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Pakistan

Technical analysis

The Divergent Sectors.

KSE100 Index - 65793 & 233-dema (55204)



A week of constriction with a narrow range can be a natural course of action as levels come close to the December peak of 67093 and primarily attributed to the divergent nature of cement and steel sectors. But support was witnessed around the previous resistance of 65300. Taking into account any caution over last week, closings below 65300 would be seen as a short-term red signal that would likely enable a retreat towards 64100. Continuations on the upside would now look to gain past 67093 and enter uncharted territory. Maintain an underlying positive bias and treat any risk below 65300 as short-term corrective.

All charts priced as at
08-03-2024

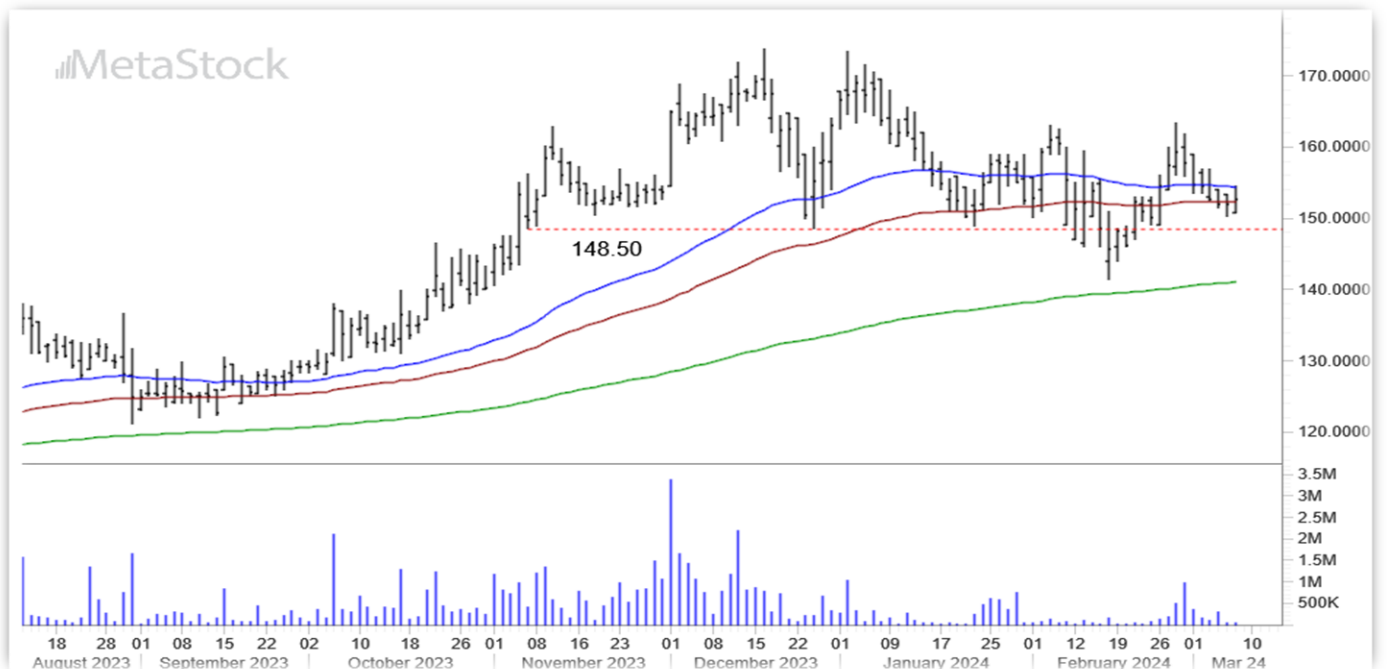
Our technical view on individual stocks
may differ from our fundamental
recommendations

DG Khan Cement (DGKC) - 70.93 & 233-dema (62.00)



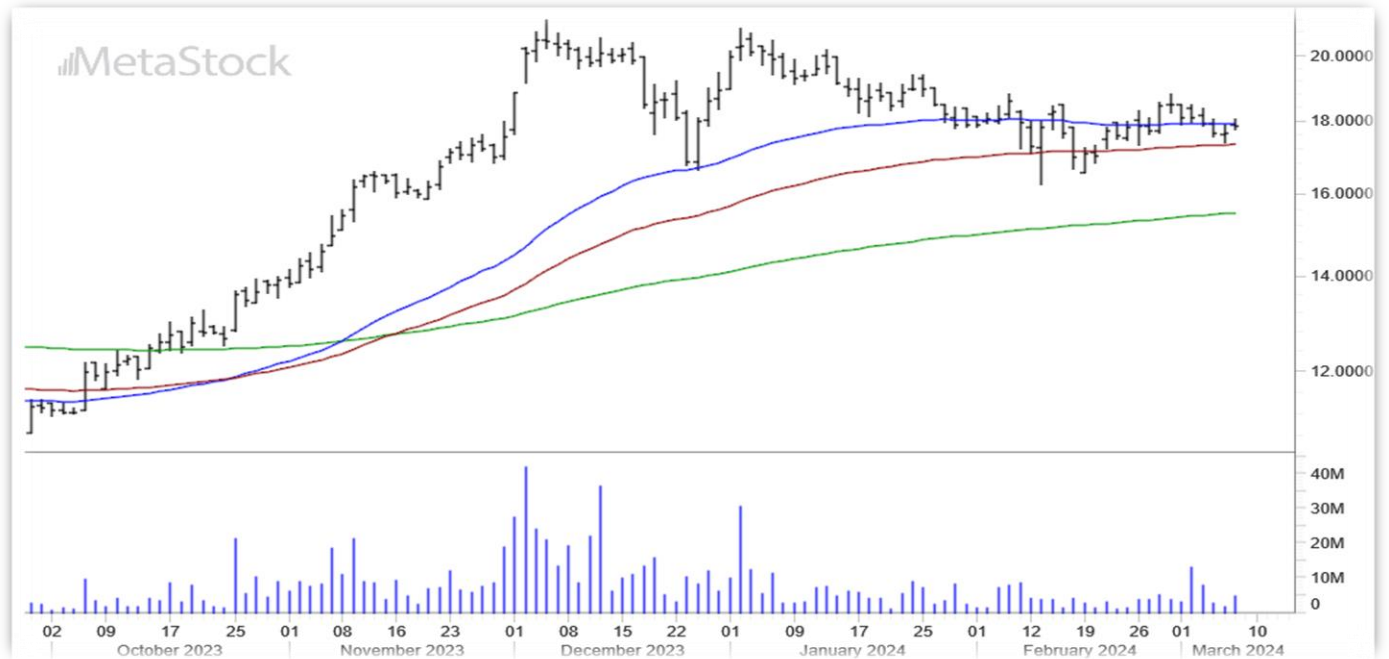
The last three weeks have been consolidating the 55 & 90-dema's and correlation with the index has yet to pick up. We view this consolidation leading towards an upswing that would initially test levels around 78 before retesting the recent double top around 84.50.

Cherat Cement (CHCC) - 152.61 & 233-dema (141.08)



Our last update on February 12 highlighted support around 148.50 and follow through close past 163. The stock made an attempt towards 163 but failed to hold above. The outlook remains the same with support and risk around 148.50 and follow through gains above 163 to build on upside.

Fauji Cement (FCCL) - 17.86 & 233-dema (15.50)



The stock has been consolidating support along the 90-dema (17.33) during the last four weeks. The retreat from 20.90-16.25 is seen making a recovery towards recent highs around 21. Key short-term risk is defined on close below **16.63**.

Maple Leaf Cement Factory (MLCF) - 37.86 & 233-dema (34.28)



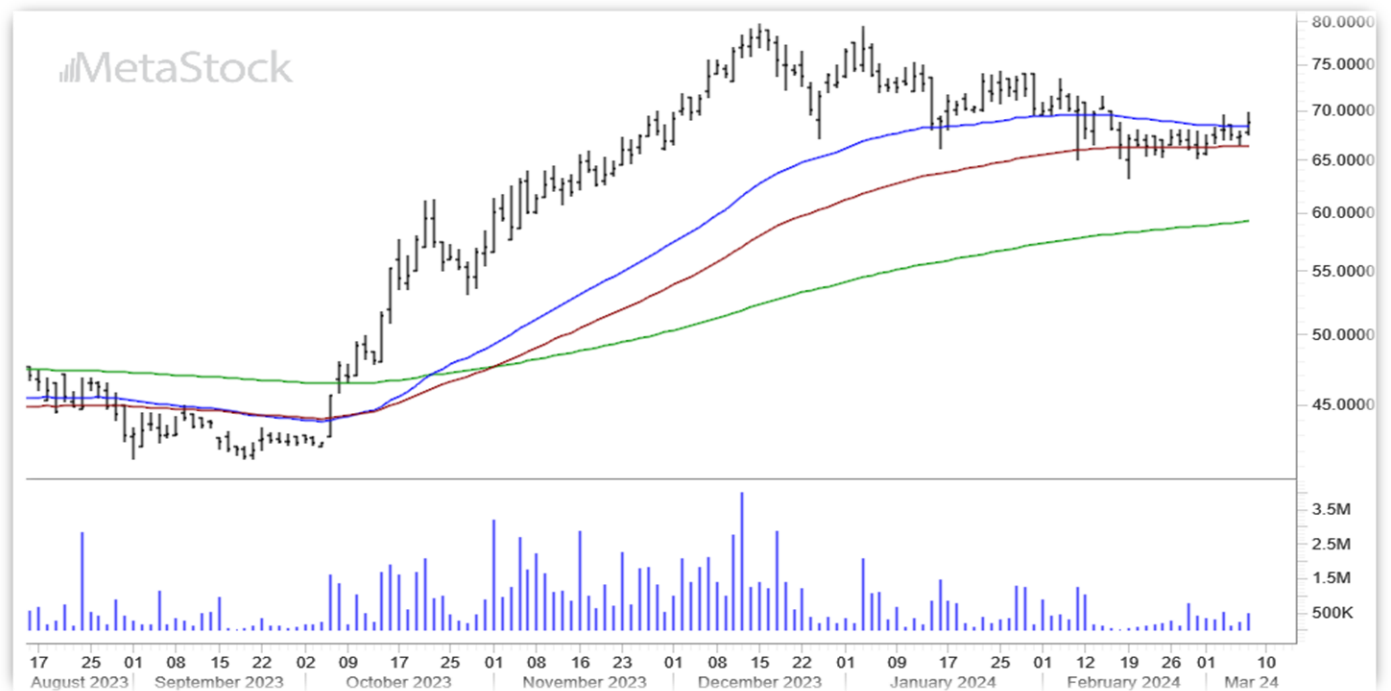
Despite trading above the bearish trend-line last week the stock failed to build on this breakout. Short-term moves may still face levels around 37 but key short-term risk is defined below **36**. Broader sector gains would provide support to this stock that now requires to hold above 39.50 to advance towards recent highs around 43.

Mughal Steel (MUGHAL) - 66.74 & 233-dema (61.25)



The stock firmly maintains its consolidation between 61 & 72.40. While price holds the 233-dema the trend is still facing key resistance around 72.40. Currently immediate resistance has been faced around 68 while support around 64. Beyond these bounds the outer levels at 61 & 72.40 come in play.

International Steel (ISL) - 68.74 & 233-dema (59.28)



The last four weeks have been firmly consolidating support along the 90-dema (66.42). With risk on close below 65 price would now look to build initially towards 74-75 before retesting the double top around 79.70.

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