

Muhammad Ovais Iqbal
ovais.iqbal@akseerresearch.com

23rd September, 2024

KSE-100 INDEX: Rounds off Bullish Breakout, Eyes 87K

KSE100 – 82,074.44 (615.16)



The KSE-100 index witnessed strong bullish momentum this week, breaking the previous historic high of 81,940 (July 15) and closing at an all-time high of 82,074, after nine weeks of consolidation. The RSI on the weekly chart broke above the bearish trend, standing at 74.45, signaling further bullish potential.

The breakout suggests a potential upside targeting of 87,230, with initial resistance at 83,260, 83,970, and 84,980 (the retracement levels of 1.272%, 1.414%, and 1.618% of the recent correction range from 81,940 to 76,943).

On the downside, immediate support is at 80,587 (gap left on Sept 19), while critical support lies at the 9-week SMA (78,940), aligning with the short-term support trendline.

We maintain a positive outlook, with risk defined close below short-term support trendline around 78,900.

OGDC: Long Upper Shadow Doji and Bearish Pattern Indicate Sell-off

Oil & Gas Development Company Limited. (OGDC) – PKR 141.29



A long upper shadow doji formed on the weekly chart near the resistance zone of 148-150 and a bearish engulfing pattern on the daily chart, indicating strong resistance as it approached the gap left on Feb 9.

The stock is likely to continue its downtrend, testing the support trendline around 136-132, which aligns with the 9- and 30-week SMAs. Despite this, the underlying trend remains bullish as the stock trades above key moving averages. A buying opportunity may arise near the support zone (136-132), with risk defined on a close below 126.20.

On the upside, resistance is expected near 142-148, with a breakout above 151.00, paving the way to test 155.50-158.60 resistance range.

PPL: Bearish Engulfing Signals Further Downside

Pakistan Petroleum Limited (PPL) – PKR 113.24



The stock continues to consolidate within a narrow range, holding double bottom support at 109.70 (since August 1), but facing resistance at 116.50, which aligns with the 100-day SMA. A bearish engulfing candle formed in the last session after testing a high of 117.45. Profit-taking, along with high volume, led the stock to close at 113.24, falling below key moving averages. A close below 109.70 could signal further downside, with targets at 103.60 and potentially 94.74.

We recommend selling mainly on closing below the 109.70 level. Any upward move may face resistance near the 115.00 and 116.75 levels, while our bearish view invalidates by a close above the recent high of 117.50.

LUCK: Bullish Channel Intact; Recovery Underway

Lucky Cement Limited (LUCK) – PKR 891.26



The stock remains in a strong long-term bullish channel after recently correcting from the high of 975 (week ending June 10) to test a low of 821 (week ending September 2), aligning with the channel support trendline and holding above the 9-month SMA (831.84). Since then, the stock has staged a recovery, posting a third consecutive positive week while forming a strong bullish candle, testing the horizontal resistance trendline near 890.

To continue its upward momentum, the stock needs to break and sustain above 841, with immediate resistance at 939 and a potential retest of the recent top at 975. Before challenging the channel top around 1,080, the 2017 all-time high of 1,005 remains a critical hurdle.

We recommend a buy position with risk defined on a close below 820.

DGKC: Short-Term Rebound Expected as Stock Holds Key Support

D.G. Khan Cement Company Limited (DGKC) – PKR 79.67



The stock remains in a short-term bearish channel, correcting from the recent high of 96.40 (June 14). Currently testing the descending channel’s support near the 73.50 low, it managed to post a weekly close above the critical support at 75.10, which aligns with the 50- and 100-week SMAs (75.84 and 75.67). In the last session, a green hammer candle formed, indicating the recent correction may have paused.

On the upside, the stock could encounter resistance around the 78.20–79.00 range, with the 30-week SMA (80.54) acting as a key resistance level.

We recommend buying the stock, with initial targets of 78.00 and 80.50, and risk defined on a close below 73.50.

FCCL: Key Resistance Broken; Bullish Outlook Ahead

Fauji Cement Company Limited (FCCL) – PKR 25.07



FCCL has formed a weekly candle above the critical horizontal resistance at 24.54 (February 2021 peak), which had been tested and rejected three times in the past four months. The stock managed to close at 25.07, marking the highest weekly close since April 2018. It continues to hold above key moving averages on both daily and weekly charts, while forming a rising wedge pattern on the weekly chart.

Looking ahead, the resistance trendline of the rising wedge is expected to challenge the price in the 26.80 to 27.10 range, with the April 2018 high of 28.90 acting as strong resistance. We maintain a positive outlook, provided the stock holds above the support trendline of the wedge around 21.00. Key resistance levels are 25.40 and 25.70, while support lies at 24.50 and 23.60.

ATRL: Bearish Momentum Persists; Key Support Approaching

Attock Refinery Limited (ATRL) – PKR 321.54



TradingView

The bearish momentum persisted for the fourth consecutive week, with the stock trading within a bearish channel, likely approaching the gap left from February 23 at the 315 level. The bearish channel support trendline stands within the 310 to 307 range, while the February 21 candle low is a critical support at 301.60. The RSI on the daily chart is nearing the oversold region at 29.72, with the recent low recorded at 24.43 on June 11.

The stock is approaching a key support cluster in the 315 to 307 range, suggesting accumulation on the dip, with a defined risk on a close below 300.00.

Disclaimer

This report has been prepared and marketed jointly by Akseer Research (Pvt) Limited and Alpha Capital (Pvt) Limited, hereinafter referred jointly as "JV" and is provided for information purposes only. Under no circumstances is this to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, the JV and/or any of their officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professionals who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and the JV accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of the JV's Research Department and do not necessarily reflect those of the JV or its directors. Akseer Research and Alpha Capital as firms may have business relationships, including investment--banking relationships, with the companies referred to in this report. The JV or any of their officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the companies mentioned in this report, may have a financial interest in the securities of these companies to an amount exceeding 1% of the value of the securities of these companies, may serve or may have served in the past as a director or officer of these companies, may have received compensation from these companies for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from these companies for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the companies mentioned in this report.

All rights reserved by the JV. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of the JV. Action could be taken for unauthorized reproduction, distribution or publication.

Research Dissemination Policy

The JV endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc.

Analyst Certification

The research analyst, denoted by 'AC' on the cover of this report, has also been involved in the preparation of this report, and is a member of JV's Equity Research Team. The analyst certifies that (1) the views expressed in this report accurately reflect his/her personal views and (2) no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Contact Details



Akseer Research (Pvt) Limited

1st Floor, Shaheen Chambers, KCHS block 7 & 8,
off. Shahrah-e-Faisal

T: +92-21-34320359 -60

E: info@akseerresearch.com



Alpha Capital (Pvt) Limited

3rd Floor, Shaheen Chambers, A-4 Central Commercial Area,
KCH Society, Block 7 & 8, Near Virtual University, Karachi

T: +92-21-38694242

E: info@alphacapital.com.pk



www.jamapunji.pk