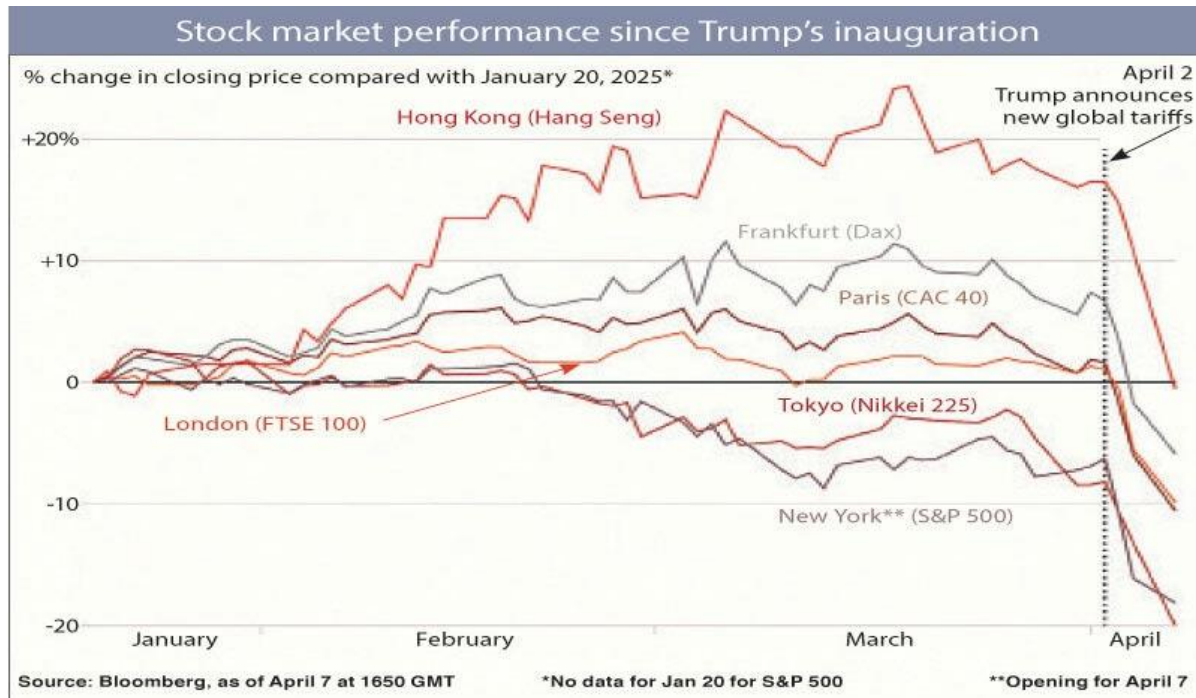


# DAWN

## **Global recession fears spark bloodbath at PSX too**

**Muhammad Kashif** | April 8, 2025



—Graphic by Agence France Presse

- KSE-100 closes 3,882 points down on panic-selling; witnesses record intra-day plunge of 8,688 points
- Trading halted mid-day after dramatic KSE-30 fall 'triggers circuit breaker'
- Leading global financial firms see heightened risk of worldwide downturn caused by Trump's tariff war
- Local brokerage houses think market 'overreacted'; say Pakistan won't feel tariff pinch as much as others

KARACHI: An intensified tariff war and rising fears of a global recession — fuelled by retaliation from the United States' major trade partners and China — caused a meltdown on the Pakistan Stock Exchange (PSX) on Monday.

Goldman Sachs forecast a 45 per cent chance of recession in the US over the next 12 months and made downward revisions to its oil price projections. Citi and Morgan Stanley also cut their Brent outlooks. Meanwhile, JPMorgan said last week that it sees a 60pc probability of recession in the US and globally.

The benchmark KSE-100 index witnessed a record intra-day plunge (points-wise) of 8,687.68 points, before partially recouping some losses on late value-hunting, following a mid-session trading halt.

Last Thursday, the PSX had hit an all-time high near 119,000, in sharp contrast to reeling global markets following the 'Liberation Day' reciprocal tariffs imposed by US President Donald Trump the previous day.

Pakistani shares delivered a robust performance on the back of some domestic triggers, including a sharp deceleration in inflation, and the long-awaited cut in electricity prices for residential and industrial consumers.

After showing some resistance over the two working days post-Eidul Fitr, equities fell like ninepins on Monday, with the quantum of losses suggesting that the downturn was not merely due to the global rout.

It was also driven by economic weaknesses such as a depreciating rupee, falling foreign exchange reserves and continuous contractions in large-scale manufacturing, which turned investors jittery — leading to panic-selling across the board.

**Commenting on the bloodbath, AKD Securities Ltd CEO Muhammad Farid Alam told Dawn that the market overreacted as social media kept discussing 'black Monday' and Asian markets opened extremely low.**

**"The developed world, and countries exporting large amounts to the United States have all the reason to be nervous on tariff-related issues, but not Pakistan, which may feel the brunt of the new tariff regime rather mildly value-wise and qualitatively due to perceived demand destruction," he observed.**

**He hoped that the Pakistani equity market would regain its lost ground in a day or two.**

<https://www.dawn.com/news/1902788/global-recession-fears-spark-bloodbath-at-psx-too>