



Financial Markets Snapshot

Issue 22
 October 2025

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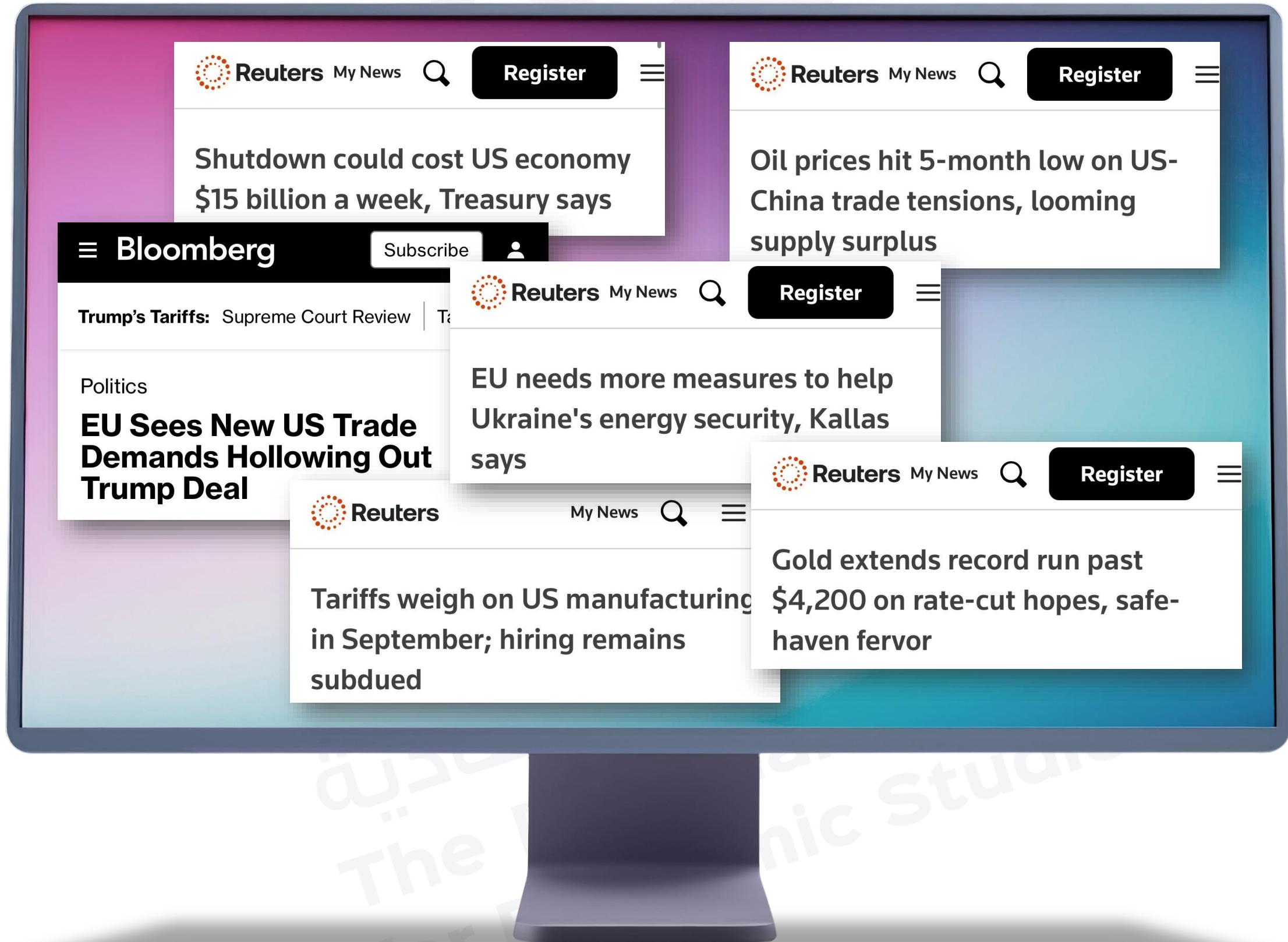
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About The Report

- The report explores the linkages between global, emerging and local financial markets, trying to examine the changes taking place in the global markets, and how they reflect on emerging markets, which in turn have implications on the local Egyptian economy and its financial markets. The cascading impact is one of the most prevalent characteristics of financial markets.
- The report targets economic policy makers, the business community, financial institutions, economic actors and the public in general, thus, the report uses simple terminology and tries to explain different economic and financial terms in layman's terms as much as possible.
- The report is descriptive, aiming at plotting the current state of the Egyptian economy as a result of the different financial market dynamics. It is not in any way prospective, thus no future forecasts are provided for the different economic indicators. The report is not prescriptive either, thus no policy advice is provided to policy makers or economic actors.
- The report is issued on a monthly basis and tries to highlight the changes across the different markets and across the different indicators and their interlinks.
- Data in the report is presented mainly in rates such as inflation rates or interest rates or in an indexed format, with base points at 100 to ease comparison and analysis across different countries and indicators.

Latest News – Key Headlines



Analysis – Key Takeaways

Global Markets



- Commodity prices showed mixed movements over the past month, with energy prices stable, precious metals skyrocketing, while agricultural commodities prices weakening.
- Global inflation trends continued to show divergence this month, reflecting uneven recovery patterns across major economies. As a result, US Fed has resumed cutting rates to stimulate the economy, after staying conservative for an extended period of time.
- Global stock markets continued to show a divergent performance this month, reflecting differences in monetary policy direction and economic momentum.
- Global bond markets reflected a generally stable sentiment this month, as investors adjusted to the recent wave of monetary easing. While CDSs remained contained, suggesting improved confidence and a more balanced global risk perception.

Emerging Markets



- Inflation across emerging markets remained generally contained, supported by easing energy and commodity prices.
- Despite moderating inflation and a weakening US Dollar, most emerging markets Central banks have maintained a cautious “wait and see” stance, keeping policy rates unchanged until there is greater clarity on the global economic outlook.
- Emerging markets currencies broadly weakened against the US Dollar this month, despite its earlier downward trend, as global uncertainty and shifting capital flows weighed on sentiment.
- Emerging markets stock markets remained positive for another month, supported by easing inflation pressures, improving investor sentiment, and continued foreign inflows.
- Bond yields across most emerging markets remained largely stable. However, CDSs have edged higher, reflecting renewed investor caution amid persistent global uncertainties.

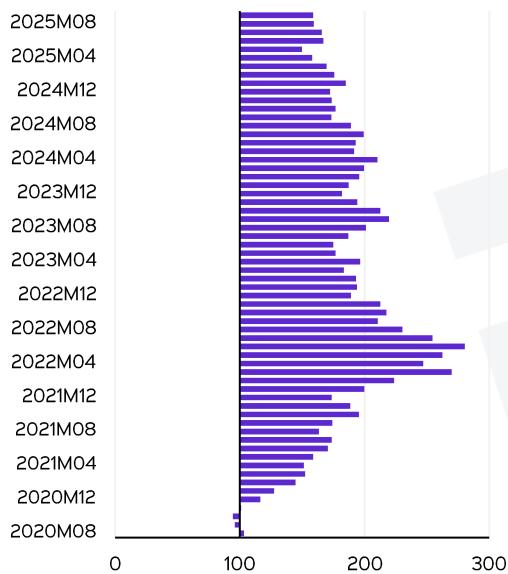
Egyptian Local Market



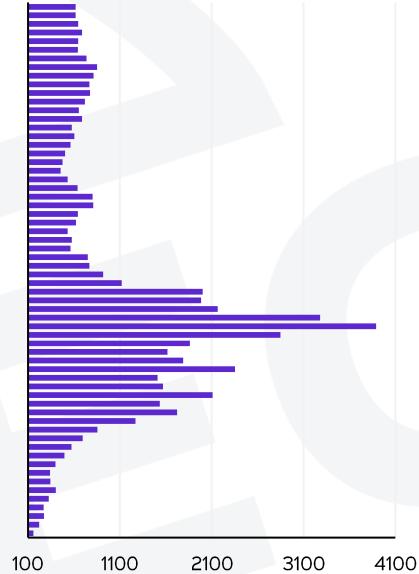
- Egypt’s debt dynamics and market sentiment showed signs of improvement over the past month, reflecting growing market confidence and positive credit sentiment, especially with the latest credit rating upgrade. Bond yields and CDSs declined reflecting an improved macro picture.
- Egypt macroeconomic indicators reflected a more balanced and improving outlook this month, as growth momentum strengthened and inflation pressures eased further.
- Egypt’s external position continued to strengthen this month, supported by sustained foreign currency inflows and improving market confidence, which reflected into a slightly stronger Pound.

Commodity prices showed mixed movements over the past month, with energy prices stable, precious metals skyrocketing, while agricultural commodities prices weakening. Crude Oil prices stabilized at elevated levels, supported by persistent supply constraints and strategic stockpiling, while Gold extended its upward trend on safe-haven demand amid geopolitical tensions and stubborn inflation expectations. Palm Oil also rose modestly, reflecting stronger import demand and production concerns in Southeast Asia. In contrast, Rice and Tea prices declined due to improved harvest outlook and easing supply pressures in major producing countries.

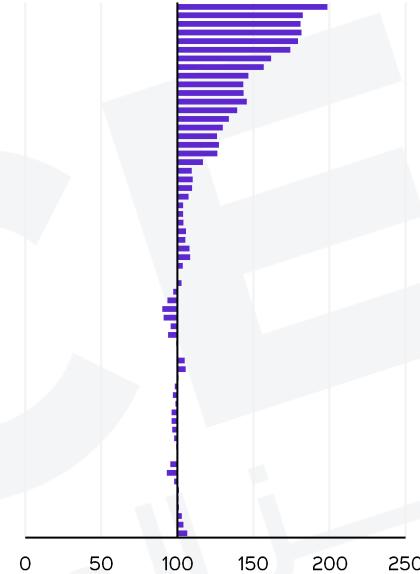
Crude Oil, Brent



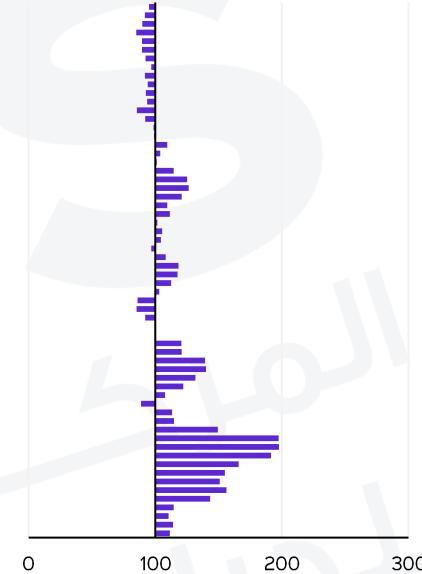
Natural Gas



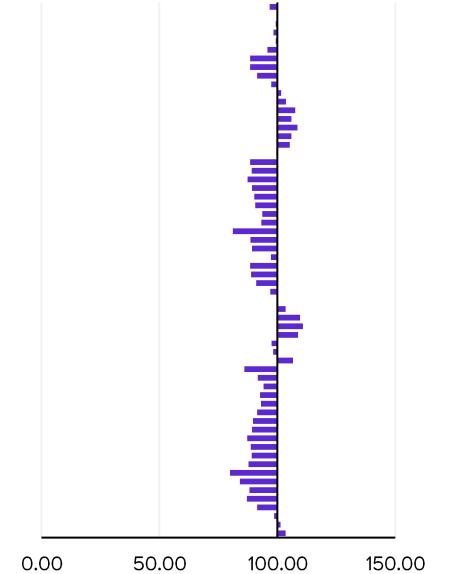
Gold



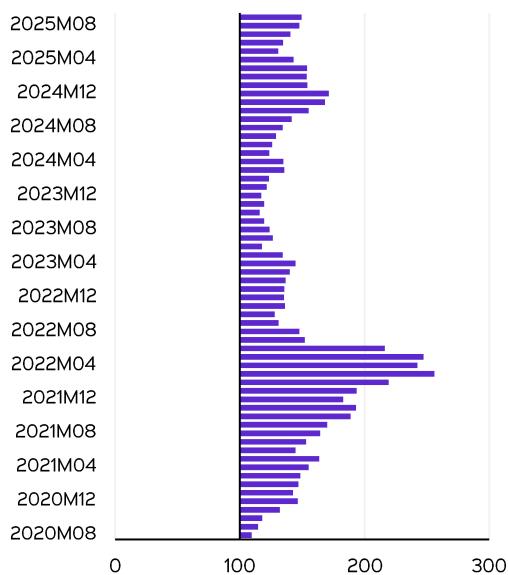
Iron ore



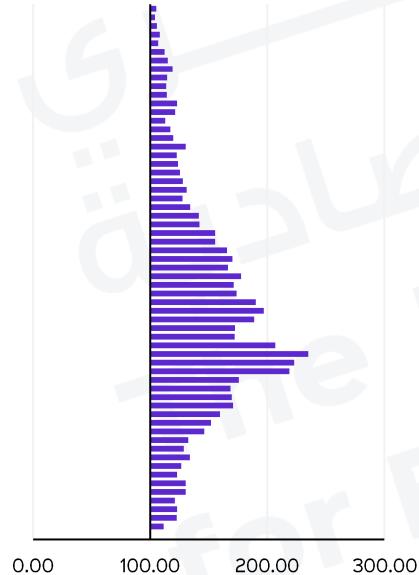
Tea



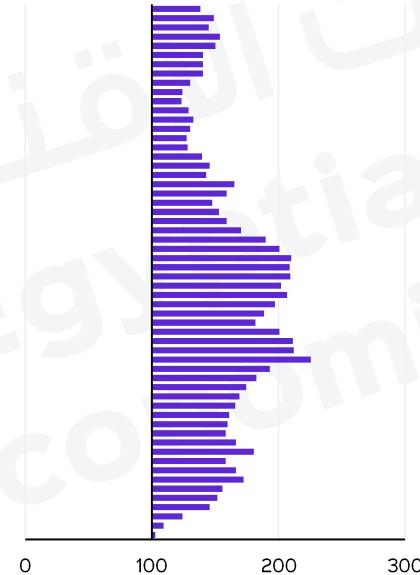
Palm oil



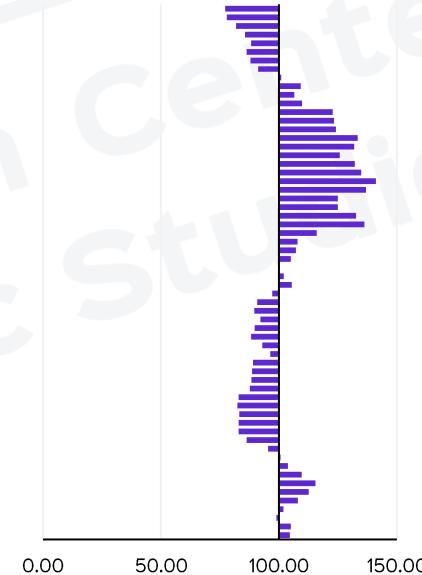
Wheat



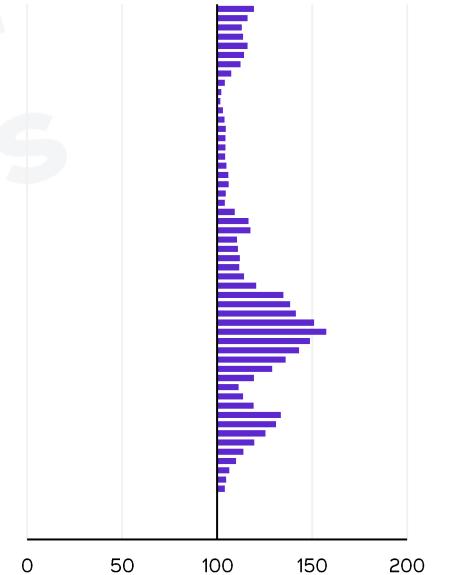
Maize



Rice

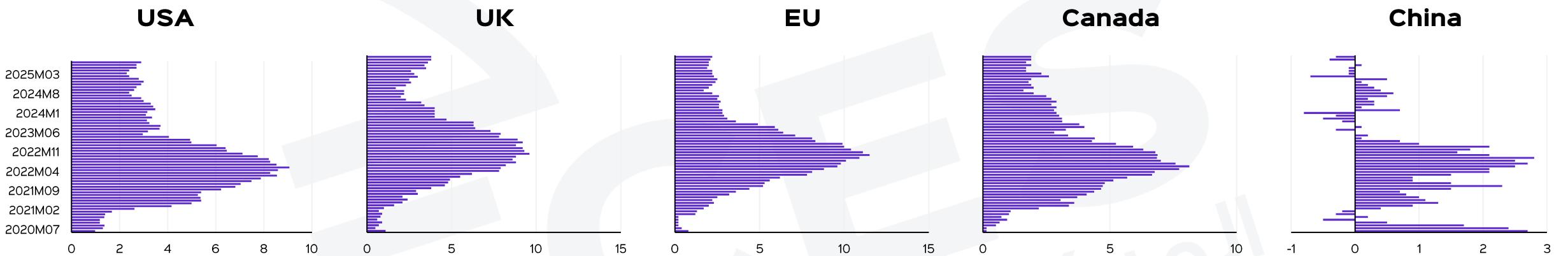


Bovine meat

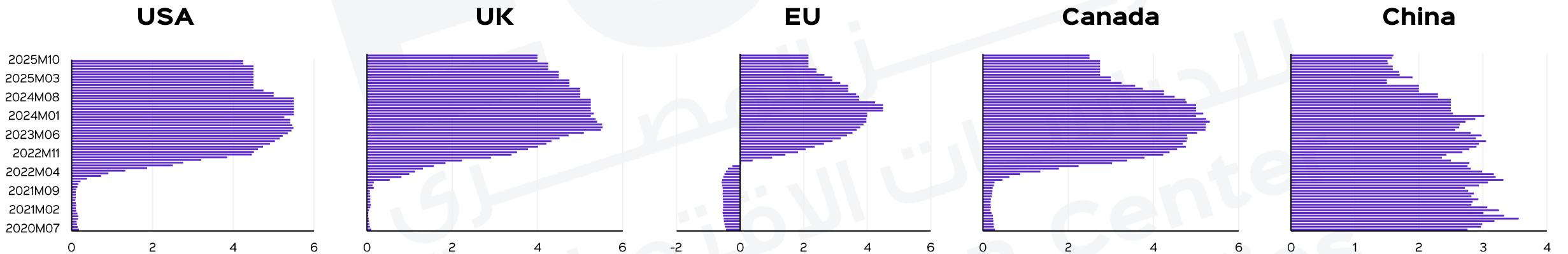


Global inflation trends continued to show divergence this month, reflecting uneven recovery patterns across major economies. As a result, US Fed has resumed cutting rates to stimulate the economy, after staying conservative for an extended period of time. The US, UK, and Canada maintained relatively high inflation rates, prompting cautious monetary easing to support slowing growth. Both the US and Canada proceeded with rate cuts, signaling confidence that inflation is on a downward trajectory. In contrast, the Eurozone continued to record cooling inflation, while China remained under deflationary pressure. This contributed to a weaker US Dollar against major currencies, as investors priced in a prolonged easing cycle in North America.

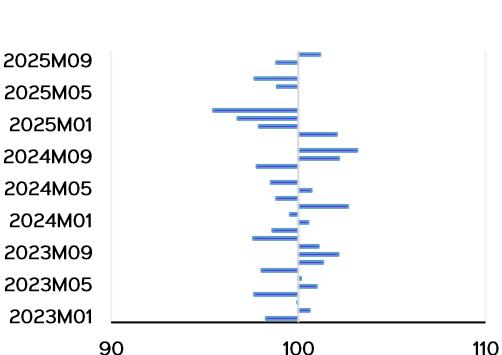
Inflation Rate



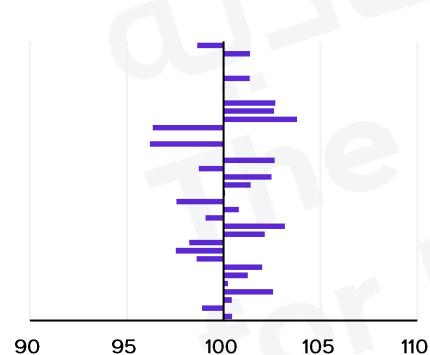
Policy Rate



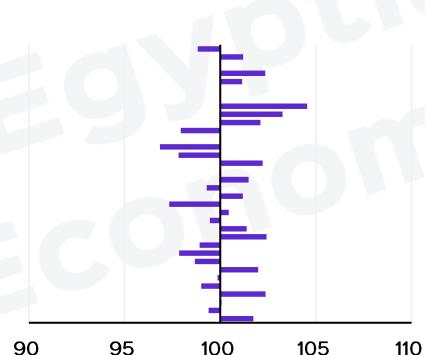
LCU / USD



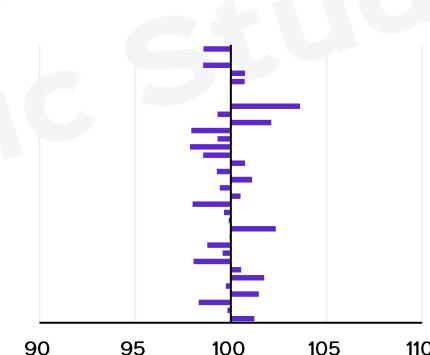
UK Pound



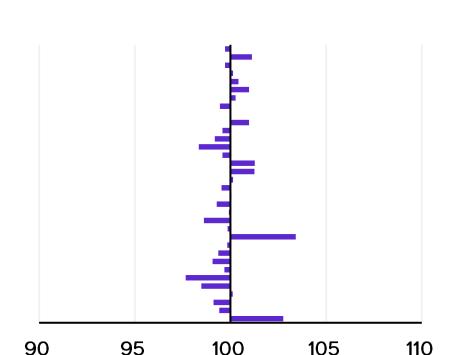
Euro



Canadian Dollar



Chinese Yuan



Commodity Markets

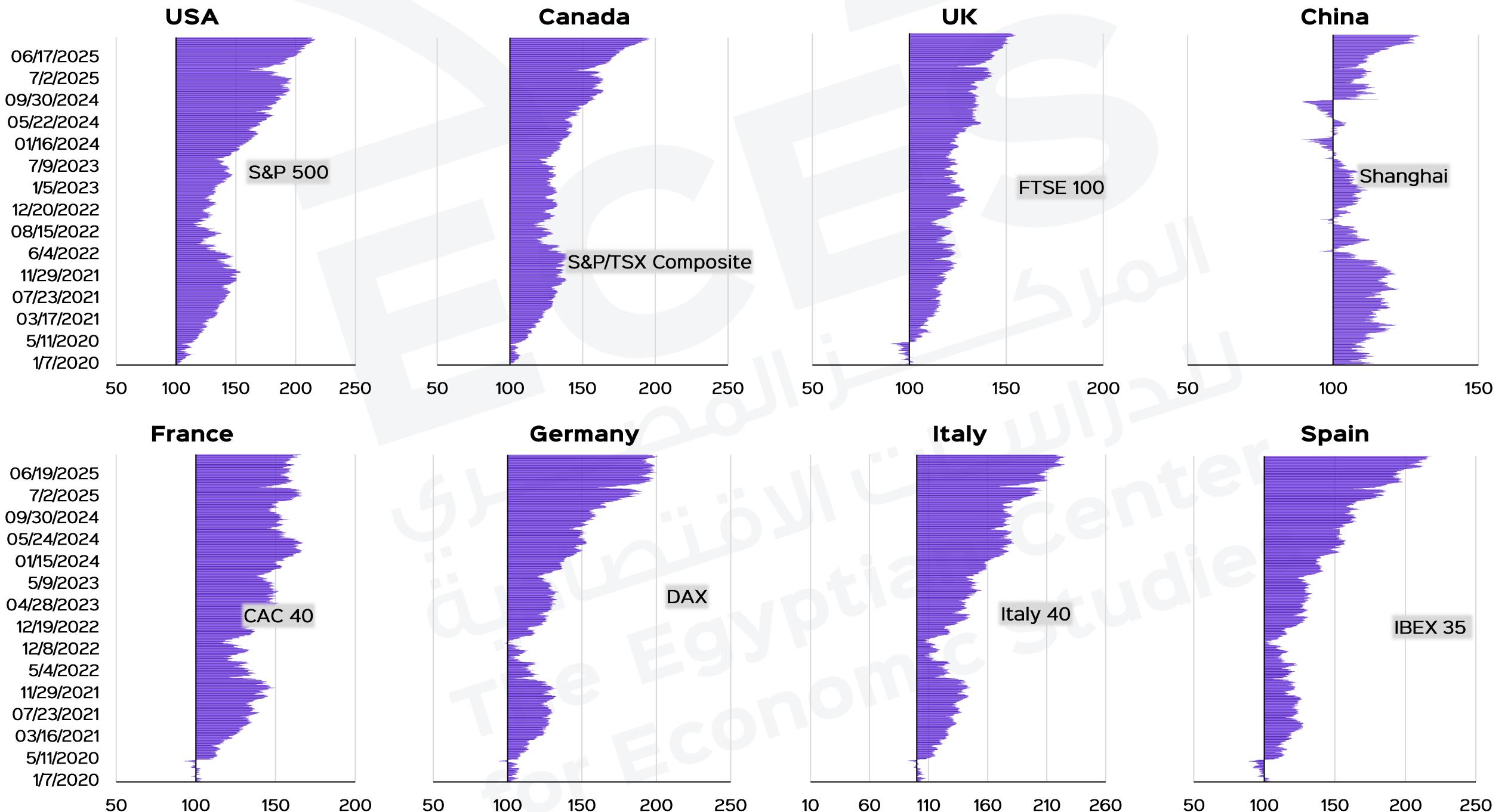
Main Rates

Stock Market

Bond Market

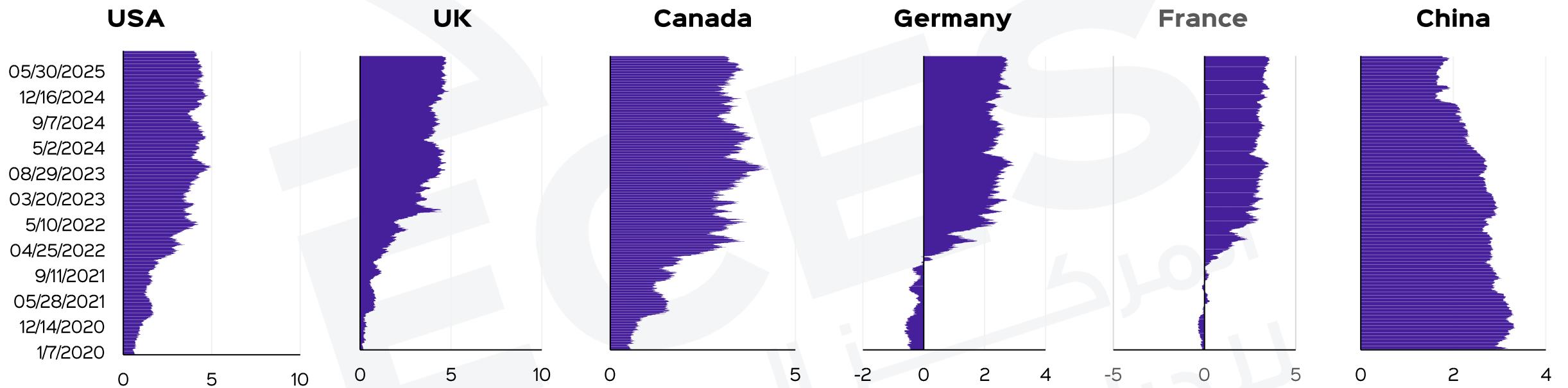
Global stock markets continued to show a divergent performance this month, reflecting differences in monetary policy direction and economic momentum. While the US market sustained its rally supported by strong earnings and rate cuts, European and Asian markets moved more cautiously. In the US, equity markets extended their gains as major Tech companies once again exceeded earnings expectations, while the Fed recent rate cut boosted investor sentiment and liquidity. In contrast, EU markets remained relatively cautious due to lingering inflationary pressures and slow growth. Meanwhile, Chinese equities continued to lag, pressured by weak domestic demand and subdued investor confidence, despite minor policy support measures.

Commodity Markets
Main rates
Stock Market
Bond Market

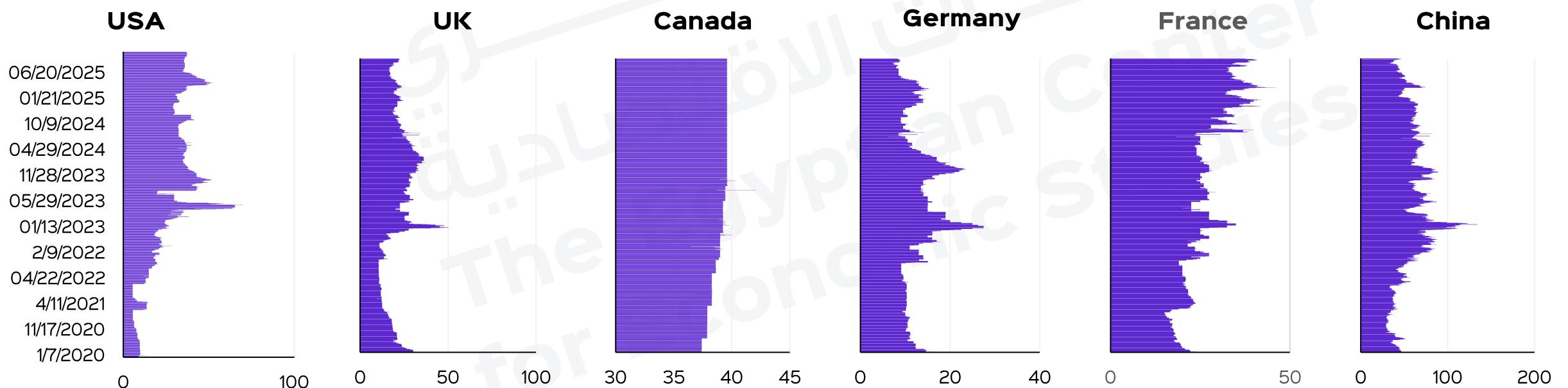


Global bond markets reflected a generally stable sentiment this month, as investors adjusted to the recent wave of monetary easing. While CDSs remained contained, suggesting improved confidence and a more balanced global risk perception. In the US and Canada, bond yields declined further following policy rate cuts, reinforcing the start of a broader monetary easing cycle. Across the Eurozone, yields stabilized as inflation pressures moderated. Meanwhile, China bond market remained broadly steady, supported by low inflation and continuous policy support. CDSs across major economies held near recent lows, reflecting market adaptation to persistent geopolitical uncertainties and growing comfort with the current global risk environment.

10-Year Bond Yield

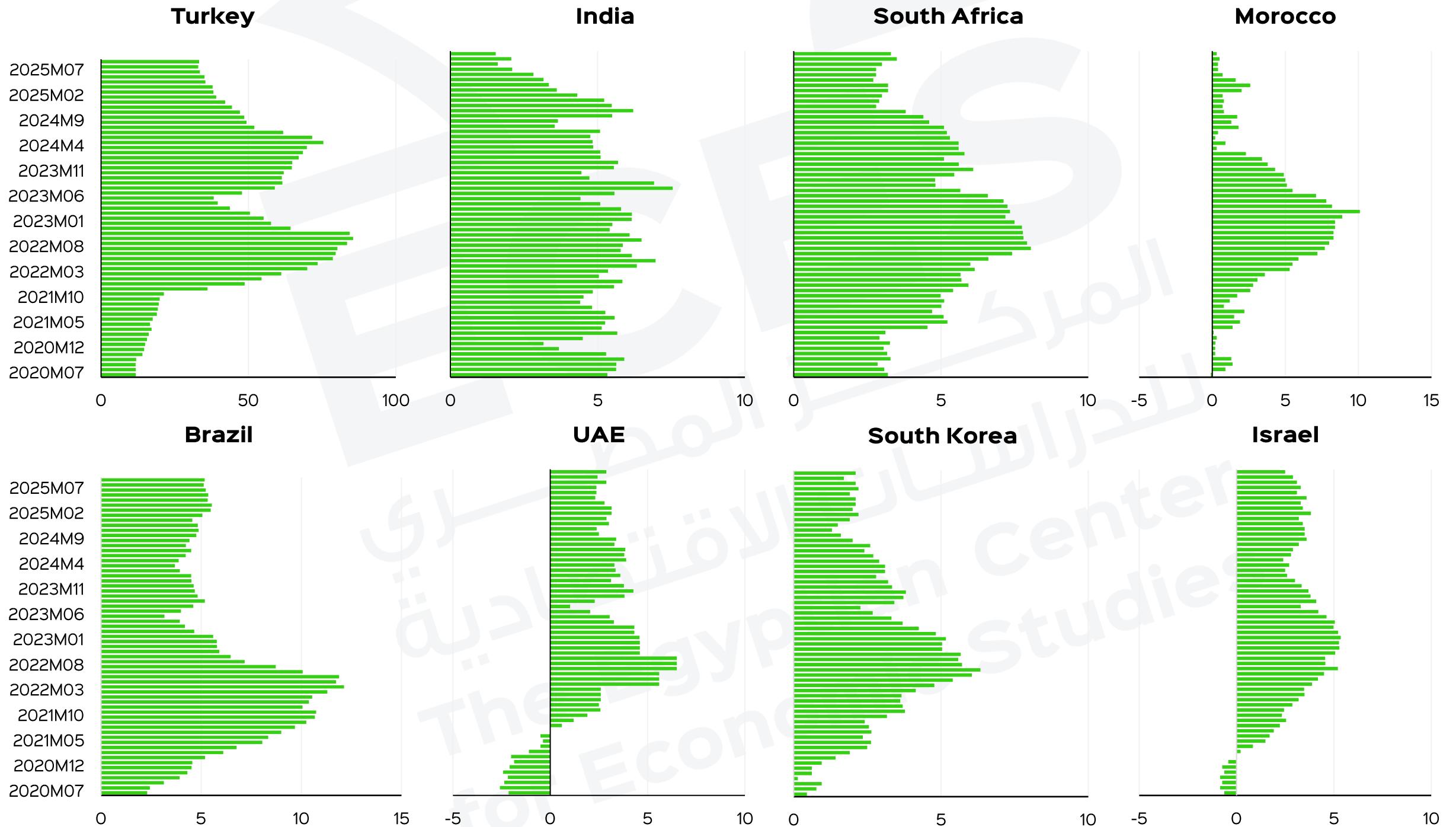


5-Year CDS



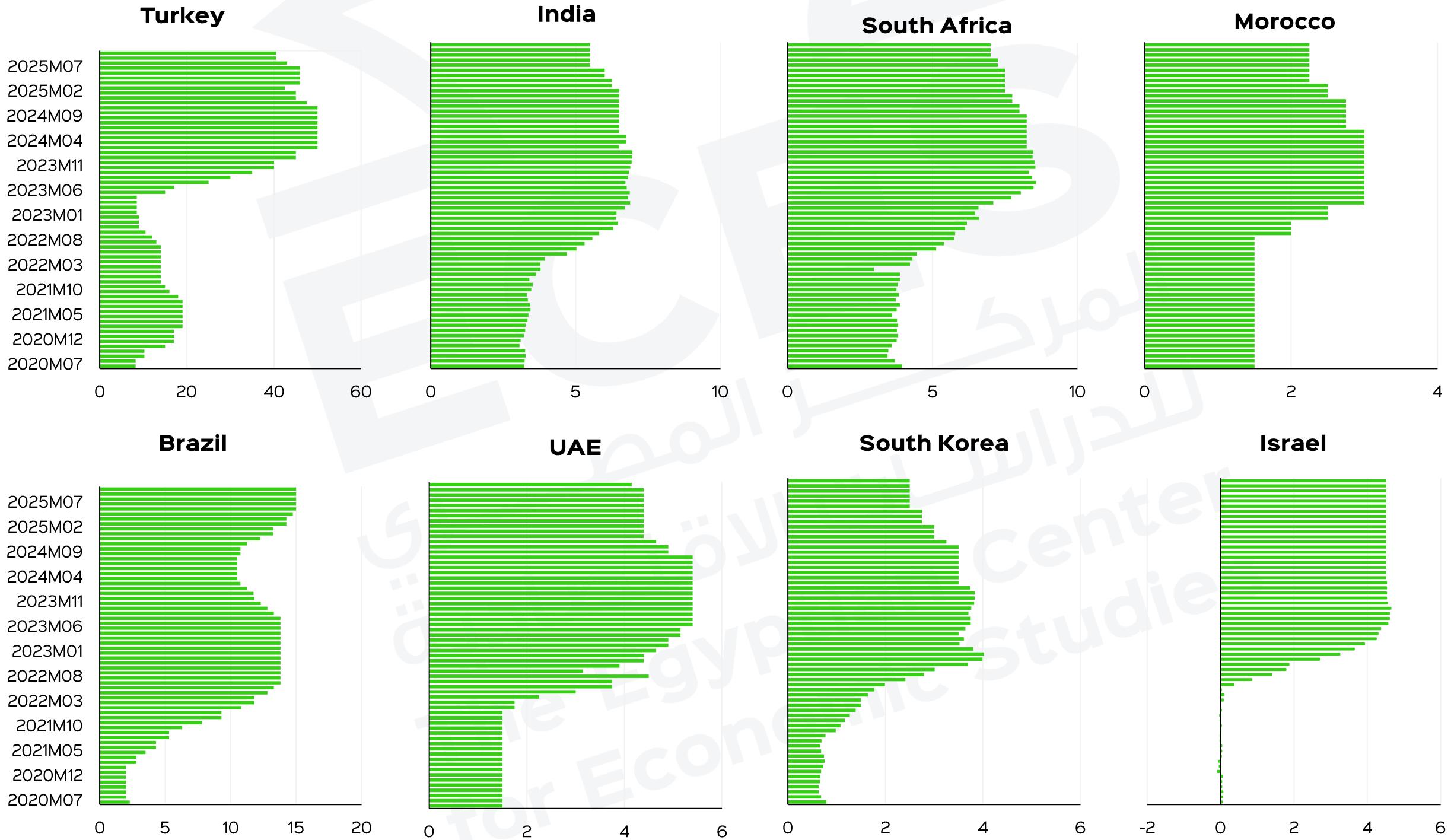
Commodity Market
Main Rates
Stock Market
Bond Market

Inflation across emerging markets remained generally contained, supported by easing energy and commodity prices, though country-level trends varied. India and South Africa witnessed a decline in inflation, reflecting easing food and energy costs, while Turkey continues to face high and sticky inflation driven by persistent domestic pressures. On the other hand, South Korea saw an uptick in inflation amid higher service and housing costs. Meanwhile, inflation in markets such as Brazil, Morocco, and UAE stayed broadly stable, underscoring an overall pattern of moderation across emerging economies despite differing local dynamics.



Despite moderating inflation and a weakening US Dollar, most emerging markets Central banks have maintained a cautious “wait and see” stance, keeping policy rates unchanged until there is greater clarity on the global economic outlook. Emerging markets Central banks opted for a cautious approach which reflects a preference for monetary stability amid ongoing global uncertainty and quick changes in the flows of funds from global to emerging markets. The UAE, however, stood as an exception, as its Central bank aligns with the US Fed, thus it opted to cut rates aiming to support domestic liquidity and economic activity.

Inflation Rate
Policy Rate
LUC/USD
Stock Market
Bond Market



Emerging markets currencies broadly weakened against the US Dollar this month, despite its earlier downward trend, as global uncertainty and shifting capital flows weighed on sentiment. The South Korean Won, Turkish Lira, South African Rand, Brazilian Real, and Moroccan Dirham all lost value, reflecting concerns over domestic growth and persistent inflationary pressures. Meanwhile, the Indian Rupee remained relatively stable but gave up part of its previous gains amid changing inflation dynamics. Overall, most emerging market currencies faced renewed pressure as investors sought safety in the US Dollar amid the still-uncertain global outlook.

Inflation Rate

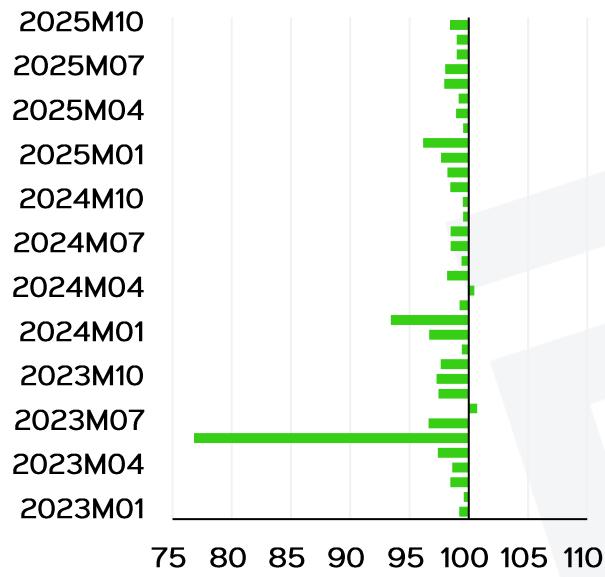
Policy Rate

LUC/UDS

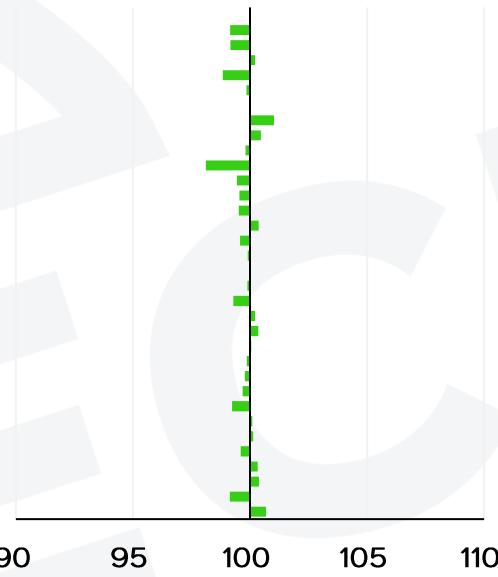
Stock Market

Bond Market

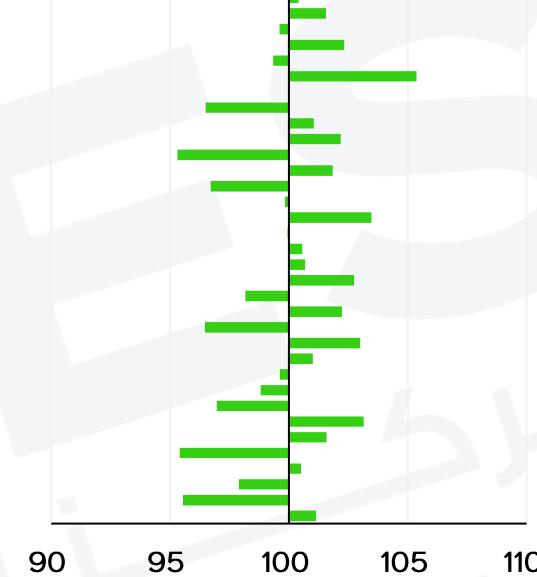
Turkish Lira



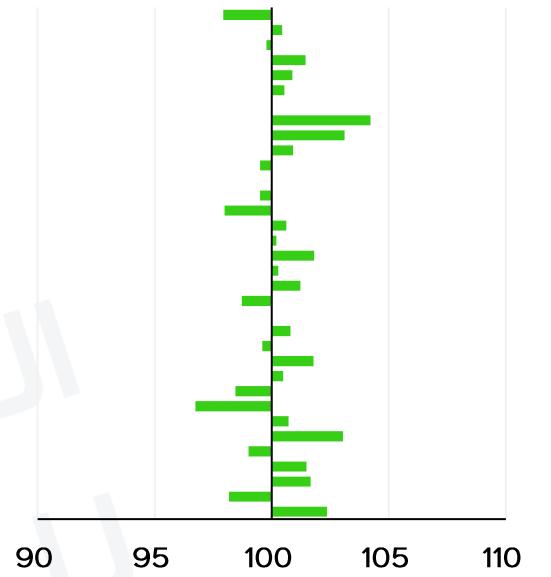
Indian Rupee



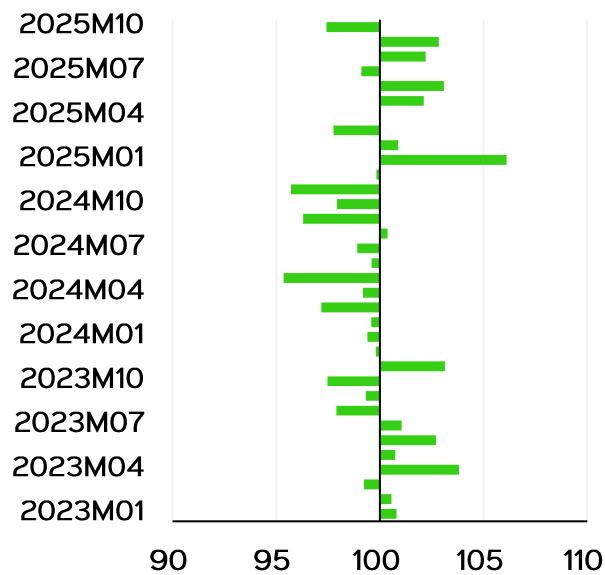
South African Rand



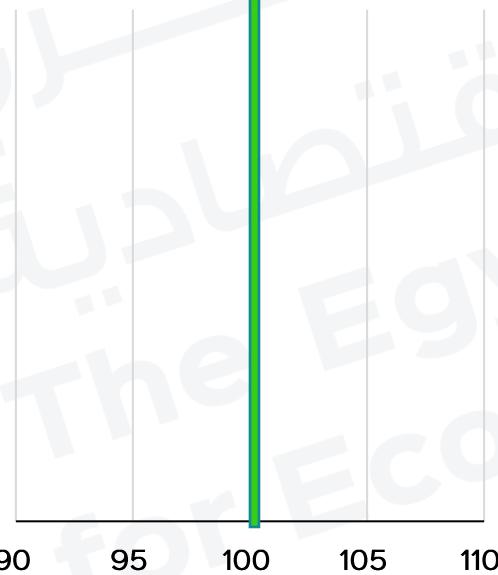
Moroccan Dirham



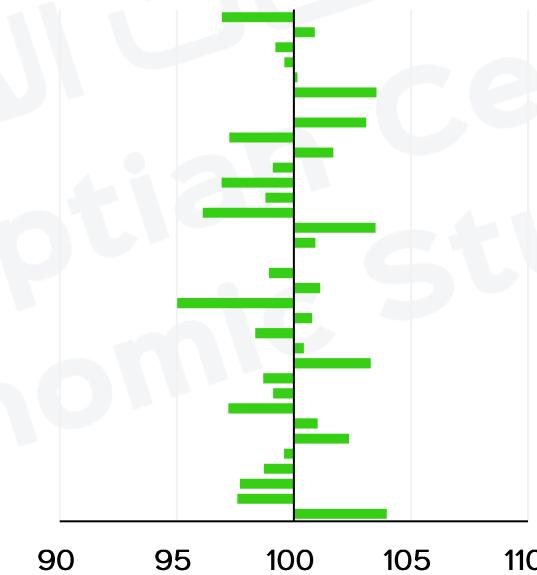
Brazilian Real



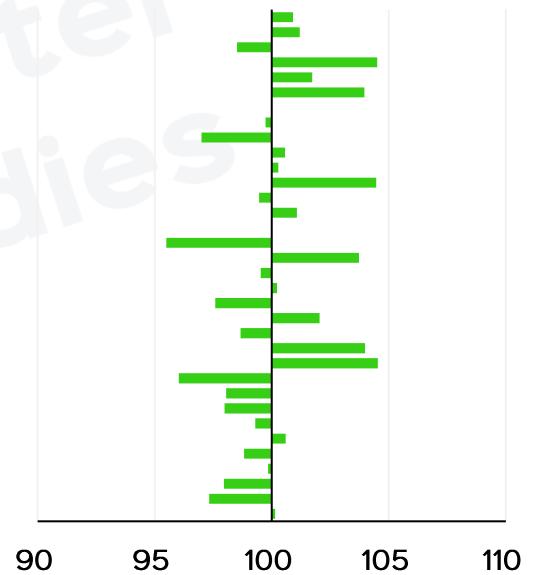
UAE Dirham



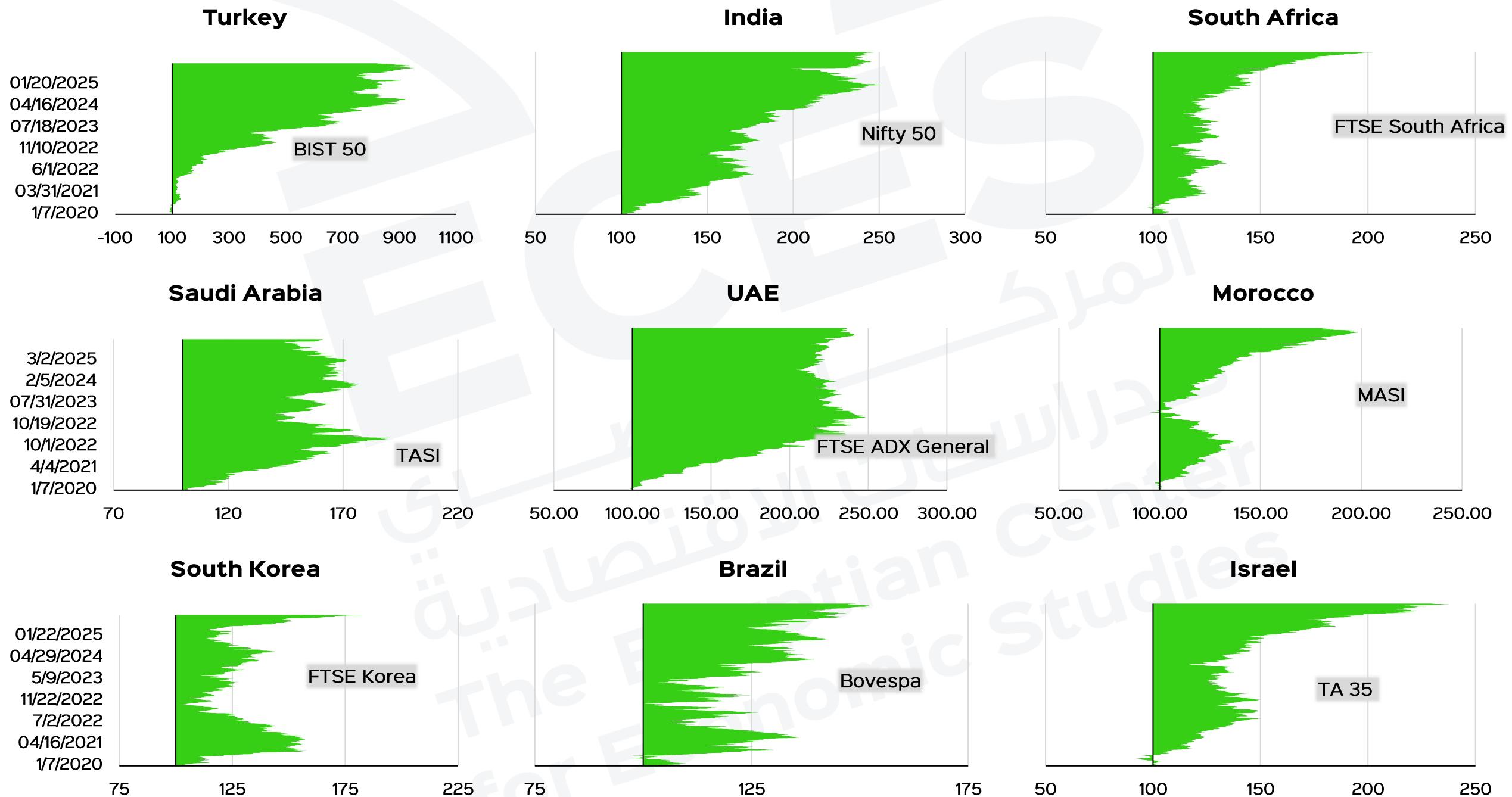
Korean Won



Israeli New Shekel



Emerging markets stock markets remained positive for another month, supported by easing inflation pressures, improving investor sentiment, and continued foreign inflows. India and South Korea led the rally, driven by strong performance in the tech sector and resilient capital inflows. Equity markets in the UAE and Saudi Arabia also advanced, benefiting from easing inflation and improving risk appetite. Meanwhile, Turkey, South Africa and Morocco posted more modest gains as investors remained cautious amid ongoing economic challenges and policy uncertainties. Overall, emerging markets equities sustained their upward trend, reflecting stronger local fundamentals and a gradual normalization of geopolitical risks.



Inflation Rate

Policy Rate

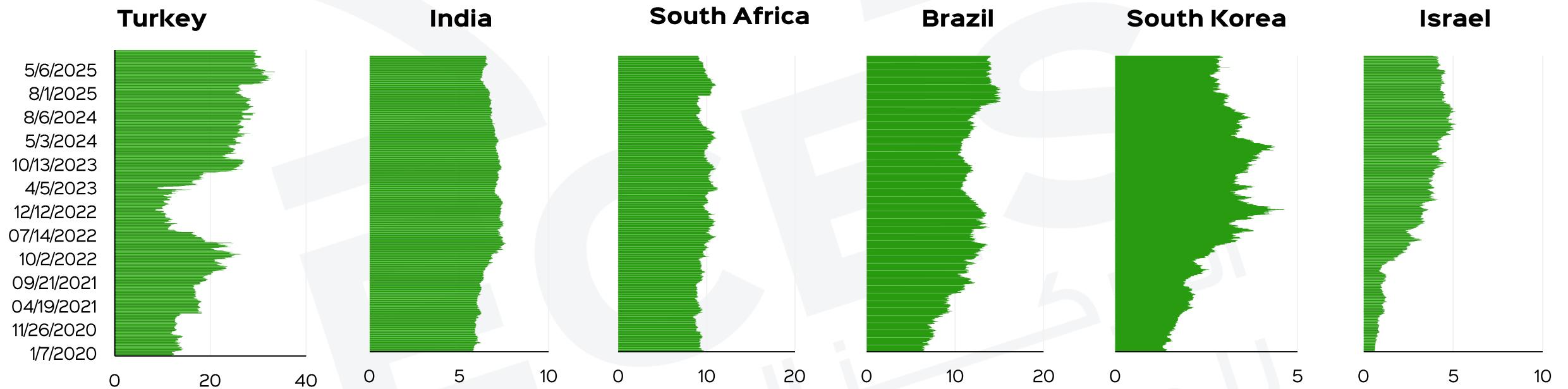
LUC/USD

Stock Market

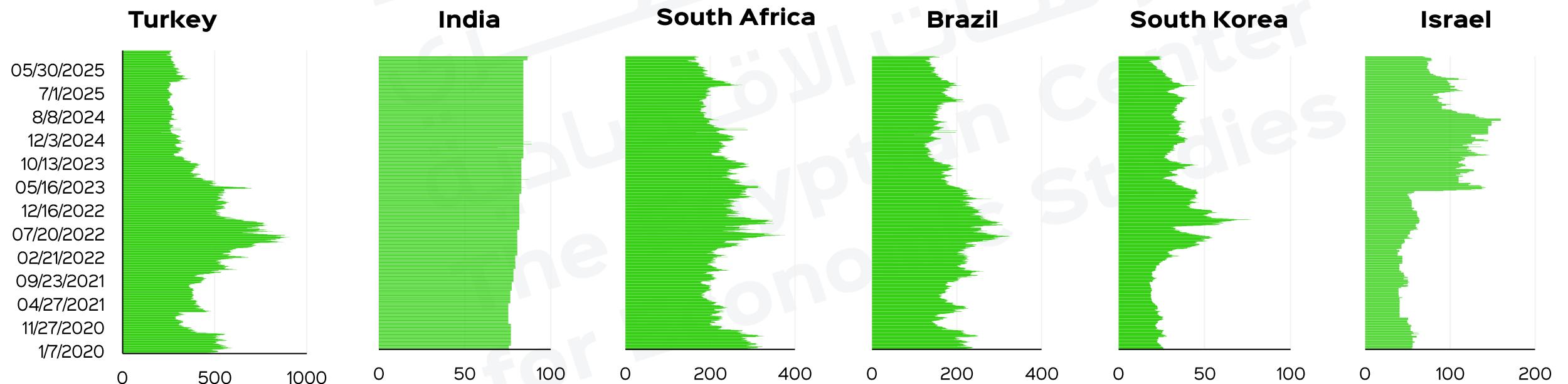
Bond Market

Bond yields across most emerging markets remained largely stable, supported by easing local inflation and cautious monetary stances from Central banks. However, CDSs have edged higher, reflecting renewed investor caution amid persistent global uncertainties. While stable yields suggest limited pressure on local debt markets, the uptick in CDSs signals that investors remain sensitive to external risks, including geopolitical tensions and global financial volatility. Overall, emerging markets continue to balance improving domestic conditions with a more cautious global risk environment and stay to be largely vulnerable to shifts in global money flows.

10-Year Bond Yield



5-Year CDS



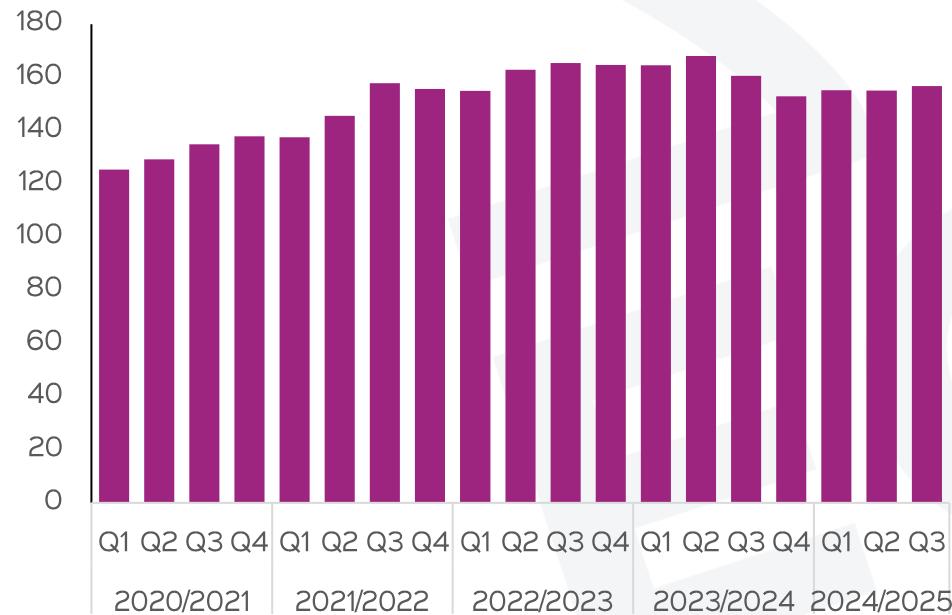
Inflation Rate
Policy Rate
LUC/CDS
Stock Market
Bond Market

Egypt's debt dynamics and market sentiment showed signs of improvement over the past month, reflecting growing market confidence and positive credit sentiment, especially with the latest credit rating upgrade. Bond yields and CDSs declined reflecting an improved macro picture. Total external debt continued its upward trend, driven by new borrowing needs and the rising cost of debt servicing. Despite this, Egypt's 10-year bond yield declined following the Central bank rate cuts, reflecting easing monetary conditions and improved investor sentiment. CDSs also moved lower, signaling declining perceived risk and growing market confidence. Notably, S&P Global upgraded Egypt sovereign rating, underscoring increased confidence in the economy.

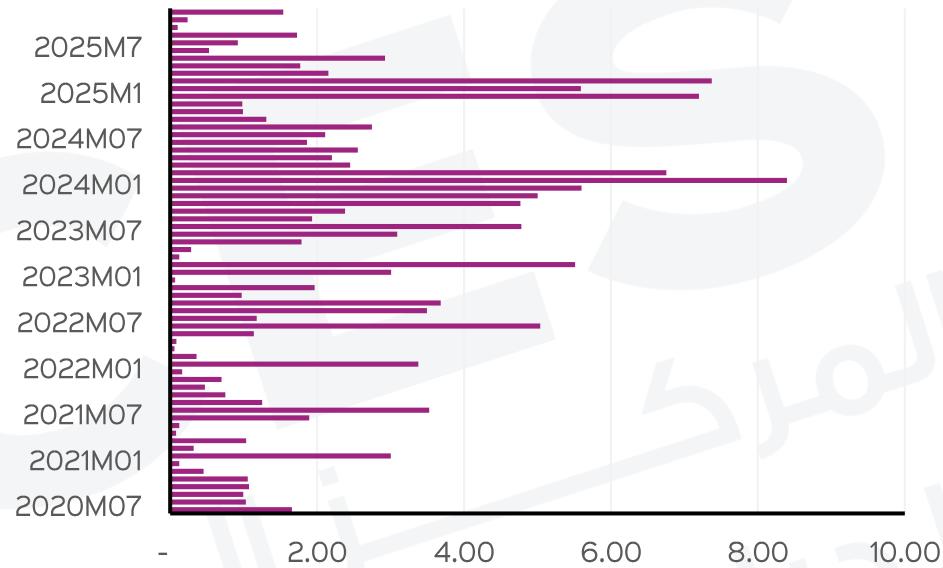
External Position

Local Developments

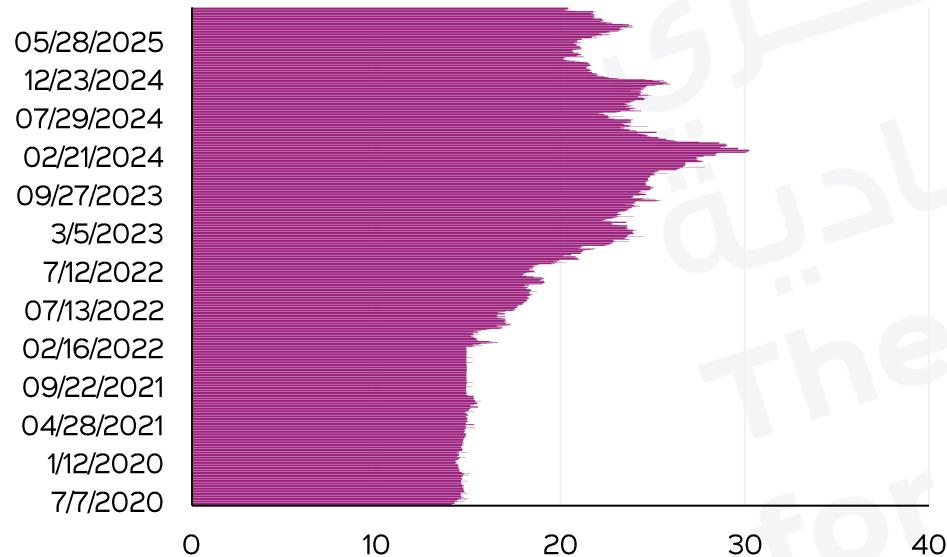
Total External Debt (bn \$)*



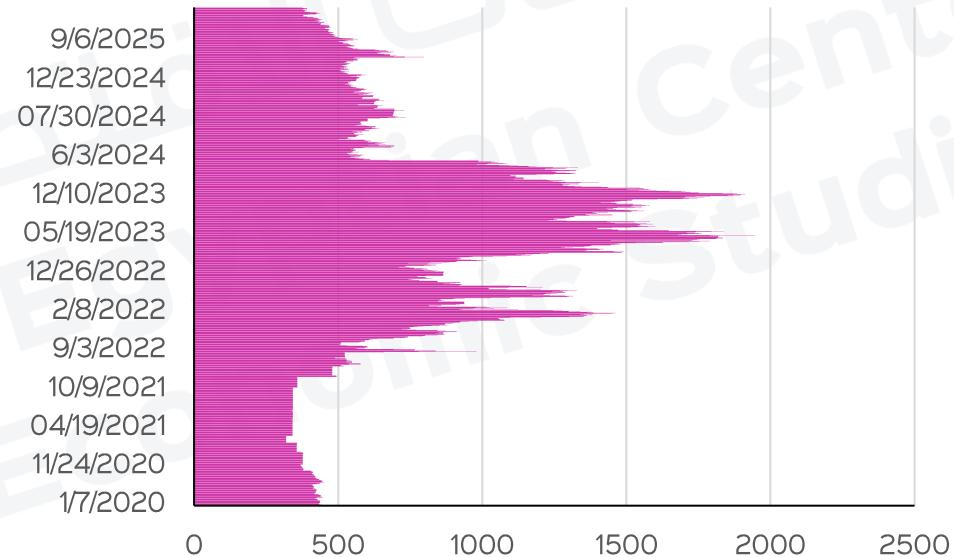
External Debt Service (bn \$)*



Egypt 10-Year Bond Yield



5Y CDS, Egypt



S&P Global Ratings
B Positive

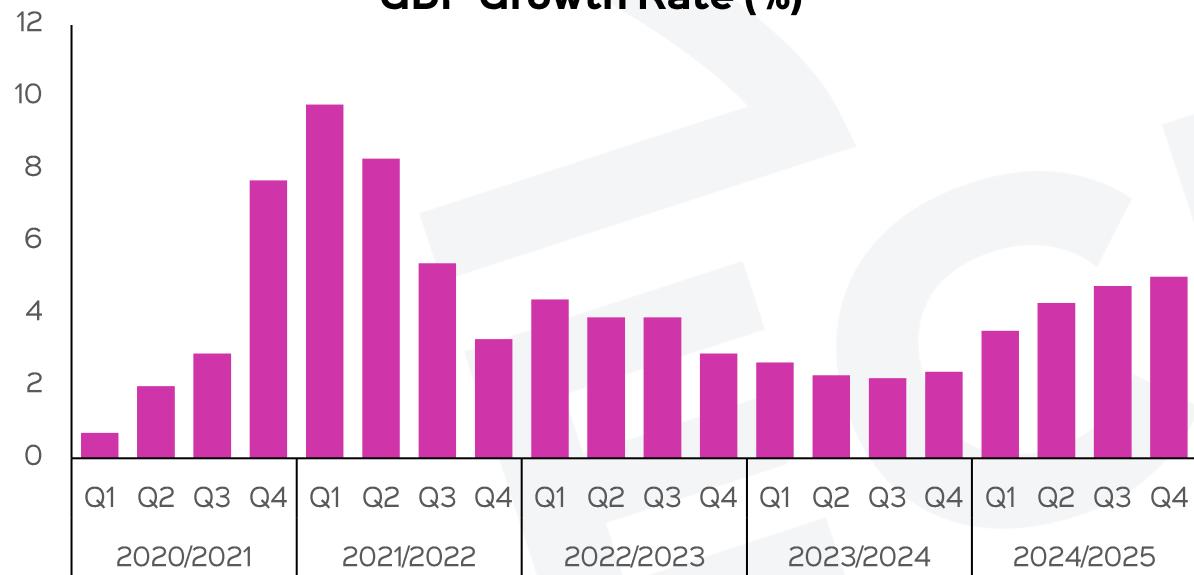
Fitch Ratings
B Stable

MOODY'S INVESTORS SERVICE
Caa1 Positive

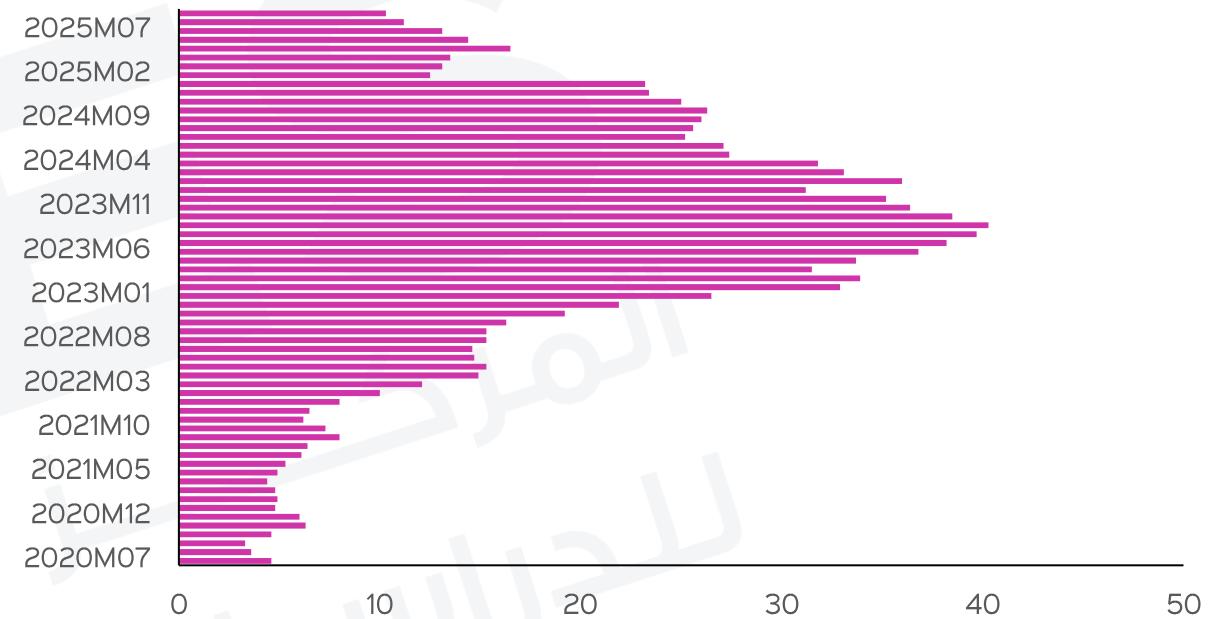
Egypt macroeconomic indicators reflected a more balanced and improving outlook this month, as growth momentum strengthened and inflation pressures eased further. GDP growth continued to accelerate for the fourth consecutive quarter, signaling a sustained economic recovery supported by improving domestic activity. Inflation declined for the fourth month in a row, providing the Central bank with room to cut interest rates and officially signal a shift toward monetary easing, despite the continued growth in money supply. Overall, the combination of stronger growth, easing inflation, and a rate cut reflects a gradual recovery phase supported by more accommodative monetary policy.

External Position
Local Developments

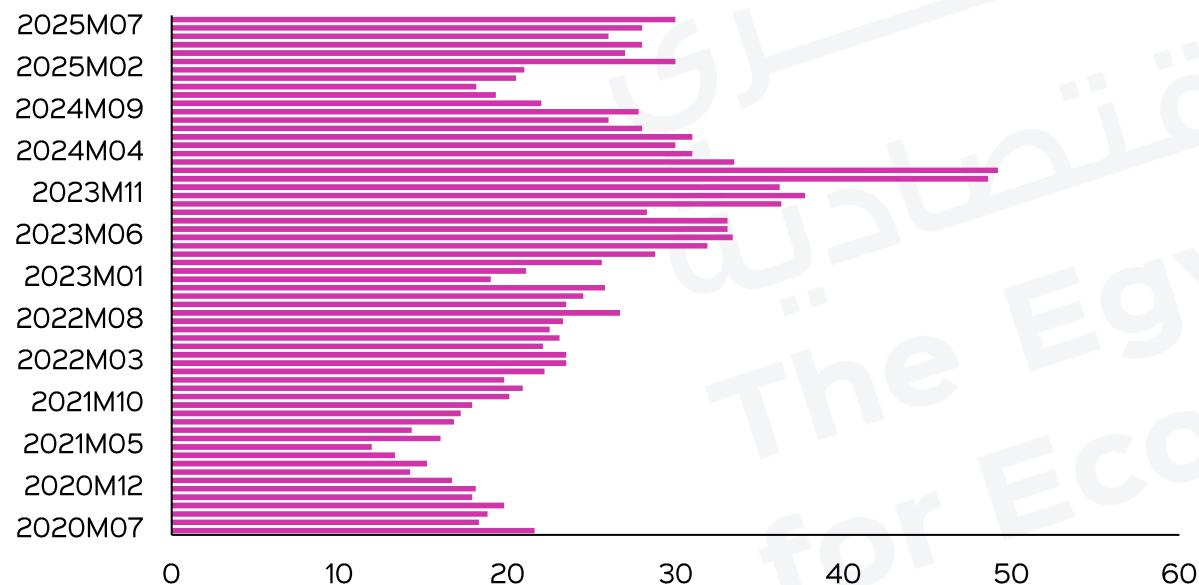
GDP Growth Rate (%)*



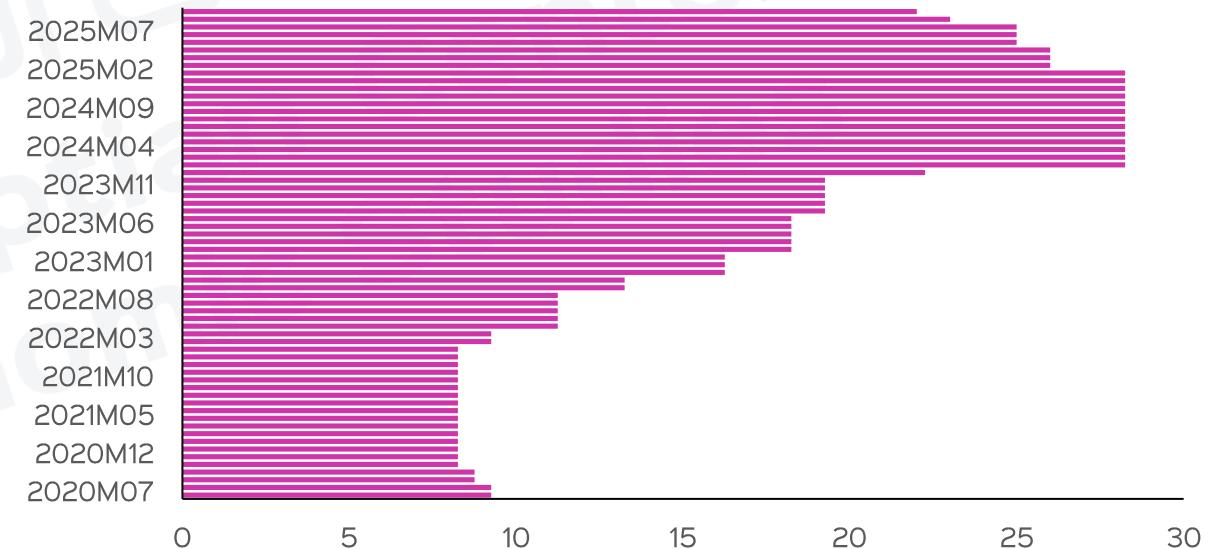
Inflation Rate (%)



Growth Rate of Money Supply (M1)*



Policy Rate (%)

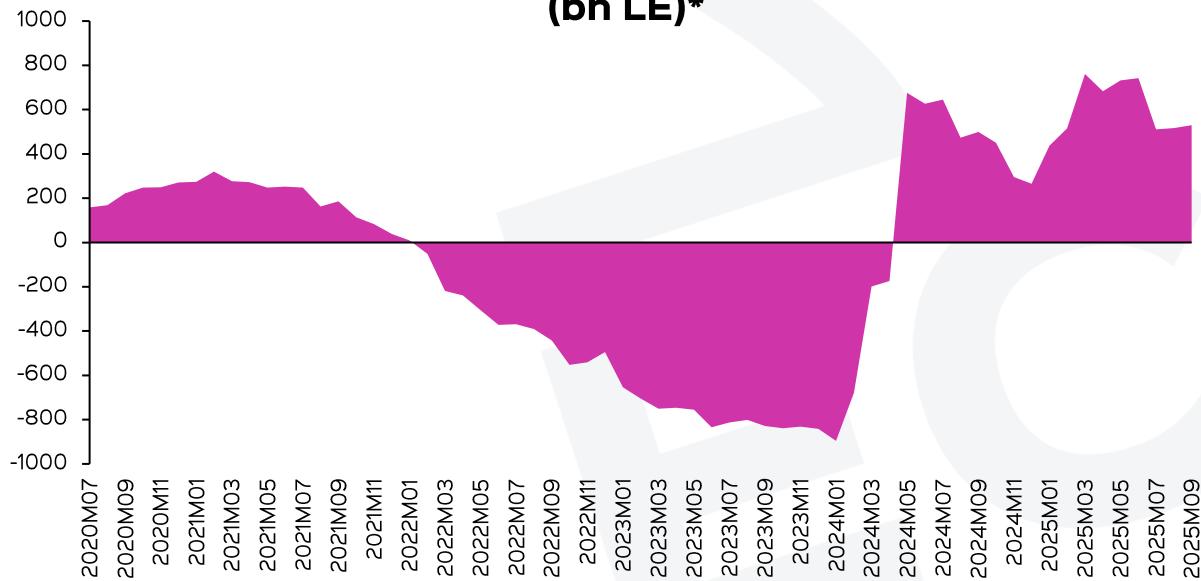


Egypt's external position continued to strengthen this month, supported by sustained foreign currency inflows and improving market confidence, which reflected into a slightly stronger Pound. The Central bank foreign reserves increased further, while net foreign assets in the banking system edged higher, reflecting renewed capital inflows and stronger foreign liquidity. Remittances from Egyptians working abroad have remained on an upward trend for several consecutive months. At the same time, the official exchange rate continued its gradual recovery, supported by the global weakening of the US Dollar and the return of portfolio investments after recent regional tensions. This has all contributed to a slightly stronger Pound.

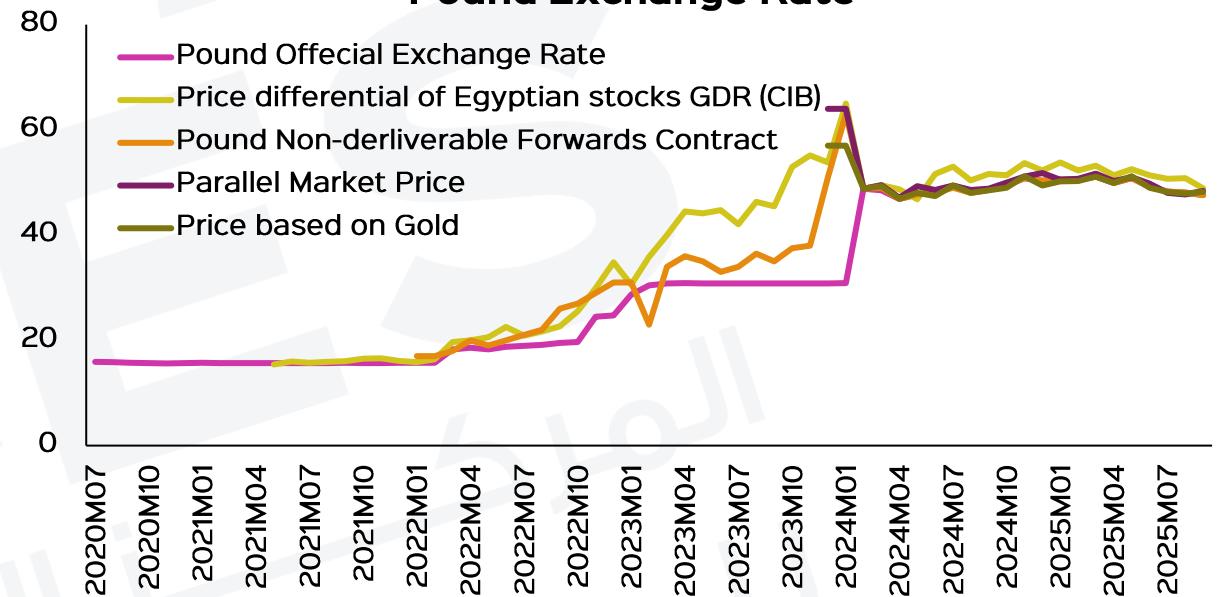
External Position

Local Developments

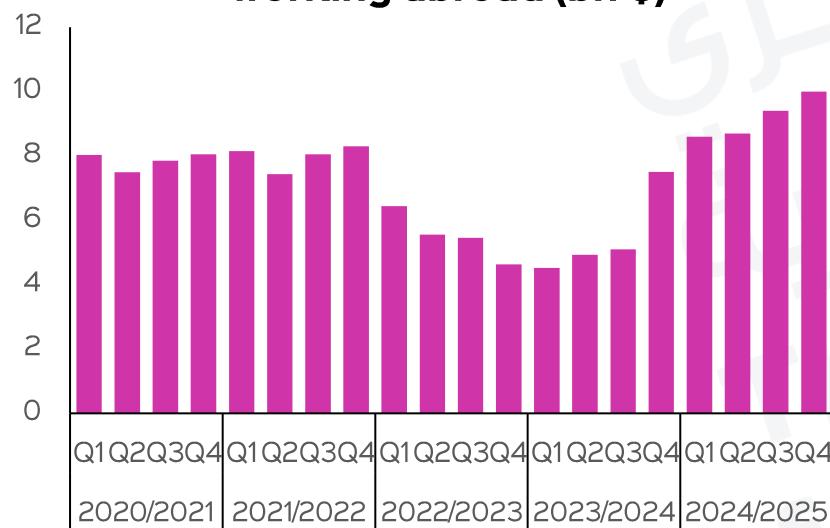
Net Foreign Assets of the Banking System (bn LE)*



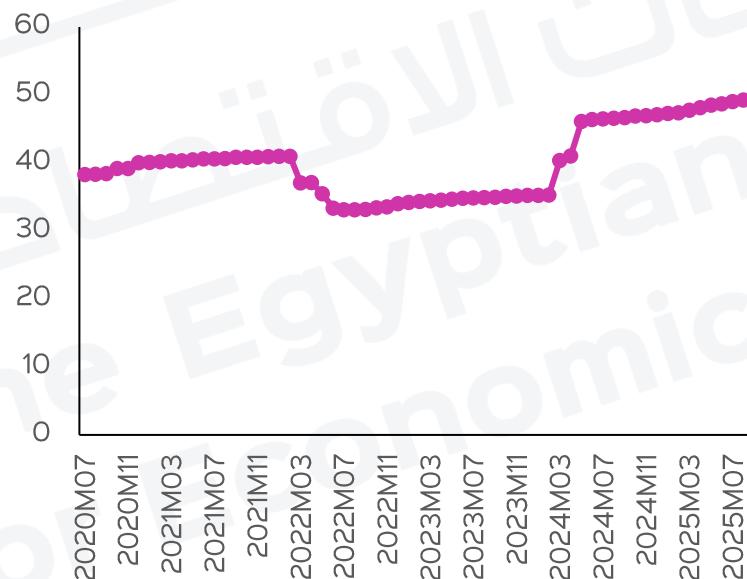
Pound Exchange Rate



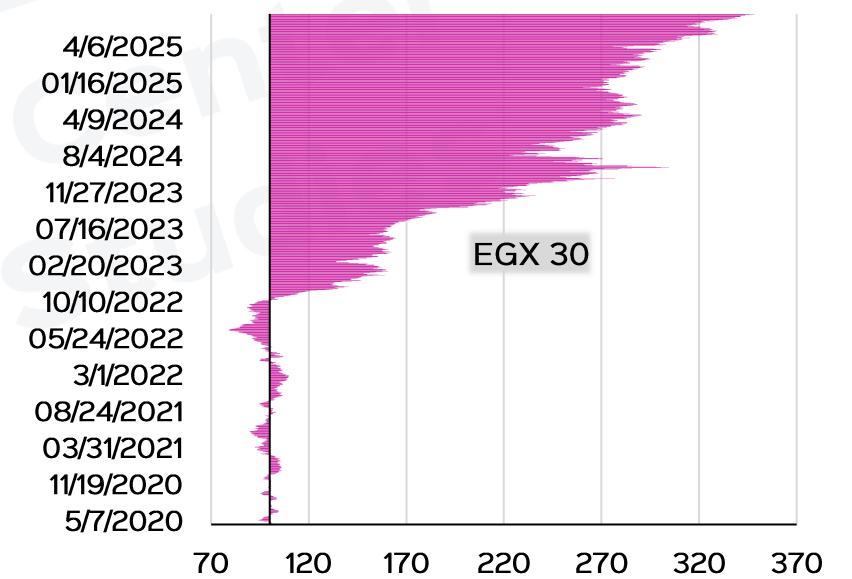
Remittances of Egyptians working abroad (bn \$)



Net International Reserves



Egypt



Sources

Global Markets



- Food and Agriculture Organization of the United States
- OECD.Stat
- International Monetary Fund
- Corporate Finance Institute
- World Bank
- Investing.com

Emerging Markets



- OECD.Stat
- Central Bank of Saudi Arabia
- Central Bank of Morocco
- Central Bank of UAE
- Investing.com

Egyptian Local Market



- Central Bank of Egypt
- World Bank
- Ministry of Planning and Economic Development
- Egyptian Exchange
- Central Bank Of Egypt
- Investing.com

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Annex 1: Methodology

Global Markets



- Global markets such as the USA, UK, EU, China and Canada set the tone of the global economy.
- The report begins by analyzing the changes in global markets in terms of economic policy directions and financial markets and tries to plot how those dynamics are interlinked.
- The report then tries to examine the ripple effect of changes in global markets on emerging market economies, and the choices available to such markets.

Emerging Markets



- Emerging markets such as Brazil, India, South Africa, Turkey, and others are widely affected by the tides in global markets.
- The report tries to understand the effects of changes in policies in global markets on the choices available for different emerging markets.
- The report then tries to analyze the progress of different emerging markets in light of global economic changes and the policy options available for emerging markets as a group.

Egyptian Local Market



- Like any other emerging market, the local market in Egypt is affected by dynamics in the global markets as well as the policy choices adopted by other emerging markets.
- The report tries to understand the effects of changes in global markets as well as changes in emerging markets on the local market in Egypt.
- The report also tries to link between external factors as well as local policies such as fiscal and monetary policy, and how they interact resulting in the current economic situation.

Annex 2: Terminology

Term	Explanation
Policy Rate	The central bank policy rate (CBPR) is the rate used by the Central Bank to signal or implement its monetary policy stance.
LCU / USD	The change in the value of one currency in comparison to another currency (the US Dollar) in the free-floating exchange rate regime.
CDS	A credit default swap (CDS) is a type of credit derivative that provides the buyer with protection against default and other risks. The buyer of a CDS makes periodic payments to the seller until the credit maturity date. In the agreement, if the debt issuer defaults, the seller commits to paying the buyer all premiums and interest that would've been paid up to the date of maturity.
Credit Rating	A credit rating is an opinion of a particular credit agency regarding the ability and willingness of an entity (government, business, or individual) to fulfill its financial obligations in full and within the established due dates. A credit rating also signifies the likelihood a debtor will default. It is also representative of the credit risk carried by a debt instrument – whether a loan or a bond issuance.
Net Foreign Assets of the Banking System	Net foreign assets are the sum of foreign assets held by monetary authorities and deposit money banks, less their foreign liabilities. Data is in current local currency.
External Debt Service	The external debt to be paid in a certain period, is composed of the sum of principal installments and interest.

...one high...
...und is still suffering huge pro...
...at due to the high negative net foreign assets...
...external debt, negative net foreign assets, low credit rating and high...
...ancing needs are all putting more pressure on the pound and makin...
...national financial markets



- Egypt Grapples With Impact of Red Sea Hits on Suez Canal Revenue
- The Central Bank of Egypt (CBE) imposed restrictions on credit cards issued on or after December 21 regarding foreign exchange (FX) transaction.
- The Egyptian government is in talks with the International Monetary Fund (IMF) for a new timeline for the loan deal.
- Egypt Media witnesses new wave of prices
- AI Shaya Group trims Egypt operations due to economic conditions
- Moody's Changes Outlook On Egypt To Negative Affirms Caa1 Ratings

- After a long rising streak, commodities prices started getting and inflation started to be contained.
- Global central banks are signaling the start of the easing cycle of tightening to curb inflation.
- Global stock markets have reached record level and debt are surging across most global markets.