Weekly Report | Pakistan Technicals

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KSE-100 INDEX: Faces Resistance Amid Weak Momentum

KSE100 – 112,085.29 (-478.78)

The KSE-100 index attempted a recovery after last week's decline, weekly closing at 112,085, up 1.6%. The index rebounded from the 109,405 low, holding above the key 109,847 gap support, but faced resistance near 113,500. Weekly volumes showed a slight improvement to 1.36 billion shares, though still subdued compared to December's peak, suggesting limited buying conviction. The RSI stands at 68.30 after breaching its trendline support, reinforcing the bearish divergence highlighted last week.

Despite the short-term bounce, price action remains within consolidation, and the broader cautionary stance remains valid. A sustained move above 113,500 with rising volumes could shift sentiment bullishly, targeting 116,000–118,000. However, failure to break this resistance may lead to renewed selling pressure. The 109,800-109,400 zone remains critical, with a breakdown potentially extending losses toward 105,600 and 100,400. Considering the weakening momentum and resistance ahead, we maintain a cautious near-term outlook, favoring a sell-on-strength approach while monitoring price action around key support and resistance levels.

OGDC: Recovery Attempt Stalls – Key Levels in Focus

Oil & Gas Development Company Limited. (OGDC) – PKR 201.86

After four consecutive bearish weeks, OGDC attempted to regain momentum, finding support near 192.15, which led to a rebound, testing 212.60 high. However, the 9-week SMA (213.78) acted as resistance, triggering selling pressure and limiting early gains. The stock closed at 201.86, forming an inverted hammer on the weekly chart, signaling indecision. A follow-through candle is essential to confirm the next directional move. A sustained break above 214 would be the first indication of a potential reversal, opening the way toward the 235.50 resistance area, which has remained in play since mid-December.

Conversely, a break below 192.15 could deepen the correction toward the 30-week SMA at 177.75, with additional support at 170.00. Given the current setup, a cautious approach is warranted, favoring a sell-on-strength strategy until the stock reclaims and holds above the 9-week SMA at 213.78.

PPL: Rebound Faces Selling Pressure, Key Levels in Focus

Pakistan Petroleum Limited. (PPL) – PKR 173.46

Following an eight-week downtrend, PPL found support at 165.50 last week and rebounded to test 186.00. However, the 9-week SMA (184.80) acted as key resistance, triggering selling pressure and limiting gains, leading to a close at 173.46, and forming an inverted hammer on the weekly chart. Looking ahead, a follow-through move is needed to establish the next direction where the 165.50 remains immediate support, and a break below this level could deepen the correction toward the 30-week SMA at 148.47, with additional support at 143.00 (aligned with the Nov 4 and Nov 25 weekly lows).

On the upside, the 9-week SMA at 184.40 is the first hurdle, requiring a sustained break above to confirm a reversal, which is likely to pave the way for a retest of 216.50, a key resistance level since mid-December. We maintain a cautious stance, favoring a sell-on-strength strategy until the stock decisively reclaims the key resistance levels.

ENGROH: Cautious Optimism, Support Holds

Engro Holdings Limited. (ENGROH) – PKR 199.82

ENGROH remains at a critical juncture after testing the 195-support level last week. The stock attempted to rebound, reaching a high of 211.94 during the week; however, selling pressure limited early gains, leading to a close at 199.82 and forming an indecision candle. A follow-through move is required to establish direction.

The weekly RSI has held above the 52.18 support since October 28, currently standing at 53.02, indicating potential positive momentum ahead. Looking ahead, immediate resistance is seen at the last candle's high of 211.94, followed by the 9-week SMA at 224.55, which may act as a strong hurdle. A sustained break above these levels could strengthen the bullish outlook. Conversely, a break below 195 could extend losses toward the 180-horizontal support, with further downside likely testing the 30- and 50-week SMAs in the 175-167 range. We suggest a cautious buying approach with a well-defined stop on a closing basis below 195.

LUCK: Bullish Momentum Strengthens, Targeting Higher Levels

Lucky Cement Limited. (LUCK) – PKR 1,366.37

Lucky Cement has decisively broken above the previous resistance at 1,285.96, confirming a bullish continuation. The stock surged 12.98% over the week, closing at 1,366.37, and maintaining strong momentum. The next resistance levels are at 1,552.78, aligned with the 127.2% Fibonacci extension and the upper boundary of the rising channel. A breakout above this zone could open the way toward the 161.8% extension at 1,892.19. (The Fibonacci extension levels are derived from the 2009 low of 24.04, the 2017 high of 1,005.00, and the 2020 low of 305.00).

Conversely, on the downside, a retest of 1,285.96 would be a healthy pullback, potentially presenting a re-entry opportunity. Given the strong momentum, the preferred strategy is to stay long on dips, targeting 1,550–1,600 in the near term while keeping a trailing stop below 1,250, where a gap remains on the daily chart, to manage downside risks.

DGKC: Struggles at Resistance, Awaiting Breakout

D.G. Khan Cement Company Limited. (DGKC) – PKR 106.09

DGKC continues to encounter resistance near the upper boundary of the ascending channel, a level that has remained in play since December 9, 2024. Last week, the stock rebounded after a two-week decline, finding support at 101.00 and testing a high of 111.60. However, selling pressure near resistance limited gains, leading to a close at 106.09.

The stock is forming higher lows, shaping an ascending triangle pattern. A sustained break above 112.40 is required to confirm a renewed bullish trend. On the downside, 101.00 remains immediate support and must hold to maintain the current structure. A break below this level could expose the stock to horizontal support at 96.40, with further downside toward the 30-day and 50-day SMAs, positioned between 89.25 and 86.00.

We recommend a cautious approach, suggesting accumulation on dips with risk defined below 101.00 or buy on a breakout above 112.40.

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