



KSE100 Index

CLOSE	HIGH	LOW	CHANGE	14-day RSI	55-SMA	144-SMA	233-SMA
41,558	41,614	40,821	+824.62 / 1.98%	50.76	42,608	46,087	46,648



Coming Back To Life

INTRADAY RESISTANCE LEVELS

- R1: 41,603
- R2: 42,191
- R3: 42,916

INTRADAY SUPPORT LEVELS

- S1: 41,312
- S2: 41,157
- S3: 40,791

After a long wait, the benchmark PSX finally managed to register a breakout above the falling wedge pattern through a strong candle yesterday —concluding 1.98% higher at 41,558 level. Momentum, volume and breadth indicators are confirming the bullish reversal case. Expect the index recovering initially towards 42,916 level which can later stretch up to 45,041 level. Immediate supports reside around 41,312 and 40,791 levels.

According to our Elliot wave count, the index is at the terminus (5th of Wave C) of second intermediate correction where it has completed the 50% retracement of last intermediate run (Jan'16 low of 29,785 to Jan'17 high of 50,866) around 40,335 level, placed above the 610-day Fibonacci average (39,695). In the process, the market action has carved a falling wedge bullish reversal pattern. 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 degree cycle. Preferred sectors include oil, fertilizers, cements (mean reversion), textiles, financials & utilities. Investors are advised to accumulate positions.

13-day Leaders: ARM, PSEL, PSMC, POL, PMPK, HASCOL, NCL, HCAR, AKBL & INDU

13-day Laggards: FML, PAKT, CSAP, CJPL, ASTL, SSGC, PIOC, BNWM, MLCF & OLPL

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