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KSE100 Index - Technical Analysis

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TECHNICAL ANALYSIS

In a stunning move yesterday index has made a crossover above its 200DMA which is commendable. But it could also be a whipsaw or a false signal. Nevertheless it can't be ignored.

Analysis of Stochastic & RSI suggest that market is in extremely overbought position but still hasn't triggered any sell sign. It can happen any time.

It also supports our previous assessment in which we forecasted medium term bullish outlook and short term overbought phenomenon.

Our next target is 8000Level but before going ahead successfully it

needs correction and consolidation around 7400 levels.

Events to shape the future

- IMF Meeting due today in which it will discuss economic situation for issuing 3rd installment of \$850mn.
- Upcoming monetary policy in which it is expected that SBP would cut DR to 13% any deviation from this up or down may reflect in market performance.
- Positive developments on account of leveraged products badla or futures may also encourage the sentiment.
- Possible upgrading by international Credit Rating

Agencies after stabilization in FX Reserves.

- Any compromise by the Govt. to reduce FED on commission charged to brokers may also bode well for the market.

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Analyst: Kamran