

Pakistan Market: Technical Outlook

NML: Break above resistance trendline – Buy; stoploss below 30-DMA

Current Price **50.06**

Daily Charts

Moving Averages

30-Day	45.52
50-Day	46.65
90-Day	50.95
200-Day	57.79

Momentum Indicators

MACD	Upward
14-Day Relative Strength Index	Upward
Stochastic Oscillator	Upward

Weekly Charts

Moving Averages

30-Weeks	55.19
50-Weeks	57.55
90-Weeks	47.42
200-Weeks	76.99

Momentum Indicators

MACD	Upward
14-Day Relative Strength Index	Upward
Stochastic Oscillator	Upward



Nishat Mills Limited (NML) broke through its resistance trendline and closed higher on Monday at Rs50.06, suggesting a positive trend ahead. The breakout was supported by higher volumes of 6.7mn shares (up 162%) as compared to the average volumes of 2.6mn shares traded during the month. Currently, the stock is trading above its 30-DMA and 50-DMA supporting the bullish view. The stock is likely to target 200-DMA at Rs57.87, though it may face resistance of the 90-DMA at Rs50.95. According to the Fibonacci retracement ranging from Rs135.65 to Rs21.36, the stock has crossed above its 23.6% level and is now likely to target 38.2% level at Rs65.

On weekly charts, the stock has managed to sustain above its 90-WMA which it had failed to do so in the last few weeks. The MACD has generated a Buy signal on weekly charts, adding further strength to the above view.

Thus, we recommend investors to go long on the stock, targeting 30-WMA & 200-DMA at Rs55.19 and Rs57.87, respectively with a stoploss below 30-DMA at Rs45.5.

Raheel Ashraf
 raheel.ashraf@js.com
 92 (21) 111-574-111 Ext. 3098

Disclaimer:

This report has been prepared for information purposes by the Research Department of JS Global Capital Limited. The information and data on which this report is based are obtained from sources which we believe to be reliable but we do not guarantee that it is accurate or complete. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors who should seek further professional advice or rely upon their own judgment and acumen before making any investment. This report should also not be considered as a reflection on the concerned company's management and its performances or ability, or appreciation or criticism, as to the affairs or operations of such company or institution. Warning: This report may not be reproduced, distributed or published by any person for any purpose whatsoever. Action will be taken for unauthorized reproduction, distribution or publication.