

MARKET WAVE

Weekly Market Technical Analysis

KSE-100 Index: Consolidation May Continue above 7,000 Points Level; Reversal Required Confirmation!



Analysis & Strategy: - Buy on Weakness

KSE-100 opened on a bearish note last week with a range bound activity above 7,000 points level. It oscillated around 300 points and closed near its opening with average volumes of 117mn shares.

Market in our view may continue to find support in short term. Although the index shows a rebound from the overbought region but closing is still below 30-DMA. It signals that index may find support below 7,000 or around 6,800 point's level. Stochastic Oscillator and other leading indicators are also showing a down trend in week to week formation. Despite that, Bullish Engulfing supported by the Doji star formation at bottom may create a sign of reversal but it requires proper confirmation.

The market is likely to move with low volumes this week. Therefore we recommend investors assume intraday long positions at lower levels with proper stop loss. The projected resistance levels are 7,380 points and 7,520 points. While support levels are 6,987 points and 6,775 points with a stop loss at 6,560 points.

KSE-100		
	08.05.09	Change
Prv. Close	7,061.60	
Open	7,061.16	-0.44
High	7,310.81	249.21
Low	7,027.11	-34.49
Close	7,129.51	67.91
Avg. Vol.	117,124,178	

Indicators (KSE-100)		
	08.05.09	04.05.09
9-D RSI	41.89	37.62
14-D RSI	47.39	45.42
25-D RSI	51.76	50.93
30-DMA	7391.38	7314.61
60-DMA	6647.38	6541.01
90-DMA	6296.05	6293.53
200-DMA	8077.25	8176.26

KSE-30		
	08.05.09	Change
Prv. Close	7,500.98	
Open	7,498.06	-2.92
High	7,834.49	333.51
Low	7,440.89	-60.09
Close	7,602.13	101.15
Avg. Vol.	83,301,518	

Percentage Change in Indices	
KSE-100	0.962%
KSE-30	1.348%

Source: Karachi Stock Exchange & IGI Sales

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