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02nd September, 2024

KSE-100 INDEX: Caution Advised amid Stalemate

KSE100 – 78,488.21 (138.55)



The KSE-100 index has been in a sideways move for the fifth consecutive week, confined within a narrow range of 76,943 to 79,327. The 9-week SMA (78,937) has consistently trailed as strong resistance. This consolidation comes after the index breached a rising wedge support trend line on July 29. The 30- and 50-day SMAs (78,253 & 78,684) have recently witnessed a negative crossover, the first since March 2024, signaling caution.

A breakout from the current range of 76,943 to 79,327 is needed to determine the future direction. We maintain a cautious outlook, with key resistance levels at 79,170, 79,330, and 80,085, and support levels at 78,250, 77,990, and 77,460.

NBP: Bullish Trend Hinges on RSI Breakout

National Bank of Pakistan (NBP) – PKR 60.65



The stock has broken above the double top near the August 2018 high of 54.89, resuming its strong bullish trend and peaking at 63.00, just above the August 2017 high of 62.90. Since the weekly RSI shows bearish divergence and is testing the descending trend line near 71.70, a breakout is needed to align with the recent price gains.

The underlying trend is bullish; however, the August 2017 high of 62.90 appears to be a critical resistance level that must be cleared to sustain the uptrend. Beyond this, a strong supply zone is expected between 77.49 and 83.64, with initial resistance at 69.74 (May 2017 top). On the downside, immediate support levels are in the 54.50 to 50.00 range.

AVN: Reversing Gains: Watch Critical Supports

Avanceon Limited. (AVN) – PKR 57.50



A clear downtrend has been established as the stock broke below the short-term support trend line around 59.50 and the 100-day SMA at 57.93, following a break below the July 15 gap at the 61.33 level. The 200-day SMA at 54.24 now serves as the immediate downside target, with the June 11 low at 53.15 acting as critical support. We recommend selling the stock, with any upward move viewed as an opportunity to reduce positions at higher levels.

FFBL: Consolidation Continues: Watch for Breakout

Fauji Fertilizer Bin Qasim Limited. (FFBL) – PKR 46.17



The stock has been trading within a narrow range of 43.25 to 46.50 for the fourth consecutive week after testing the short-term bullish channel top at 46.50 on August 8. It remains above key short-term moving averages, particularly the 30-day SMA, which has been repeatedly tested. This consolidation is supported by strong bullish momentum, and a break above 46.50 could lead to a retest of the resistance trend line around 49.50 to 50.00, followed by the 2017 peak at 51.88 and potentially the all-time high of 57.90 (2015). On the downside, a break below 43.25 could drive the price toward the 50-day SMA at 40.68, a critical support level. We maintain a cautious stance until the stock breaks above 46.50.

HUBC: Cautious Optimism above Key Support Levels

The Hub Power Company Limited. (HUBC) – PKR 151.85



The stock continues to hold above the long-term bullish trend line, aligned with the breakout level of the 2017 high at 145.99, forming a support zone between 144.00 and 146.00, reinforced by the 100-day SMA at 144.10. A break below 144.00 could lead to a test of the 200-day SMA at 130.44.

The horizontal trend line near the June 21 gap at 158.29 serves as critical resistance, especially with the negative convergence of the 30- and 50-day SMAs.

We recommend a cautiously positive approach as long as the stock remains above the 146 to 144 support zone.

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