losses to close at 193.09, forming a doji candle. Weekly trading volume improved to 43.6mn shares, halting a three-week declining trend. The weekly RSI remained steady at 77.50, with a recent peak at 85.75 on Dec 09.

Looking forward, the support zone between 179 and 180 is likely to remain pivotal. On the upside, the stock faces resistance at the ascending channel's upper boundary, which previously triggered rejections near 216.50, followed by the 222.00 range. We maintain a cautious near-term outlook, recommending cautious buying for short-term gains targeting the 216.50–222.00 range. A strict stop-loss is advised on a closing basis below 179.00 to manage downside risks.

ATRL: Bounce Potential with Caution

Attock Refinery Limited. (ATRL) – PKR 595.44



ATRL extended its corrective move for a third consecutive week after peaking at 775.75 on Dec.16. The stock closed slightly below the 9-week SMA (599.72) at 595.44 but managed to hold above the 50-day SMA (577.24). The weekly RSI declined further to 61.63 after facing rejection near 83.00. Weekly trading volumes saw a significant uptick to 9 million shares compared to 4.19 million in the prior week, indicating increased buyer interest at lower levels. Looking ahead, the stock is testing critical support between the 50-day SMA and the 200% Fibonacci trend-based extension at 577–571 range, which requires close monitoring. A rebound from this range could encounter resistance at 660–710, presenting a short-term trading opportunity with defined risks. A strict stop-loss is advised on a closing basis below 570.

We maintain a cautious outlook, suggesting selling into strength within the 660–710 range as long as the stock trades below 800.

NRL: Resistance Cluster Caps Momentum, Support Levels Hold Firm

National Refinery Limited. (NRL) – PKR 259.19



NRL faced rejection for the fourth consecutive week near a significant resistance cluster, which includes the trendline resistance, the 100-month SMA, and the March high of 317.50. This week, the stock formed a bearish engulfing candlestick pattern but managed to stay above the 50-week SMA (256.30), closing at 259.53. Weekly trading volumes declined to 4.85 million shares compared to 7.13 million in the prior week.

Looking ahead, support is positioned between the 50-week and 30-week SMAs, ranging from 256.53 to 242.80. A break below this range could lead to a deeper correction toward the long-term trendline support at 200–197. On the upside, immediate resistance lies between 264 and 285. We maintain a cautious near-term outlook and recommend selling on strength, particularly within the resistance range, as long as the stock trades below 317.50.

GAL: Breakout Potential Builds

Ghandhara Automobiles Limited. (GAL) – PKR 319.97



GAL extended its upward trajectory for the third consecutive week, testing the Aug. 05 candle low at 326.00, which has acted as resistance over the past two weeks. The stock closed at 319.97, marking its highest level since Aug. 2024. The weekly RSI broke above the Aug. 26 peak of 65.42 to stand at 66.10, indicating strengthening momentum. Trading volume remained robust, slightly easing to 17.58 million shares compared to 19.91 million last week.

Looking ahead, a sustained breakout above 326.00 could pave the way for a retest of the 359–369.70 range, corresponding to the Aug. 2024 peak. We maintain a near-term positive outlook, especially if the stock sustains above 326.00. On the downside, support is seen in the 307–293 range.

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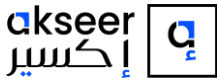
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