Weekly Report | Pakistan Technicals

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KSE-100 INDEX: Downside Risks Mounting After Reversal Candle

KSE100 – 120,023.23 (+20.64)

The confirmation of a gravestone doji followed by a bearish candle last week signals a potential reversal on the KSE-100 weekly chart. The index is currently testing critical horizontal support around 118,735, which aligns with both the long-term rising trendline and the 30-week SMA (118,895), making this confluence zone vital for the market's near-term direction. A breakdown below this support may trigger a move toward the unfilled gap at 115,093 (left on May 12). Failure to hold this level could lead to a deeper correction toward the 50-week SMA (102,364), aligning with the December 2023 gap at 101,496.

On the upside, immediate resistance is seen at 121,900, marked by the 9-day SMA on the daily chart, while a more decisive hurdle lies at the 123,846 gap left on June 12, visible on the daily timeframe. A breakout above this area is required to invalidate the current bearish structure. The RSI remains in a declining channel, indicating fading momentum. We continue to advocate a "sell on strength" approach unless the index decisively reclaims the 124,000 mark, with 118,735 as the key level to watch for potential breakdown risk.

OGDC: Consolidation Continues, Awaiting Direction

Oil & Gas Development Company Limited. (OGDC) – PKR 212.25

OGDC closed the week at 212.25 (+1.62%), marginally reclaiming the 30-week SMA (212.38) while holding above the 9-week average (207.18). Despite the minor gain, the price continues to consolidate below the unfilled gap at 226.01 and the horizontal ceiling of 235.99. The pattern reflects a low-volatility phase within the broader rising channel, with a lack of strong directional bias. RSI at 54.15 remains capped beneath a declining trendline, reinforcing the absence of bullish strength. Volume stayed subdued, showing no signs of breakout participation.

The current structure suggests ongoing range-bound movement between key resistance at 216-226 and support at 202.90. A sustained close above 216 may open the path toward 226 and 236, while failure to hold 202.90 could trigger a test of deeper support at 192–184. Until a decisive breakout or breakdown occurs, traders may continue using a swing trading strategy, lighten positions near upper resistance levels and look to re-accumulate on pullbacks near support, with stops placed just beyond the range extremes to manage downside risk.

PPL: Holding Lower Channel but Lacks Strength

Pakistan Petroleum Limited. (PPL) – PKR 163.63

PPL closed the week at 163.63, down 2.07%, continued to move within a narrow range. Price action remains constrained near the lower boundary of the long-term ascending channel and capped beneath the 30-week SMA (176.35). Despite holding slightly above the 9-week SMA (162.09), the RSI continues to trend downward and remains suppressed by a descending resistance line, indicating persistent bearish momentum. The fading volume on recent recovery attempts further signals weak buying interest, reducing the likelihood of a sustained bounce.

The 165-163 range remains a critical demand zone, just above the 50-week SMA (155.48) and channel support near 153. A breakdown below this structure could trigger a deeper correction toward the 128.40 pivot or even the 115-120 congestion zone. On the upside, resistance is firm around 174-178, and only a breakout above 178 would revive hopes for a gap-fill toward 185.20, followed by 193. Traders may consider a cautious accumulation strategy near 163 -155 with strict stops below 153, but must stay alert, as momentum remains tilted to the downside without a volume-backed confirmation.

PSO: Neutral Setup Holds, Breakout Pending

Pakistan State Oil Company Limited. (PSO) – PKR 372.29

PSO closed the week slightly higher at 372.29, up 0.99%, maintaining its position between the 9-week SMA (364.42) and the 30-week SMA (373.12). The price action remains confined within the broader descending channel, with no significant shift in structure or momentum from the previous week. The consolidation with narrow range, coupled with low trading volumes and an RSI hovering at 55.00, suggests that market sentiment remains cautious and momentum is still lacking. The converging moving averages further reflect a coiled setup, awaiting a breakout trigger in either direction.

With the overall range-bound structure intact, the near-term outlook remains neutral-to-cautious, favoring continued sideways movement within the 361–391 zone. Bulls need a decisive move above 391 to unlock the unfilled gap at 410.30 and confirm a shift in momentum toward 434 and 465. On the downside, a failure to hold 366 and a close below 361 would raise the risk of a deeper correction toward 345 and 322, with the 50-week SMA near 299 acting as major support. Until either level is breached, the trading approach stays neutral, focusing on mean-reverting setups within the established range.

ATRL: Momentum Fades at Resistance

Attock Refinery Limited. (ATRL) – PKR 660.11

ATRL posted a mild decline of 1.08% this week, settling at 660.11 after marking an intraday low of 658.10. This slight loss extends the ongoing consolidation phase below the 698 resistance, where both horizontal and descending trendline barriers converge. The price continues to trade above the 30-week SMA (624.80), which now aligns with the previously broken descending trendline, turning it into potential support likely to be retested in the coming sessions. Meanwhile, the RSI remains capped below the horizontal resistance at 68.36, indicating persistent bearish divergence and a lack of strong momentum despite the broader uptrend.

Unless a decisive breakout above 698 occurs, the short-term outlook remains neutral with a downside bias. A confirmed close above 698 could trigger renewed bullish momentum, opening the path toward the previous high at 775.75. Conversely, a deeper pullback remains possible toward the confluence support zone of 630-600, anchored by the rising trendline and key moving averages. Traders are advised to stay selective, considering profit-taking near resistance on strength, and looking for fresh accumulation opportunities either on a breakout above 698 or within the 630-600 demand zone if stability emerges.

DGKC: Engulfing Candle Warns of Pullback

D.G. Khan Cement Company Limited. (DGKC) – PKR 154.89

DGKC posted a notable weekly loss of 6.38%, closing at 154.89 after facing strong rejection from the 168-174 supply zone. The bearish engulfing candle formed near the rising channel's upper boundary signals a potential short-term reversal, especially given its alignment with a major historical resistance. The RSI has retreated from overbought territory to 66.26, reflecting waning bullish momentum and increasing the likelihood of a corrective phase.

Looking ahead, the 157–160 range now acts as immediate resistance, while the 9-week SMA (146.85) aligns closely with the 143.50 level, a key breakout zone and former peak from 2021 to form the first major support area. A decisive breakdown below this could accelerate the correction toward the channel midline near 135–138, with the 30-week SMA (~123) serving as a critical secondary support. Given the bearish candlestick confirmation and RSI cooling, initiating fresh longs near resistance carries higher risk. Traders may consider reduce exposure or taking short-term corrective positions, with plans to re-enter on dips near key support levels for a better risk-reward setup.

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