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# KSE-100 Index Falls 379.78 Points as PSX Faces Bearish Trend

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– Categories: Economics



On July 22, 2025, the Pakistan Stock Exchange (PSX) experienced a bearish trend, with the KSE- 100 Index dropping 379.78 points to close at 136,122.77, a decline of 0.28%. This downturn reflects growing investor caution amid economic and geopolitical uncertainties. This article explores the factors driving the market’s slide, key sector performances, and the broader implications for Pakistan’s financial landscape.

The KSE-100 Index, a benchmark representing 85% of the PSX's market capitalization, faced selling pressure across major sectors, including banking, oil, and gas. According to *The Express Tribune*, trading volumes fell to 395 million shares from 410 million the previous day, signaling reduced investor confidence. Analysts at Topline Securities noted, "Persistent selling by local institutions, coupled with global market volatility, weighed heavily on sentiment." The decline follows a recent high of 138,752 points on July 18, 2025, with the index still up 73.19% year-on-year, reflecting its resilience despite short-term setbacks.

Key contributors to the downturn included Engro Corporation and Pakistan Petroleum Limited (PPL), which shed significant points due to profit-taking after recent gains. The exploration and production (E&P) sector, heavily weighted in the index, faced pressure from falling global crude oil prices, which dropped to \$75 per barrel amid Middle East tensions, per *Bloomberg*. Domestic concerns, including uncertainty over the International Monetary Fund (IMF) loan program and a rising fiscal deficit, further dampened optimism. "Investors are jittery about Pakistan's economic stability," said Ahsan Mehanti of Arif Habib Corp, pointing to a 9% year-on-year import surge in May 2025.

The market's volatility underscores deeper systemic issues. Political noise, including ongoing tensions between the government and opposition, has eroded trust, while the State Bank of Pakistan's (SBP) decision to maintain an 11% policy rate disappointed investors hoping for a cut. Despite a low Consumer Price Index (CPI) inflation rate of 2.4% in January 2025, fears of a March uptick linger, per the Finance Ministry. The PSX needs clear policy signals and economic reforms to regain momentum, as prolonged uncertainty risks further capital flight. Investors

now await corporate earnings and IMF talks for cues on the market's next move.