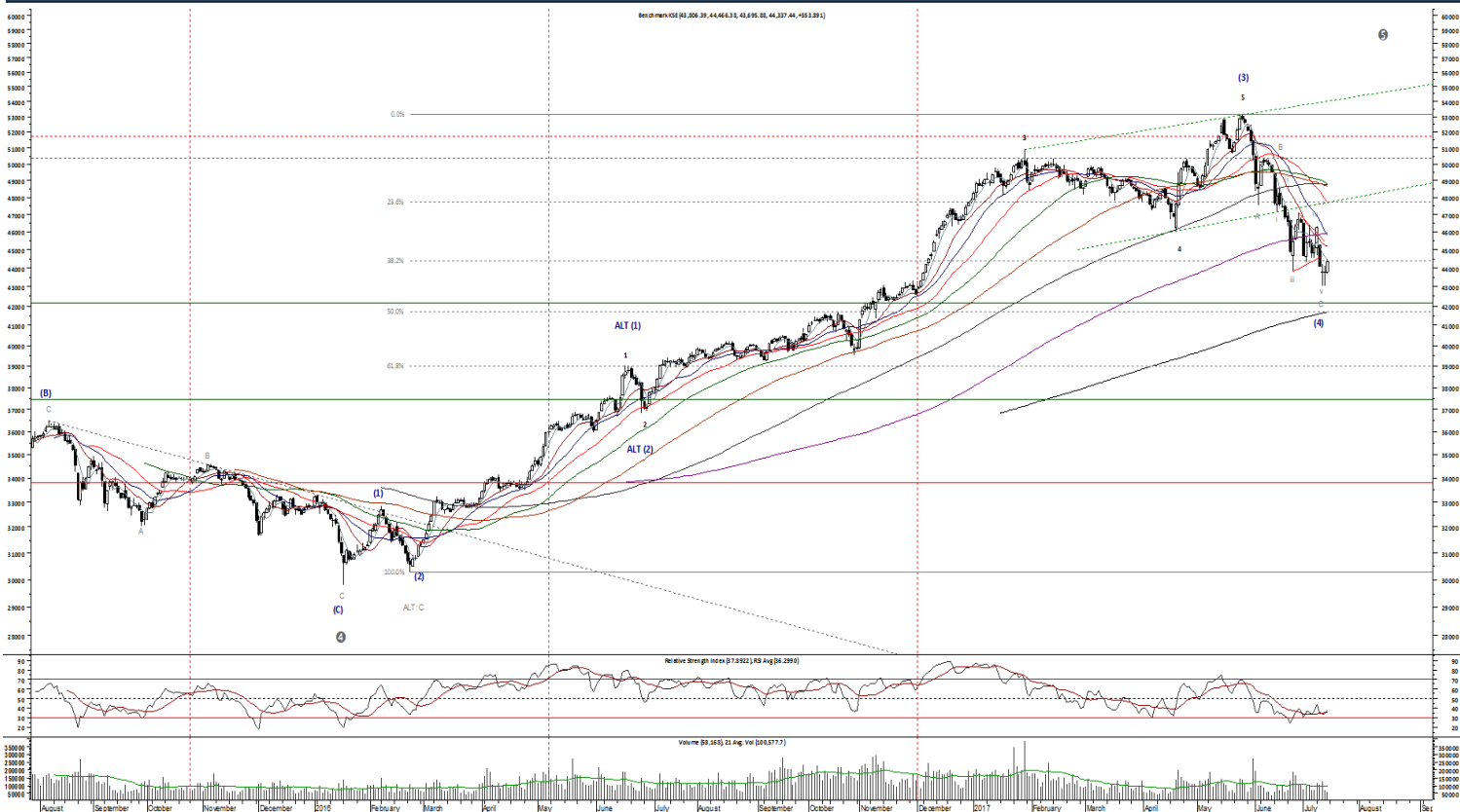




KSE100 Index

CLOSE	HIGH	LOW	CHANGE	14-day RSI	55-SMA	144-SMA	233-SMA
44,337	44,466	43,695	+553.89 / 1.26%	37.89	48,800	48,742	45,928



Awaiting A Trigger

The tweezers support anchored at 43,050 level allowed a recovery on Friday where the index gained 1.26% (553 +ve) to settle at 44,337 level. We prefer to hold a neutral stance at present. Immediate strength towards 44,797 level is required to explore possibility of strength towards 45,729 — 45,891 and 47,661 — 47,734 levels. On the downside, a relapse below 43,027 level will resume the downwards trend exposing next possible support around 41,701 level, forming a confluence with a) Long-term trend line at 41,925 level developed by joining April 2008 high and Feb 2015 high on the monthly chart, b) 23.6% Fibonacci retracement of Jan 2009 to May 2017 rise at 41,717 level, c) 50% Fibonacci retracement of Feb 2017 to May 2017 rise at 41,701 level and d) 377-day Fibonacci simple moving average at 41,676 level (curving upwards). We find the index in the last leg (wave 5) of wave C to complete the A-B-C corrective sequence. The daily stochastic is recovering with the 14-day RSI forming a bullish divergence near oversold readings. A break above 46,308 level is required to suggest an end to the corrective sequence and activate a bullish reversal towards 48,555 level.

According to our preferred Elliott wave count, the 4th intermediate wave of fifth primary degree rise has exceeded the 38.2% Fibonacci retracement of last intermediate run (Feb'16 to May'17) at 44,397 level. Further pressure can possibly expose the 50% retracement around 41,701 level. Below there, the deeper 61.8% Fibonacci retracement resides around 39,004 level. The critical resistance between 50,111 and 50,666 levels hold the key to new highs. If our count is correct then completion of intermediate correction should resume the bullish trend for new highs beyond May'17 high (53,127) to complete the fifth Primary cycle.

13-day Leaders: PMPK, SNBL, PPL, NATF, SSGC, PAKT, IBFL, IGIL, MUREB & BOP

13-day Laggards: HCAR, BATA, PSMC, TRG, ISL, PICT, FML, FEROS, GLAXO & NRL

INTRADAY SUPPORT LEVELS

S1: 44,121

S2: 43,574

S3: 43,050

INTRADAY RESISTANCE LEVELS

R1: 44,397

R2: 44,797

R3: 45,729 — 45,891

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