Recovery Aiming For 43,072 and 44,547 Levels

The momentum has started to recovery after bullish divergence confirmed on the 14-day. Expect the market striding towards 43,072 and 44,547 levels. A close below 41,597 level will negate this view.

According to our revised Elliot wave count, the index is in final stages (Wave C) of second intermediate corrective wave of fifth primary degree rise —marking 50,886 level as an irregular intermediate top. In the process, the market action has carved a falling wedge pattern near the 50% retracement of last intermediate run (Jan’16 low of 29,785 to Jan’17 high of 50,866) around 40,335 level. Below there, an important support trailing along the 610-day Fibonacci average resides around 39,263 level. If our count is correct then completion of intermediate correction should resume the bullish trend through 44,008 — 47,241 levels to explore new highs above May’17 peak (53,127) to complete the fourth and the fifth intermediate waves of fifth Primary cycle. Preferred sectors include oil, financials, utilities & textile. Investors are advised to accumulate positions on weakness up to the above mentioned retracement levels.

13-day Leaders: JSCL, NESTLE, ATRL, PMPK, OLPL, SCBPL, SSGC, SNGP, BNWM & MTL

13-day Laggards: IDYM, SRVI, JDWS, HBL, CJPL, SNBL, PIOC, CSAP, MARI & CPPL
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**Technological Score Sheet: KSE 100-Index**

**Technical Score Calculation**

1. **RSI**: Calculated using the formula RSI(14) = 100 - (100/(1 + RS)), where RS is the Relative Strength Index.
2. **MACD**: Calculated using the formula MACD = (9 Day EMA of Close Price) - (26 Day EMA of Close Price).
3. **Stochastics**: Calculated using the formula Stoch%K = (Current Close Price - Lowest Low Over a Period) / (Highest High Over a Period - Lowest Low Over a Period).
4. **OB/OS**: Indicates whether the stock is overbought (OB) or oversold (OS).

**Breakouts**

- *3-Day Breakout*: Stocks that have broken out of a 5-day or 10-day price range.
- *5-Day Breakout*: Stocks that have broken out of a 10-day price range.
- *13-Day Breakout*: Stocks that have broken out of a 20-day price range.

**Volume, Momentum, Volatility and Breakouts**

- *Volume*: The total volume of shares traded in the last 21 trading days.
- *Momentum*: Indicated by the change in the closing price over the last 21 trading days.
- *Volatility*: Measured by the standard deviation of the closing price over the last 21 trading days.
- *Breakouts Breakdown*: Provides a breakdown of the number of stocks that have broken out in each category.

**Thursday, Sep 14, 2017**

**Breakout Breakdown**

- **3-Day Breakout**: 6 stocks
- **5-Day Breakout**: 12 stocks
- **13-Day Breakout**: 5 stocks

**Prepared by**: **Gaurav Arora**

**KSE 100 Index Components**:

ABC | BCE | CNR | DAF | JCI | ISK | JKMD | KOR | MGN | NIL | PSZ | PZM | RPT | SLP | TRX | UPL | UST | TRX | UPL | UST | ABB | AEI | ITC | ENER | TPL | EML | ADB | EMB | PCN | PSX | PLC | FBL | KBL | JRG | LEN | FBB | PSO | MCB | PBK | PICT

**Index Components**:

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**Technical Score**:

- **Bullish**: Stocks with a RSI above 70.
- **Neutral**: Stocks with a RSI between 50 and 50.
- **Bearish**: Stocks with a RSI below 30.

**OS/UB**:

- **Overbought**: RSI above 70.
- **Oversold**: RSI below 30.

**OB/OS**

- **Oversold**: RSI below 30.
- **Overbought**: RSI above 70.

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