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KSE-100 INDEX: Key Levels Define Next Move

KSE100 – 114,880.48 (+842.69)



The KSE-100 index has sustained its position above the 113,000 level for the past two weeks, following the formation of a Dark Cloud Cover bearish pattern on January 6. Despite this, subsequent follow-through candles have displayed resilience, keeping the index within the ascending channel. However, it showed hesitation near the upper boundary, creating a congestion zone between 117,039 and 118,735. On the downside, the 113,000 level serves as immediate support, followed by the 9-month SMA at 111,840, considered a critical level.

We maintain a cautious near-term outlook. Traders are advised to wait for a clear breakout before initiating new positions and consider booking profits near the congestion zone unless a sustained move above resistance is observed.

HUBC: Support Holds, Awaits Sustained Break Above

The Hub Power Company Limited. (HUBC) – PKR 132.60



HUBC followed resistance trendline breakout last week, continuing its upward move and peaked at 142.97. However, the company faced rejection near the December 16 high, forming a double top. This led to a correction, with the stock retesting the prior trendline resistance, now supported by the 30- and 50-week SMAs around 131.00. Weekly volume declined to 46 million shares compared to 67 million in the previous week. The RSI also corrected to 54.30, below the September peak of 63.88.

Looking ahead, the cluster of supports near 131.50 must hold to maintain the current structure. A sustained break above 144.00 is required to resume the prior bullish momentum. We maintain a positive near-term outlook, recommending accumulating the stock during pullbacks with a defined risk level at a close below 125.20.

GAL: Fresh High Tested, Support Holds

Ghandhara Automobiles Limited. (GAL) – PKR 455.25



TradingView

Following last week’s momentum, GAL tested a fresh high of 479.00 twice during the week, forming a double top on the daily chart before closing at 455.25. Weekly volume remained strong but declined to 27.4 million shares from 37 million the prior week. The weekly RSI stands at 78.66, below its August 2024 peak of 92.89, suggesting room for further upside.

Looking ahead, the broader bullish trend remains intact. A break above the recent high of 479.00 is required to open the door for further upside targets at 542.52 (127.2% extension) and 682.28 (161.8% extension). On the downside, immediate support is seen between 408.00 and 400.00, potentially leading to 369.00 and a retest of the gap at 322.00. We maintain a positive near-term outlook, recommending staying long with the stated targets and managing risk with a stop-loss at a close below 390.00.

OGDC: Key Levels to Watch Amid Bullish Structure

Oil & Gas Development Company Limited. (OGDC) – PKR 212.43



OGDC has been consolidating for the past six weeks, trading within a narrow range of 206.50 to 235.50 amid declining volumes. The weekly RSI has softened from Dec 9, 2024 peak of 85.72 to 68.45, signaling a pause in momentum. The stock remains within an ascending channel but has broken below the 9-week SMA at 214.46, suggesting weakening sentiment.

Immediate support is seen at 206.50, with critical support at 191.30, the last breakout point. A breach below this level could trigger additional downside pressure. On the upside, a breakout above 235.50 may reignite bullish momentum, targeting 255.40, the recent high recorded on December 23. The ongoing consolidation phase presents a potential accumulation opportunity, with a stop-loss recommended below 190.00.

PPL: Consolidating Near Key Support and Resistance Levels

Pakistan Petroleum Limited. (PPL) – PKR 181.46



TradingView

PPL has broken below the 9-week SMA at 187.42 for the first time since September 30, closing at 181.46 near the critical 2014 peak of 179.73. Holding above this key support is essential to avoid triggering a sharp downtrend. Weekly volume has been declining for three consecutive weeks, while the RSI has dropped to 66.61, continuing its fall after peaking at 85.75 on December 9.

Looking ahead, 179.90 remains a crucial support level. A sustained break below this could lead to a test of 162.90, followed by 141.90, which aligns with the November 25 candle low and the 30-week SMA. On the upside, immediate resistance is seen at 187.40, with further hurdles at 199.00 (last week high) and 216.50, a triple-top zone marking critical resistance. We maintain a cautious near-term outlook and suggest selling on strength as long as the stock remains below 200.

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