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KSE-100 INDEX: Moves Stall Post Wedge Breakout

KSE100 – 78,801.42 (8.01)



The KSE-100 index has exhibited a sideways movement within a narrow range from 76,943 and 79,327 over the past four weeks. This consolidation follows the index's violation of a rising wedge-support trend line by the weekly close on July 29. Weekly closings during these four weeks have remained above 78,000. However, the 9-week SMA (78,941) has acted as a significant resistance, with the index failing to close above it during this period.

Considering the current setup, we maintain a cautious approach, with emphasis on risk management and taking profits on any upward moves. Key resistance levels are 79,170, 79,330, and 80,085, while support levels are 78,400, 78,180, and 77,750.

NBP: Bearish Engulfing with Double Top

National Bank of Pakistan (NBP) – PKR 52.29



The stock has formed a double top around the July high of 54.50 despite a new high at 55.24 on Friday. This formation meets the August 2018 high of 54.89, which is seen as the key long-term resistance to overcome for broader upside. Friday’s move faced strong rejection, closing with a bearish-engulfing candle, a similar formation formed in July. The RSI on both daily and weekly charts shows bearish divergence, indicating waning momentum and a potential bearish reversal.

A sell recommendation is advised, with an initial downside target of 49.30 to 47.60, followed by 44.60 to 43.40. However, a close above 55.25 would invalidate this bearish outlook.

FFBL: Momentum Meets Resistance: Caution Advised

Fauji Fertilizer Bin Qasim Limited. (FFBL) – PKR 44.72



The stock has regained momentum after a correction, moving in a robust upward trend toward a recent high near 46.45, the peak since 2017. This level aligns with the resistance trend line of a long-term ascending channel, creating a strong resistance zone between 44.74 and 47.65, suggesting caution. A breakout above the April 2017 peak of 47.65 could lead to the next supply zone between 51.88 and 52.35, the highest level since 2015.

We recommend selling on strength, particularly in the 46.45 to 47.65 range, unless the stock decisively breaks above 47.65. Key downside support levels are 42.70, 41.80, and 39.90.

HUBC: Critical Supports under Test

The Hub Power Company Limited. (HUBC) – PKR 146.24



After a strong corrective move within a robust ascending channel, the stock has found solid support near the horizontal line aligned with the 100-day SMA around the 142.00 level, holding above this level for the past three weeks. However, the 30- and 50-day SMAs, positioned above, are acting as resistance in line with a steeper short-term resistance trend line between 150.00 and 152.40 level. A break above 152.40 could push the price to 158.30, with a potential retest of the recent peak at 169.90 level.

We maintain a positive outlook and suggest accumulating within the 142 to 140 support zone, with a risk-managed stop at a close below 136.

PPL: 200-Day SMA Tested; Caution Advised

Pakistan Petroleum Limited. (PPL) – PKR 112.56



The stock continues to face strong resistance around the 116.50 level, aligned with the 50 and 100-day SMAs, while the 30-day SMA also adds to the resistance cluster amid subdued trading volume. However, it remains above the double-bottom support at 109.70, aligned with the 200-day SMA, creating a sideways movement. A decisive break on either side is needed to determine the future direction.

We maintain a cautious stance, especially below the 116.50 level, and recommend selling if the stock confirms a bearish view with a close below 109.70, potentially leading to a downtrend towards the 103.60 to 94.00 range.

AIRLINK: 200% Trend-Based Fib Extension Acts as Resistance

Air Link Communication Limited (AIRLINK) – PKR 135.94



TradingView

After a strong bullish run, the stock tested the 200% trend-based Fibonacci extension around the 144.22 level, reaching a peak of 145.61 last week. Despite multiple attempts over the past two weeks, the stock has faced significant resistance near this recent high, establishing a strong resistance zone between 144.20 and 145.60.

On the downside, the stock has filled the gap left on August 13, establishing immediate support at the 130.10 level. Currently, it is holding above the 9-day SMA at 135. If the correction continues, the next support levels are anticipated near 125.75, aligned with the 161.8% trend-based Fibonacci extension, and 114.00, marking the previous horizontal resistance breakout point.

Given the current technical setup, we recommend exercising caution. Consider reducing exposure until the stock decisively breaks above the recent peak of 145.60, which would signal a potential continuation of the upward trend.

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