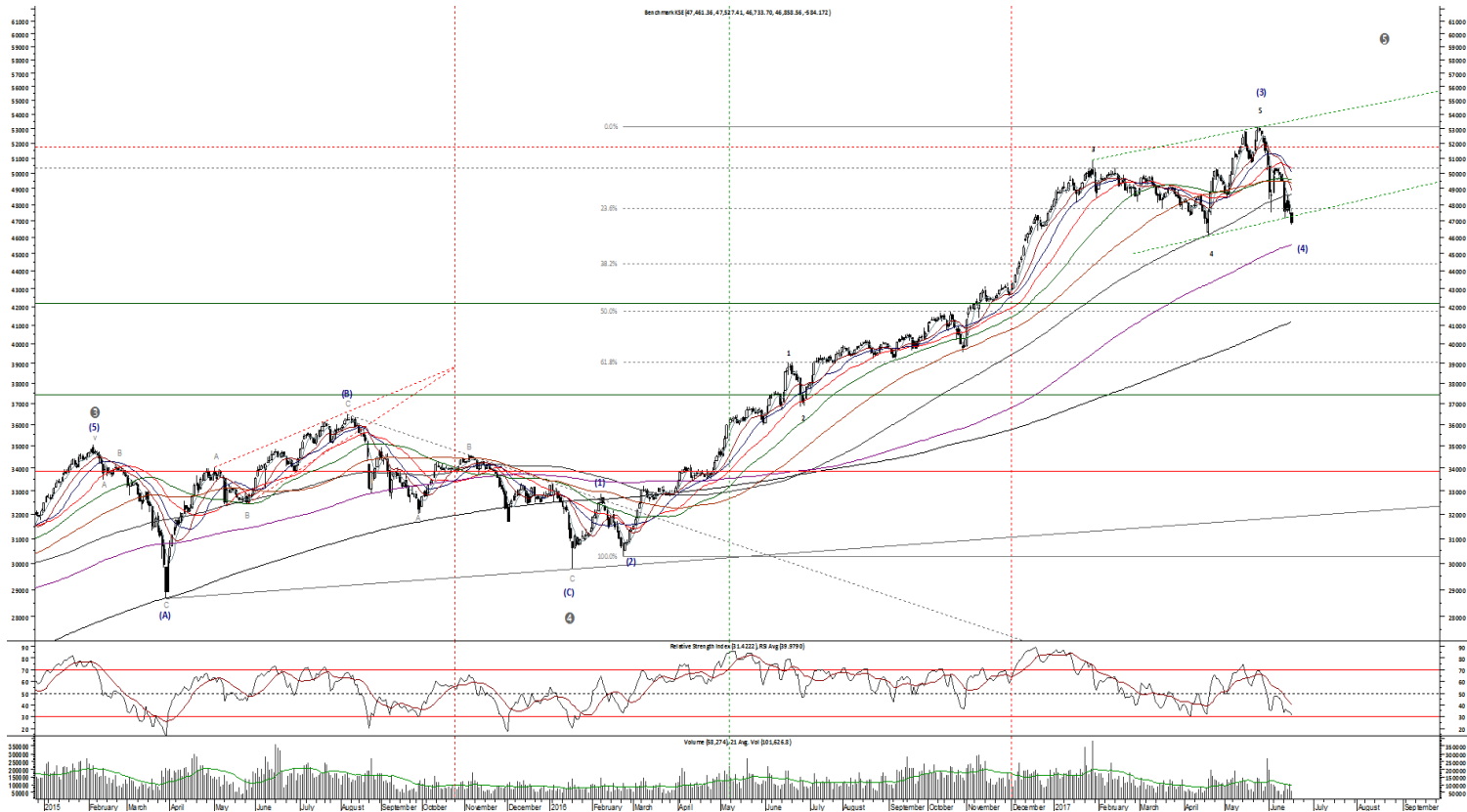




KSE100 Index

CLOSE	HIGH	LOW	CHANGE	14-day RSI	55-SMA	144-SMA	233-SMA
46,858	47,527	46,733	-584 / (-1.23%)	31.42	49,584	48,630	45,522



Shaking Confidence

INTRADAY SUPPORT LEVELS

- S1: 46,503
- S2: 46,048
- S3: 45,727 — 45,522

INTRADAY RESISTANCE LEVELS

- R1: 47,531
- R2: 48,493 — 48,555
- R3: 50,111

The benchmark PSX registered a close below the tentative channel support line on Friday. This puts April'17 low of 46,048 level under threat with intervening 200-day average at 46,503 level. The short-term trend remains down amid grossly oversold readings on most of the constituents (i.e FFC, SHEL, OGDC, PPL, PKGS, PSO, PKGS & TRG). Weak buy signals were triggered in NCPL (Stochastic Oscillator) & MLCF (Bollinger / RSI) while thirty stocks continued to dig lower closings (see page 2 for the *score sheet*). Mean reversion should be the likely scenario in sessions ahead as the index nears the 233-day Fibonacci average at 45,522 level.

If immediate weakness persists to violate the April'17 low of 46,048 level then such action will confirm interruption of intermediate bull trend to possibly expose 44,713 level —inner support around 45,522 level seen allowing mean reversion towards 48,555 level. Any instant recovery through 47,531 level will seek relief towards 48,555 — 49,113 levels. Resistance fenced between 50,111 and 50,666 levels now holds the key to new highs.

After a bottom marked in 2009, the index has witnessed 10 intermediate degree falls with an average decline of 13.17 percent (maximum -18.3% / minimum -6.72%). Considering that the benchmark has fallen 12% only in the last 16 trading sessions, traders are advised to not to panic and wait for recovery due on grossly oversold readings.

According to our preferred Elliott wave count, the index is possibly correcting lower in the fourth intermediate degree wave of the fifth primary degree rise. In the process, the correction has exceeded the 23.6% Fibonacci retracement (47,734) of last intermediate run from 30,275 to 53,127 levels (Feb'16 to May'17). In case of further correction, the 38.2% and 50% retracements are placed around 44,397 and 41,701 levels, respectively. If the count is correct then termination of ensuing intermediate correction will resume the bullish trend towards May'17 high (53,127) and 61,600 level to complete the fifth Primary cycle.

13-day Leaders: PMPK, PSEL, JLI, SHFA, ARM, COLG, NESTLE, PAKT, JGICL, INDU

13-day Laggards: OGDC, PPL, IDYM, SHEL, BATA, SCBPL, PSO, FCCL, TRG & ENGRO

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