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KSE-100 INDEX: Faces Rejection, Cautious Outlook Advised

KSE100 – 78,045.30 (-60.68)



The KSE-100 index faced rejection while retesting the support trend line of the falling wedge, aligned with the 30-day SMA (78,981). Despite this, the 50-day SMA (77,855) remains as key trailing support and a break below this average with follow-through closings below 76,900 builds on bearish momentum, potentially leading to a test of the support range between the 100-day SMA currently at 74,166 and the 38.2% retracement level at 73,250 (measured from the February 19 low to the June 19 high).

We maintain a cautious outlook and advise reducing positions during any upward moves until the index secures a close above the 79,100 level. Key resistance levels are at 78,300 and 78,980 points, with crucial support levels at 77,850 and 76,940 points.

HUBC: Critical Supports under Test

The Hub Power Company Limited. (HUBC) – PKR 148.24



The stock remains in a sideways consolidation, caught between the 50-day SMA at 151.85 and the 100-day SMA at 140.80, which aligns with the 23.6% retracement level at 144.91 and the long-term bullish trend line around 138.20. The 30-day SMA, currently at 152.88, is acting as critical trailing resistance.

The recent price movement suggests a correction within the broader bullish uptrend, with the stock hovering near the support trend line in alignment with the 100-day SMA. This indicates a potential accumulation opportunity, with a defined risk on a close below 136.

Looking ahead, key resistance levels are at 151.85 and 152.90, while crucial support levels are at 144.90 and 140.80.

PPL: Key Averages Weigh on Upside

Pakistan Petroleum Limited. (PPL) – PKR 111.11



The stock has encountered consistent resistance around the 116.50 level, aligned with the 100-day SMA (116.02) and further supported by the 30-day and 50-day SMAs at 116.10 and 116.80, respectively. This cluster of resistance has exerted downward pressure, driving the stock to test key 200-day SMA (111.63), accompanied by declining trading volume, a clear indication of negative momentum ahead. Despite this, the stock is currently holding above the double-bottom support at 109.70. A break below this level would open the path to the April 2 low of 103.60.

We maintain a bearish outlook and recommend a sell position with a stop above 116.50. Key resistance levels to watch are 112.30 and 113.20, while crucial support levels are 110.90 and 109.70.

AIRLINK: Robust Bullish Momentum

Air Link Communication Limited (AIRLINK) – PKR 140.59



The stock continued its robust bullish momentum, achieving another milestone by testing the 200% trend-based Fibonacci Extension, peaking at 145.61 and recording a new all-time weekly high close at 140.59 level. A gap left near the 132.37 level on August 13 serves as immediate support, while resistance is anticipated in the 144.70 to 145.60 range. The continuation of this momentum with a close above 145.60 could drive the price towards the channel trend line, targeting the 154.00 to 164.24 range, corresponding with the 241.40% trend-based Fibonacci Extension. We maintain a positive outlook on the stock, with downside risk identified in the 132.30 to 125.75 range.

AVN: Consolidation within the Channel

Avanceon Limited (AVN) – PKR 62.14



The stock has entered a sideways consolidation phase, marking its fourth consecutive trading week within a tight range from 61.33 to 68.00, while maintaining the gap established on July 15. After peaking at 71.20 and testing the upper boundary of a short-term ascending channel, the stock faced rejection at this resistance, shifting its previous uptrend into a sideways pattern. The market now awaits a breakout in either direction to signal the next major move.

A close below the 61.30 level would likely trigger a decline toward the 50-day SMA at 59.64, with further support at the trendline around 57.70. Conversely, a break above 68.00 could open the door for a retest of the 71.20 level, with an extension toward the February 2022 high of 72.50.

In this scenario, we recommend trading within the current range, emphasizing strict risk management to navigate potential breakouts.

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