

TECHNICAL OUTLOOK OF KSE-100 INDEX



First National Equities Limited

June 25, 2007

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KSE-100 INDEX DAILY CHART

Strategy: Our analysis suggests that the benchmark has peaked out at 13,633.78 and based on some of the technical indicators we project the benchmark to find initial support in the region of 13,039-12,874.

Technical Indicators used are Fibonacci Retracement Analysis, Daily Moving Averages, and Moving Average Convergence Divergence; however the candlestick patterns used are Tweezers' Top, Hanging man and Bearish Engulfing.

1. Confirmation of top reversal occurred when the market formed a Tweezers' Top on June 14, 2007 followed by June 8, 2007.
2. Formation of hanging man pattern on June 15, 2007 gave another bearish signal.
3. And finally a Bearish Engulfing pattern occurred on June 18, 2007 confirming the top reversal supporting the Tweezers' Top and Hanging Man Pattern.

Methodology: After the confirmation of bearish signal we have used Fibonacci retracement analysis tool and joined the peak and trough formed on June 19, 2007 and March 05, 2007 in order to get the retracement levels. As you can see in the graph that, 23.6% retracement support at 13,000 falls under our suggested level.

Historically, it is observed that after breaching 10-dma market always finds supports at 30-dma, thus there are very strong chances of bottom reversal from 30-dma



OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI										
13,553.66	13,574.82	13,249.27	13,392.47	231 Mn	65.85										
<table style="width: 100%; border: none;"> <tr> <td style="border: none;">10-DMA</td> <td style="border: none;">30-DMA</td> <td style="border: none;">50-DMA</td> <td style="border: none;">65-DMA</td> <td style="border: none;">200-DMA</td> </tr> <tr> <td style="border: none;">13,452.80</td> <td style="border: none;">13,038.18</td> <td style="border: none;">12,666.67</td> <td style="border: none;">12,530.51</td> <td style="border: none;">11,284.59</td> </tr> </table>						10-DMA	30-DMA	50-DMA	65-DMA	200-DMA	13,452.80	13,038.18	12,666.67	12,530.51	11,284.59
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13,452.80	13,038.18	12,666.67	12,530.51	11,284.59											

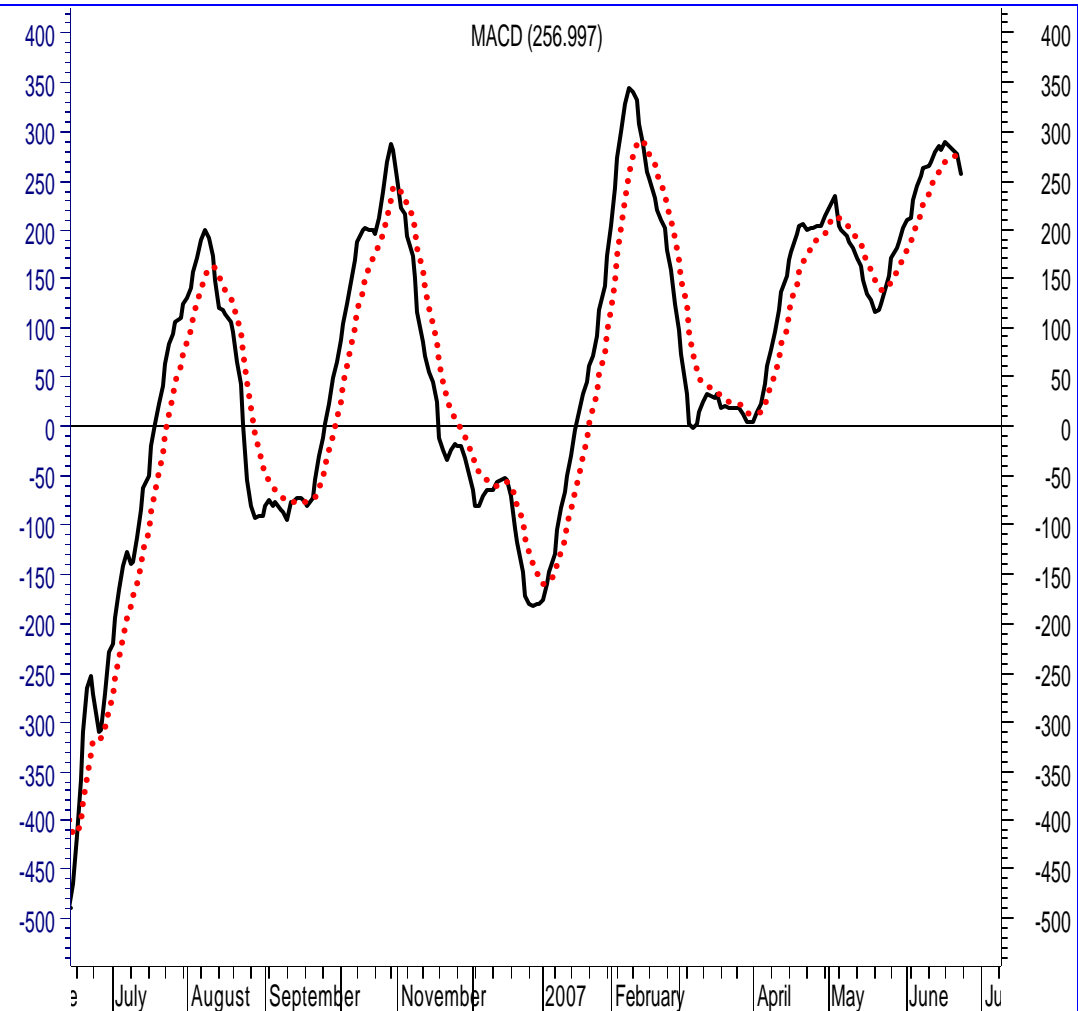
MACD CHART

Another important indicator used to support our view is MACD (Moving Average Convergence Divergence).

The theory suggests that whenever the black line (MACD line) cuts the red line (Signal line) from upward it indicates start of bearish trend.

However, on the contrary if the black line (MACD line) cuts the red line (Signal line) from downward it indicates start of bullish trend.

You can see in the graph that the MACD line has cut the signal line from upward therefore MACD indicator also support our view of top reversal.



KSE-100 INDEX WEEKLY CHART

The weekly graph for the benchmark KSE-100 Index has not given any negative indication so far however it did form a spinning top pattern on weekly basis which means a deadlock (tussle) has been created among the bulls and bears.

So far the weekly formations still suggests the trend is still up therefore any weakness towards 13,039 -12,874 should be considered as an opportunity to buy.



TECHNICAL OUTLOOK OF SAMPLE COMPANIES



First National Equities Limited

June 25, 2007

OGDC DAILY CHART

Strategy: OGDC is currently 1.4% below from its 200-dma and is trading oversold in short term however intermediate term is still bullish. Bollinger bands are 67% narrower which means very less volatility ahead.

Fibonacci retracement analysis suggests that stock is coming towards its 61.8% retracement level of 115 therefore, we advise to accumulate this stock in the range of 115-116.

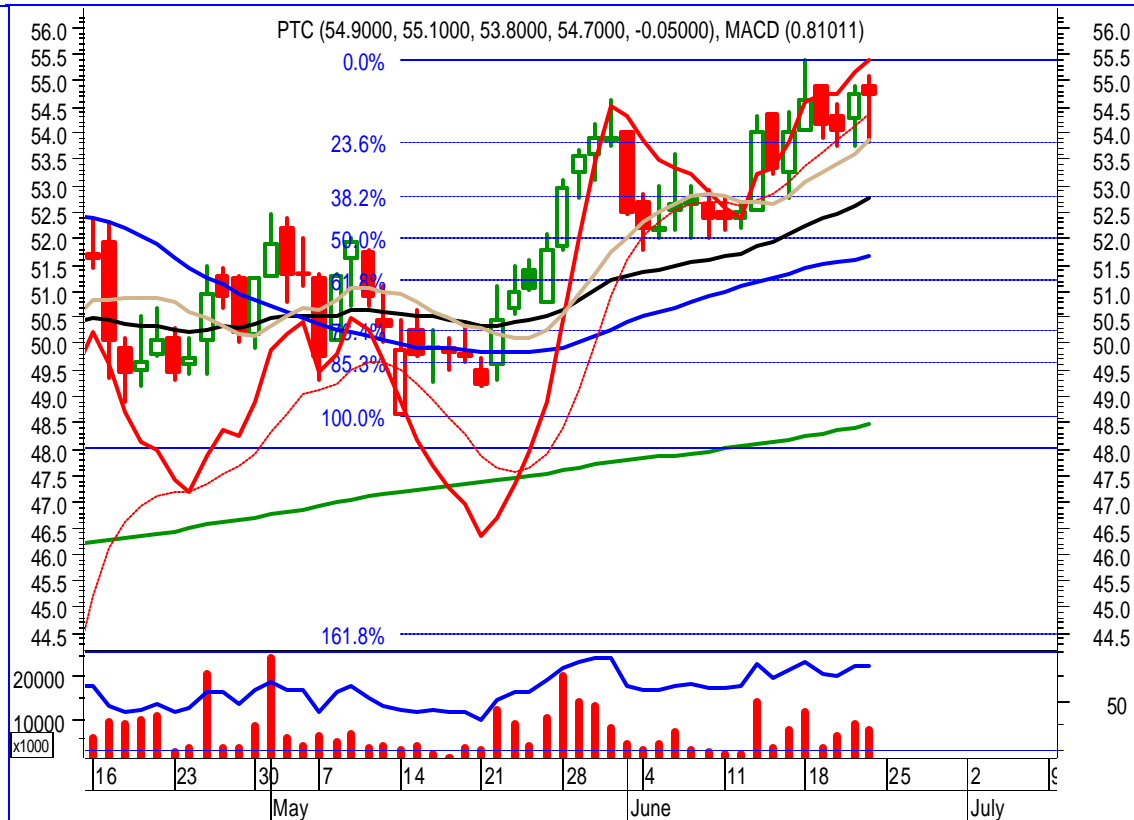


OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
120.70	120.90	118.60	119.25	8.3 Mn	45.70
	10-DMA	30-DMA	50-DMA	200-DMA	
	120.72	119.71	119.68	120.91	

PTC DAILY CHART

Strategy: PTC is currently 12.8% up from its 200-dma and the short term outlook appears to be in corrective mood as the stock has formed a hanging man formation in its last candlestick. Although the stock has reversed after touching its 10-dma but there is very much possibility that the stock may break this level in short term and find support in the region of 52-51.70.

Fibonacci retracement analysis suggests that stock has found support at 23.6% retracement but there is very much possibility that the stock breaches this support level and may come towards its 50% retracement support at 52 therefore we advise to accumulate this stock at 52.

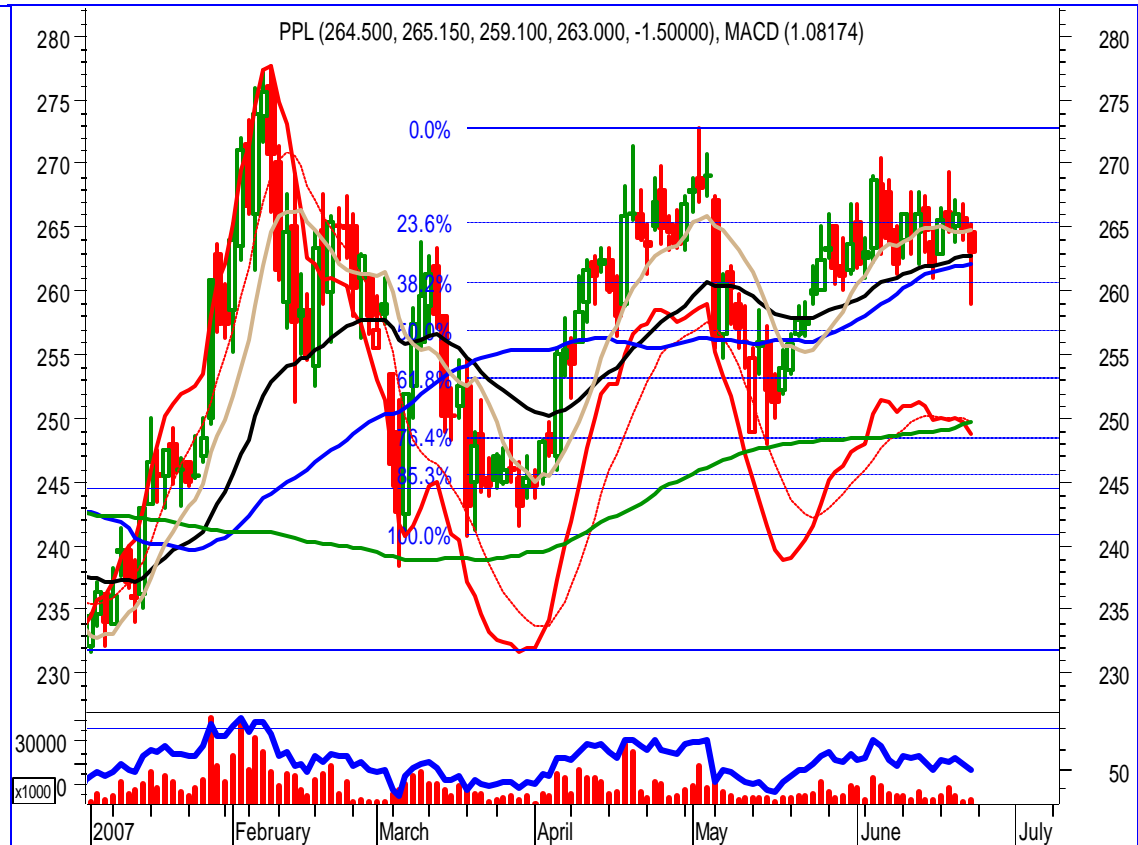


OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
54.90	55.10	53.80	54.70	7.2 Mn	63.98
	10-DMA	30-DMA	50-DMA	200-DMA	
	53.84	52.75	51.66	48.48	

PPL DAILY CHART

Strategy: PPL is trading 5.3% up from its 200-dma and appears to be in corrective mood in short run. The stock has formed a hanging man pattern in its last candlestick as well as the stock has breached its 10-day moving average and 30-day and 50-day moving averages on intraday basis therefore further correction is expected in short run.

The ideal range to buy this stock is 257-253 where the stock will complete its 50 and 61.8% Fibonacci retracement. Therefore we advise to buy this stock in a range of 257-253. Risk is placed at 249.75, breaching of which will start the bearish phase.

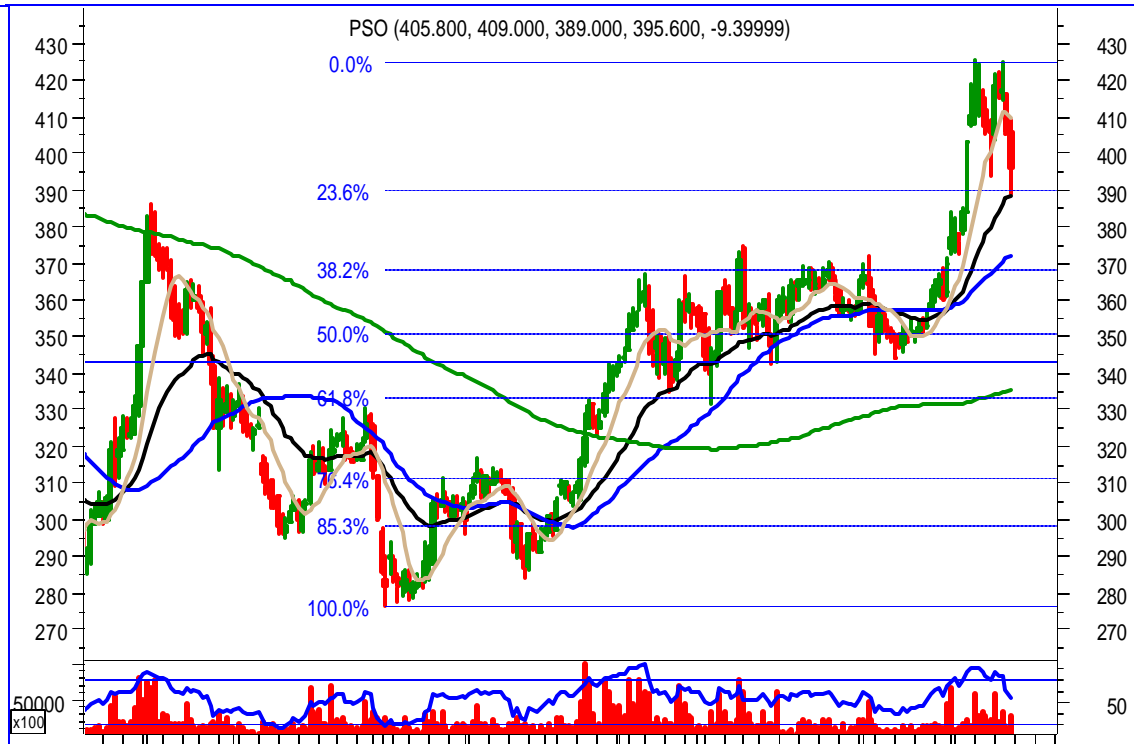


OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
264.50	265.15	259.10	263.00	2.3 Mn	50.02
	10-DMA	30-DMA	50-DMA	200-DMA	
	264.72	262.74	262.07	249.72	

PSO DAILY CHART

Strategy: PSO is currently 18% up from its 200-dma and is under corrective mood as the stock after forming a tweezers' top at 424.90 on June 20, 2007 continued to close lower on daily basis confirming a trend reversal.

The stock, though sharply rose after touching a short term support of 30-dma as well as the 23.6% retracement but we are of the opinion that the stock will settle down in a range of 371-370 therefore we advise investors to sell at current levels and accumulate the stock in the range of 372-370.



OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
405.80	409.00	389.00	395.60	2.7 Mn	54.03
	10-DMA	30-DMA	50-DMA	200-DMA	
	409.81	388.02	371.70	335.37	

POL DAILY CHART

Strategy: POL is currently 2.7% lower than its 200-dma and is in bearish mood but the stock is extremely oversold at current levels, the stock has retraced itself by more than 50% and therefore has very limited downside.

We advise to buy this stock in a range of 315-320 where the stock will retrace itself by 85.3%

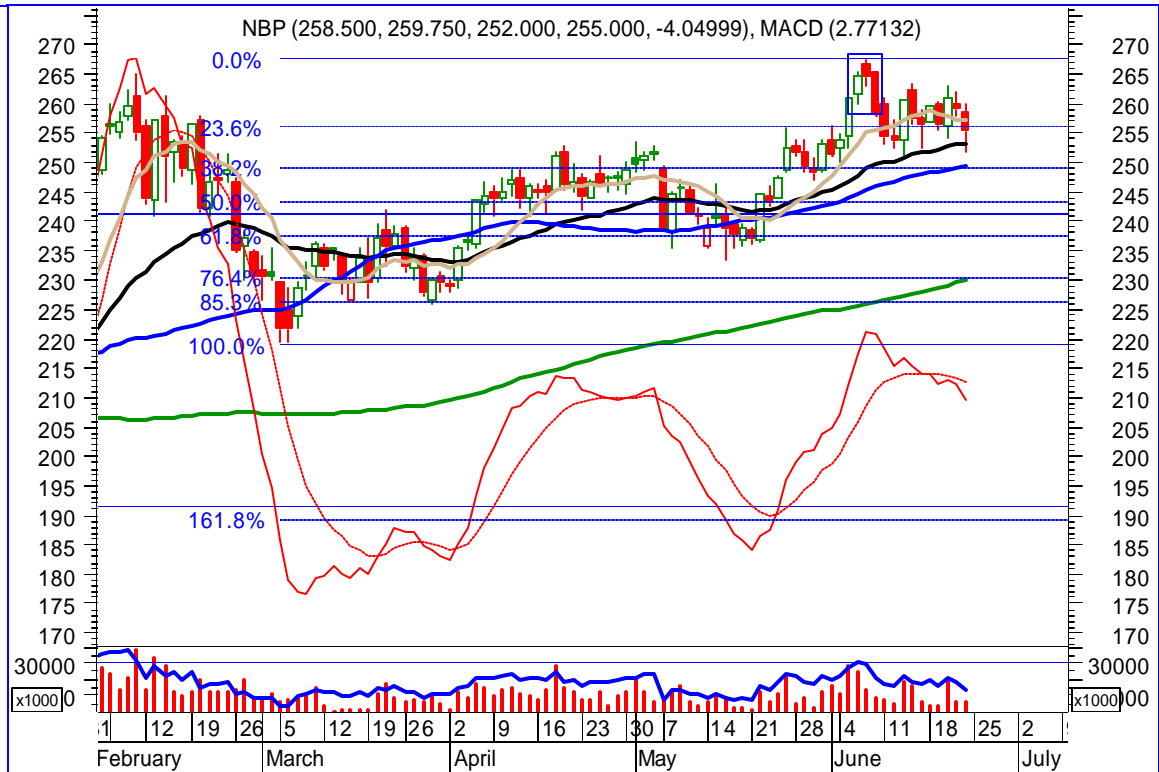


OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
337.05	337.10	330.00	332.95	1.2 Mn	32.94
	10-DMA	30-DMA	50-DMA	200-DMA	
	340.20	344.06	343.43	342.22	

NBP DAILY CHART

Strategy: NBP is currently 10.9% above its 200-dma and is under bullish mood however the stock is oscillating in a very narrow range of 10-dma and 30-dma.

Currently NBP has retraced itself by almost 38.2% from a high of 267.40 and a bearish divergence has been formed therefore the stock looks alike to go for further correction. We recommend a buy on weakness stance on NBP in a range of 241-238 where the scrip will retrace itself by more than 50%.

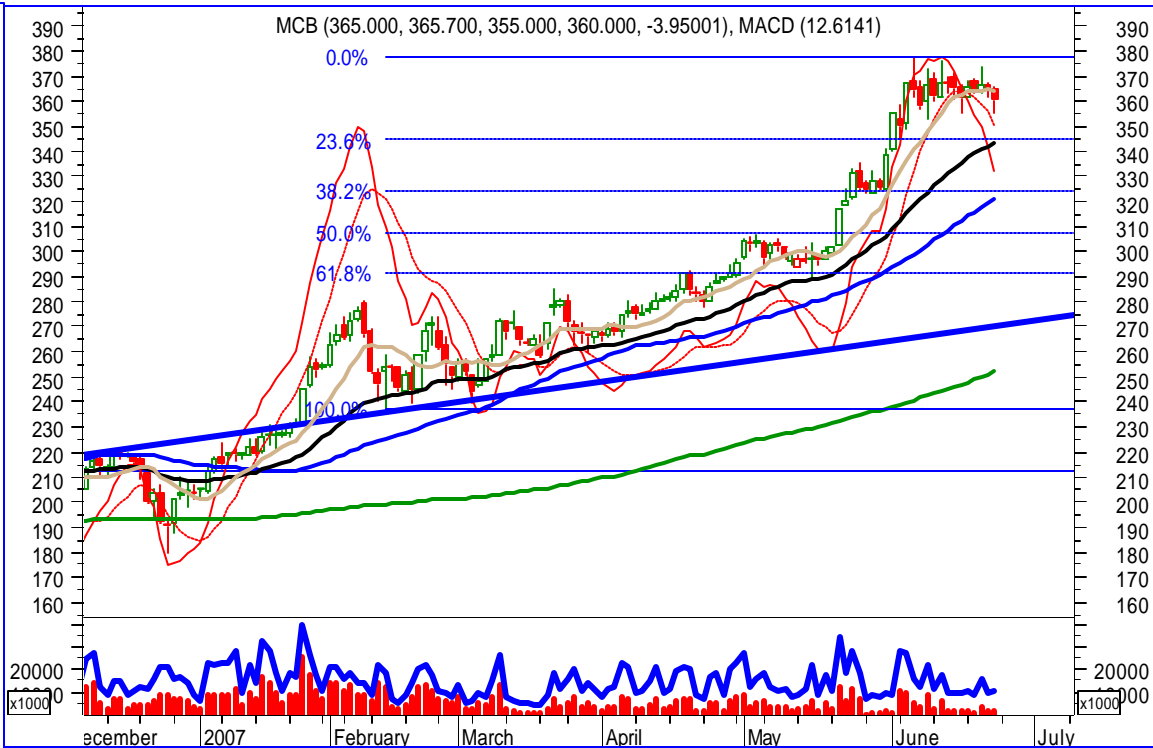


OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
258.50	259.75	252.00	255.00	5.65 Mn	51.25
	10-DMA	30-DMA	50-DMA	200-DMA	
	257.19	253.33	249.33	229.89	

MCB DAILY CHART

Strategy: MCB Bank is currently 43% up from its 200-dma and is under bullish trend. Bollinger bands are 32% wider than normal which indicates continuity of the existing volatility. Currently MCB Bank has breached its 10-dma which indicates that the stock is bound to come lower for a technical correction.

Therefore, we advise to buy this stock in a range of 343.50-340 where the stock will complete its 23.6% retracement however breaching 340 would unfold sharp corrections towards 320-325 in intermediate term.

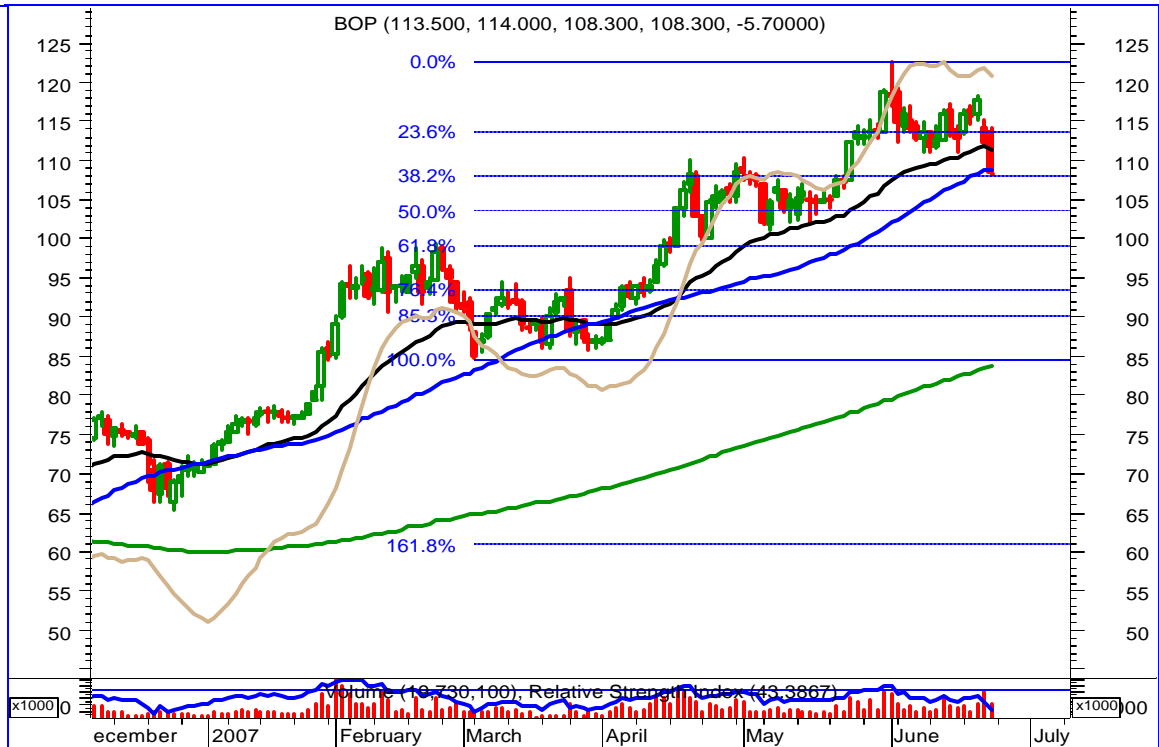


OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
365.00	365.70	355.00	360.00	1.58 Mn	47.17
	10-DMA	30-DMA	50-DMA	200-DMA	
	363.99	343.34	320.85	251.71	

BOP DAILY CHART

Strategy: BOP is currently 29.3% up from its 200-dma and is under corrective mood. The last candlestick pattern is bearish belt hold and the stock has closed below its 50-dma support therefore intermediate term is bearish however the stock can rise from here because of the oversold state. In such a condition sell on strength strategy is advisable towards a target of 111.50.

On the downside the stock can be bought in a range of 100-104 where the stock may complete its 50% as well as the 61.8% retracement. Therefore, our stance on BOP is buy on weakness in the range of 100-104



OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
113.50	114.00	108.30	108.30	19.7 Mn	43.39
	10-DMA	30-DMA	50-DMA	200-DMA	
	113.76	111.44	108.91	83.46	

AKBL DAILY CHART

Strategy: AKBL is 33.4 % up from its 200-dma and has formed a Tweezers' top on June 14, 2007 at 102.90. Afterwards, the stock appears to be finding support at its 10-dma. Currently the stock has broken its 10-dma and therefore the stock appears to be in corrective mood and is heading towards 30-dma and 50-dma.

We therefore recommends buy on weakness strategy for AKBL and our suggested entry level are 97.15-95.20 where the stock appears to retrace itself by 23.6%.



OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
101.25	101.95	99.10	99.85	11.79 Mn	55.74
	10-DMA	30-DMA	50-DMA	200-DMA	
	100.54	97.14	95.21	74.83	

DGKC DAILY CHART

Strategy: DGKC is currently 34.6% above its 200-dma and is trading under bullish zone. The stock gave a breakout at 103 and is heading towards its 161.8% retracement of 130.

The volatility will be higher in coming days and short term support is placed at 116.90. The point of concern is the overbought nature of the stock therefore a correction towards 110 level should definitely be considered as an opportunity to buy DGKC.



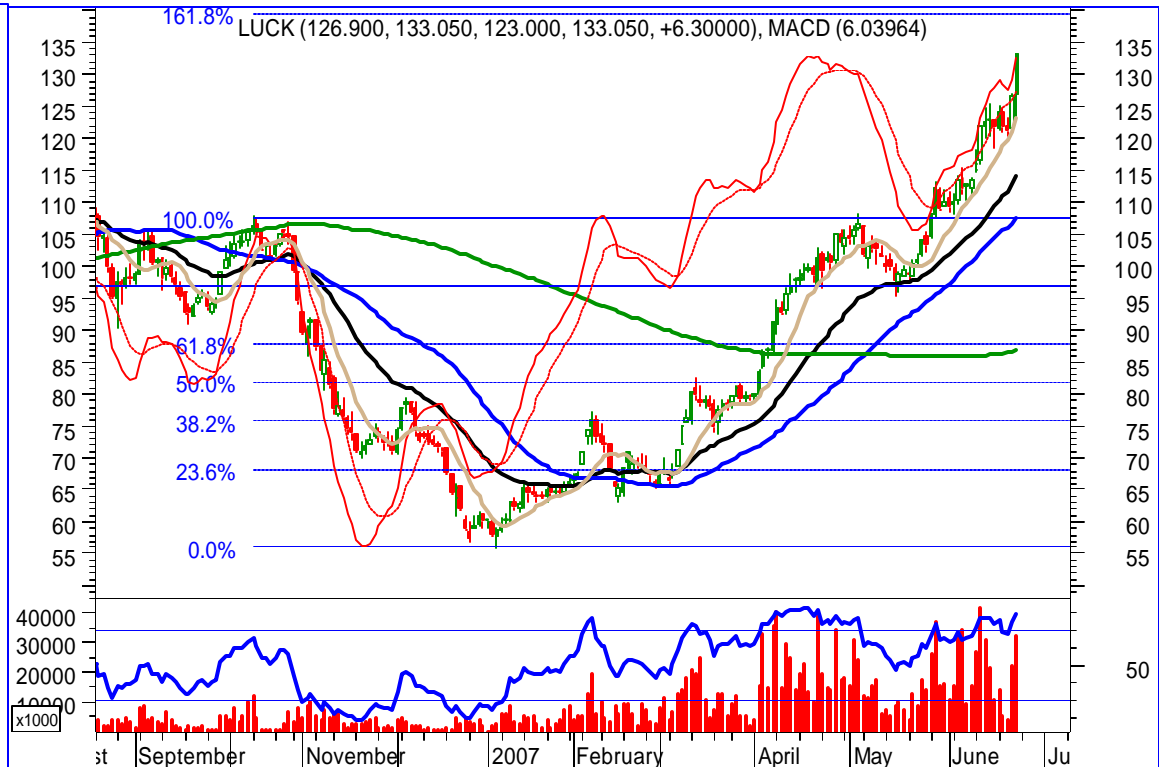
OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
116.50	118.80	112.55	117.90	29.41 Mn	66.32
	10-DMA	30-DMA	50-DMA	200-DMA	
	116.88	109.95	104.06	87.60	

LUCK DAILY CHART

Strategy: LUCK is currently trading 53.1% up from its 200-dma and is in extremely overbought conditions. However Luck is inching up towards its 161.8% retracement target of 140 as illustrated from graph.

We recommend a sell on strength strategy above 140 and wait for a correction to re-enter.

Currently the initial support is placed at 121.10 which is the 10-dma however the ideal level to re-enter would be 113-114 in short term.

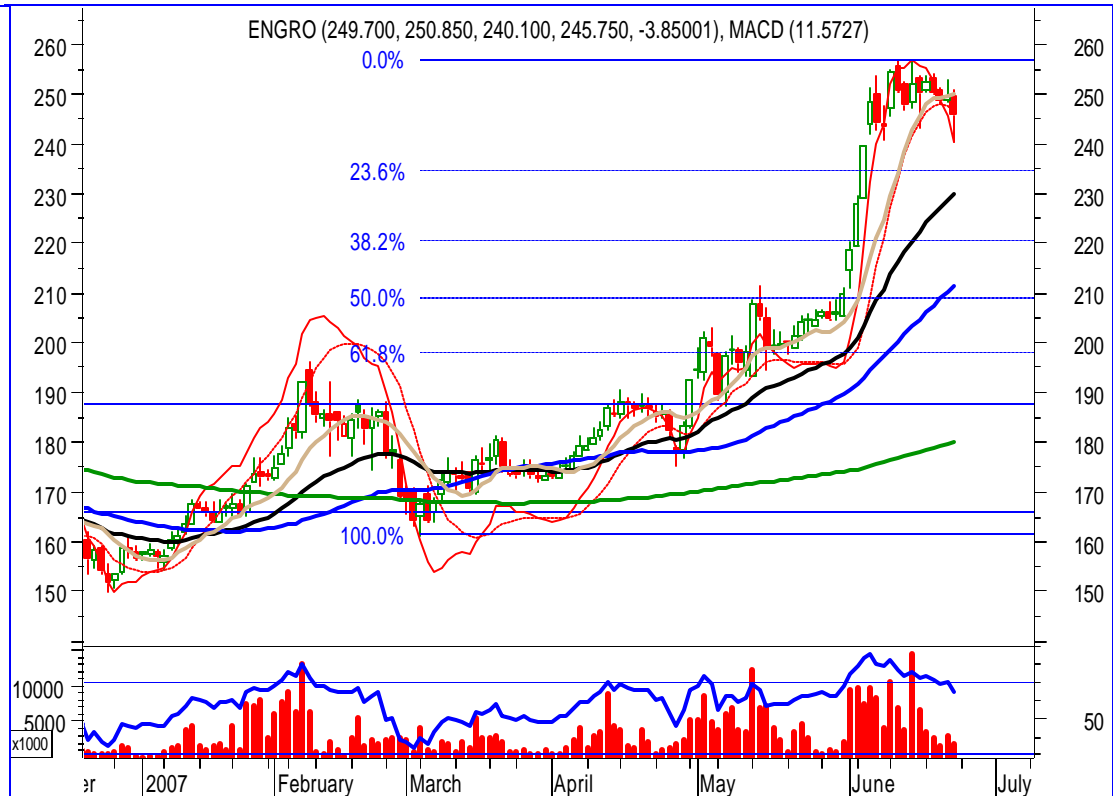


OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
126.90	133.05	123.00	133.05	31.90 Mn	79.25
	10-DMA	30-DMA	50-DMA	200-DMA	
	121.10	113.96	107.54	86.70	

ENGRO DAILY CHART

Strategy: ENGRO is currently trading 36.6% up from its 200-dma and is in a corrective mood as the stock has formed a Tweezers' Top on June 14, 2007 and afterwards bearish engulfing on June 19, 2007 and now hanging man pattern on June 22, 2007. In addition to that the stock has closed below its 10-dma which supports our view that the stock may continue to remain under pressure.

The formations of the graph suggest that ENGRO is heading towards its 23.6% retracement support at 235 however the 30-dma supports falls at 229.84 therefore we recommend 230-235 as an attractive price range to accumulate this stock.



OPEN	HIGH	LOW	CLOSE	VOLUME	14-RSI
249.70	250.85	240.10	245.75	1.92 Mn	64.21
	10-DMA	30-DMA	50-DMA	200-DMA	
	250.10	229.84	211.45	179.95	

FFBL DAILY CHART

Strategy: FFBL is 22.6% up from its 200-dma but is under a bearish zone. The stock has broken its 10-dma and 30-dma on intraday basis but closed higher and formed a hanging man pattern which is a top reversal indication.

We recommend a sell on strength strategy at current levels and advice to wait for a correction till the stock reaches 35.5 where the stock will retrace itself by 38.2%.





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