

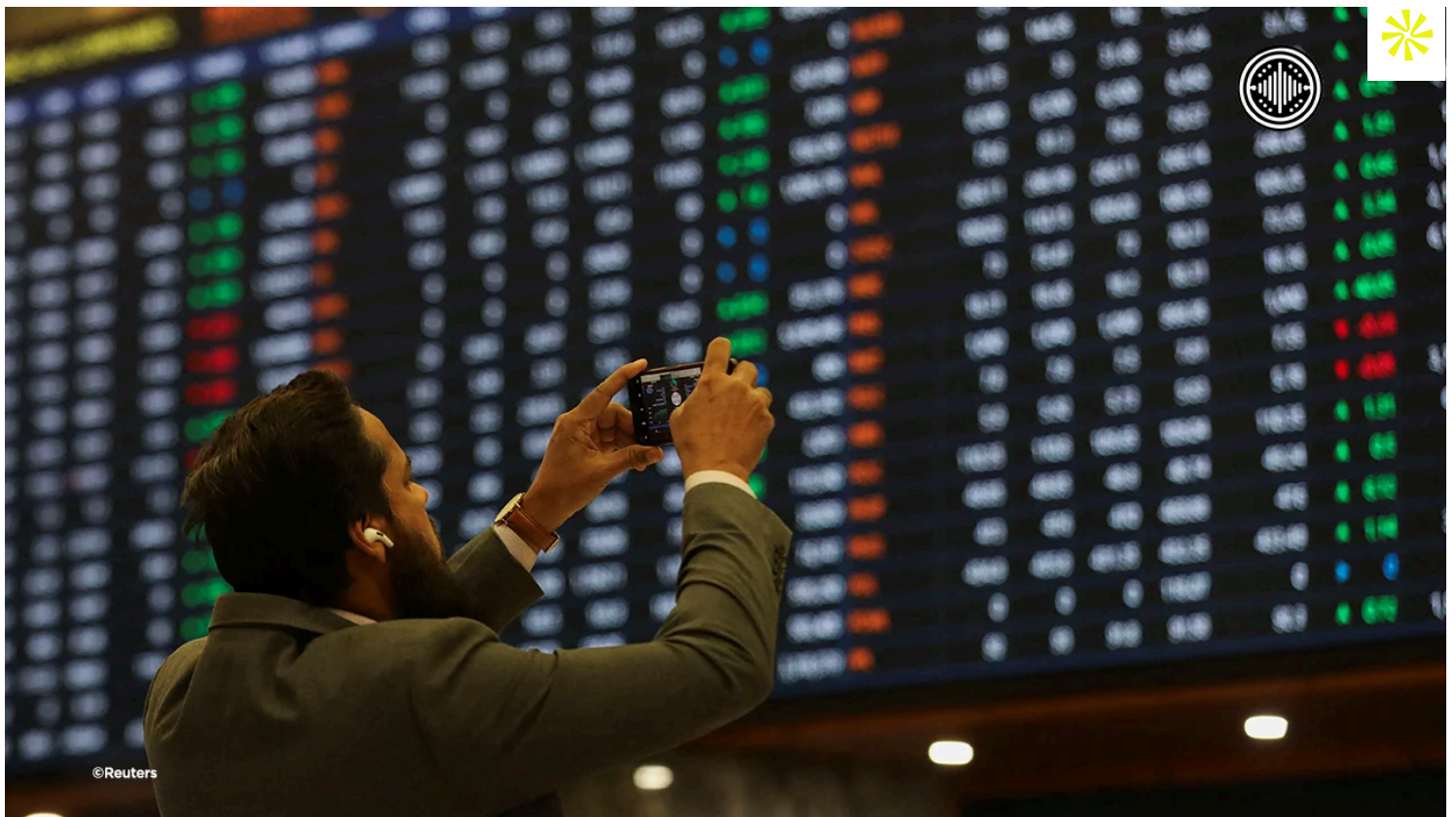
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PSX Slips as Bearish Trend Emerges

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The Pakistan Stock Exchange (PSX) closed lower on Friday, with the benchmark KSE-100 Index falling 264 points, or 0.18%, to end the session at 145,382 points. Market activity slowed noticeably, as trading volumes dropped to 548 million shares valued at Rs45.48 billion, compared with 712 million shares worth Rs55.67 billion in the previous session. Out of 482 actively traded companies, 296 recorded losses, 151 registered gains, and 35 remained unchanged. Analysts described

the decline as a result of profit-taking across multiple sectors, following a recent bullish trend that had lifted share prices in prior sessions. The drop indicated that investors were becoming more cautious amid shifting market conditions.

According to market observers, the sell-off was driven primarily by institutional investors in the banking and energy sectors, which traditionally hold significant weight in the index. The reduction in both trading volume and total market value pointed to waning participation, suggesting that the bearish trend could extend if investor sentiment does not recover. Despite the decline, some defensive stocks maintained stable prices, highlighting selective resilience in certain segments of the market. Analysts noted that the KSE-100 remains above key technical support levels, which could indicate that the latest downturn may be part of a healthy consolidation phase rather than the start of a prolonged correction.



Several broader economic factors also contributed to investor caution. Fluctuations in the Pakistani rupee, particularly after its recent gains against the US dollar, raised questions about currency stability in the coming weeks. While the stronger rupee had previously supported importer-heavy sectors, some traders are now locking in profits amid concerns over whether the trend can be sustained. Additionally, the market is bracing for the release of corporate earnings reports and keeping an eye on global market signals, both of which could influence short-term movements. Friday's decline also came ahead of the weekend, a period when traders often reduce exposure to manage potential risks from external developments.

Despite short-term volatility, Pakistan's stock market continues to trade at valuations considered attractive relative to regional peers. Many listed companies remain priced below historical averages, creating potential opportunities for long-term investors once the market stabilises. Whether the current pullback marks a temporary pause in the recent rally or the beginning of a deeper correction will become clearer in the coming trading sessions. For now, analysts advise focusing on company fundamentals and long-term growth prospects rather than reacting to day-to-day fluctuations, noting that such corrections are a normal part of market cycles.

