ECES
المركز المصري للدراسات الاقتصادية
The Egyptian Center for Economic Studies

Financial Markets Snapshot

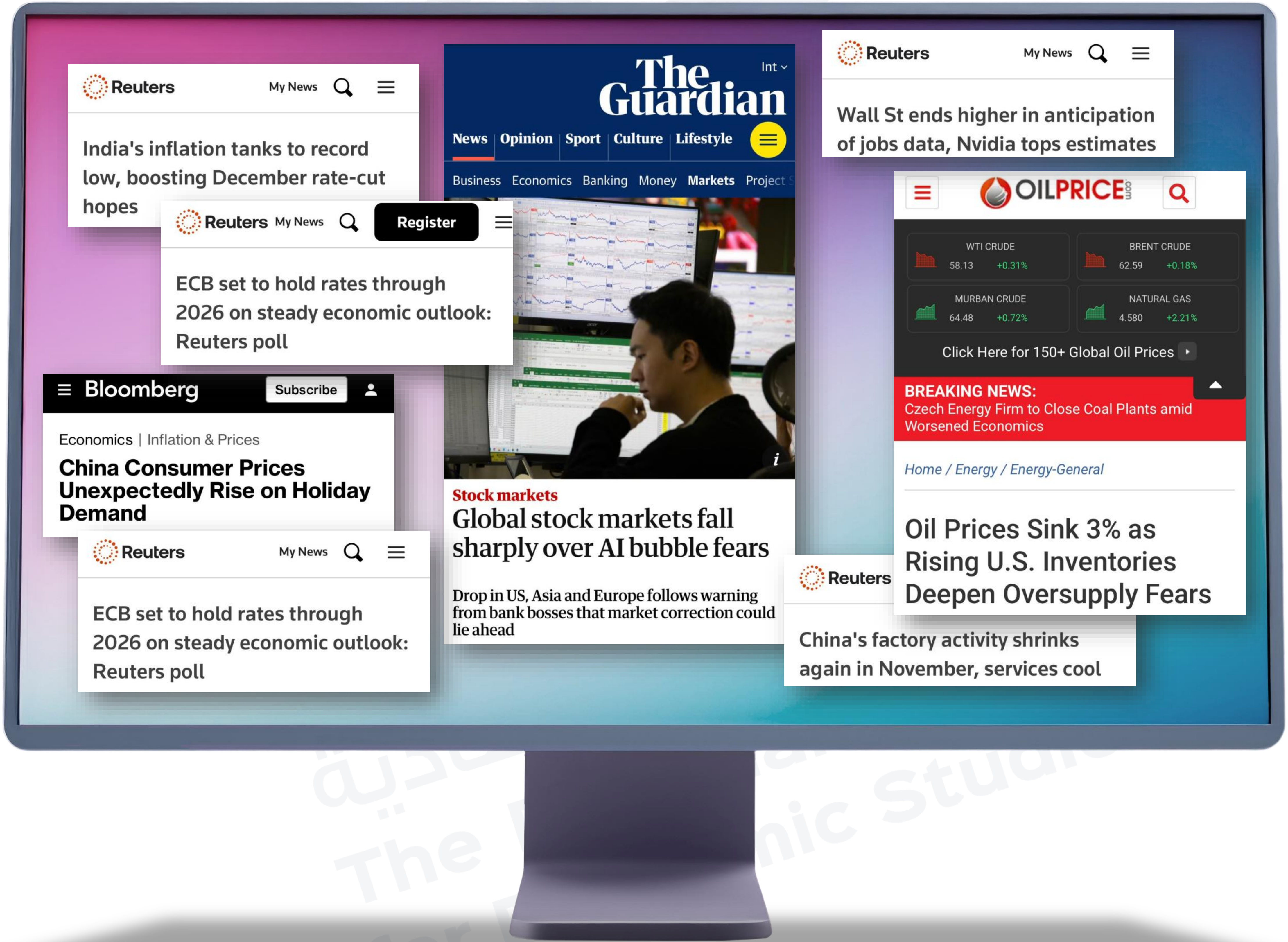
Issue 23
November 2025

Contents

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 markets continued to show divergent movements over the past month, with energy prices softening, precious metals remaining strong, and agricultural commodities moving in mixed directions.
- Global inflation trends continued to show divergence for another month, reflecting uneven recovery patterns across major economies.
- Global stock markets continued to display divergent performance this month, with some markets gaining momentum while others remained under pressure, shaped by varying economic conditions and monetary policy signals across major economies. Yet stock market rallies have been interrupted by mounting fears of an AI bubble
- Global bond markets showed a broadly stable performance this month as investors adjusted to the ongoing global monetary easing cycle and clearer inflation dynamics.

Emerging Markets

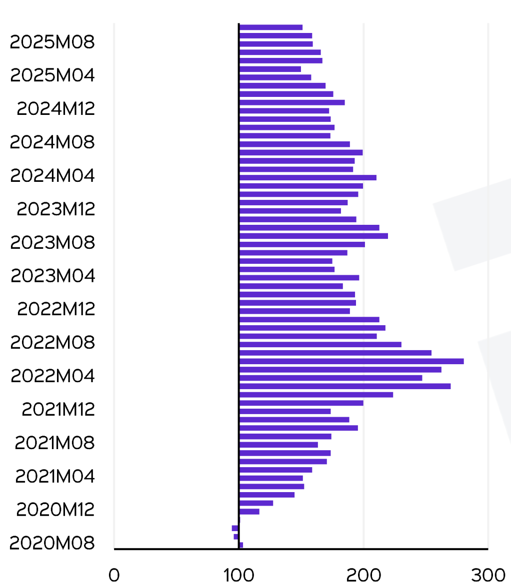
- Inflation across emerging markets remained broadly moderate, though country-level dynamics diverged with some countries such as India and Morocco witnessing major declines and others such as Turkey still suffering from sticky inflation.
- Amid mixed inflationary trends and a generally weakening US Dollar, emerging markets Central banks have largely kept their cautious stance towards monetary policy, maintaining a "wait and see" approach.
- Emerging market currencies broadly weakened against the US Dollar this month, reversing part of the earlier downward trend, as global uncertainty and shifting capital flows weighed on investor sentiment.
- Emerging market stock markets continued to post positive performance this month, supported by mixed inflation dynamics, improving investor sentiment, ongoing foreign inflows as well as monetary easing expectations.
- Bond yields across most emerging markets remained largely stable this month, supported by easing local inflation and cautious monetary policy stance by Central banks. While CDSs stayed high, reflecting renewed investor caution.

Egyptian Local Market

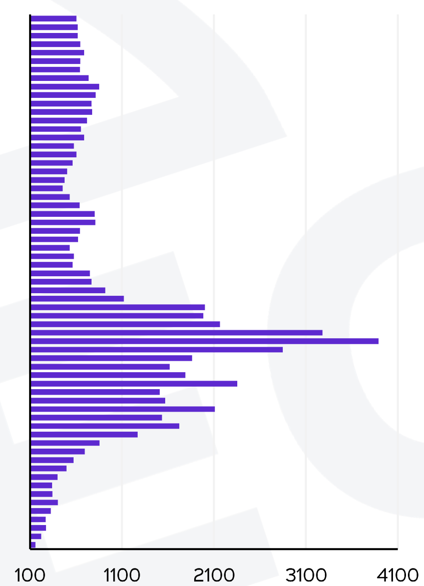
- Despite the increase of total external debt and upcoming debt service, Egypt bond yield declined and CDSs have even declined further, reflecting ongoing borrowing needs alongside improving investor confidence. This was confirmed with a rating upgrade by S&P.
- Egypt macroeconomic indicators reflected a more balanced and improving outlook this month, as growth momentum strengthened and inflation pressures showed mixed developments. Central bank opted to keep interest rate steady amid continued increase in growth rate of money supply.
- Egypt 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 markets continued to show divergent movements over the past month, with energy prices softening, precious metals remaining strong, and agricultural commodities moving in mixed directions. Crude Oil prices inched downwards as supply concerns eased, and global demand indicators moderated. Gold maintained its upward momentum, supported by ongoing geopolitical uncertainty and expectations of looser monetary conditions. Palm Oil prices saw a slight retreat after last month's gains, driven by improved production conditions. In contrast, Rice prices declined further amid better harvest prospects and comfortable stock levels in major exporters.

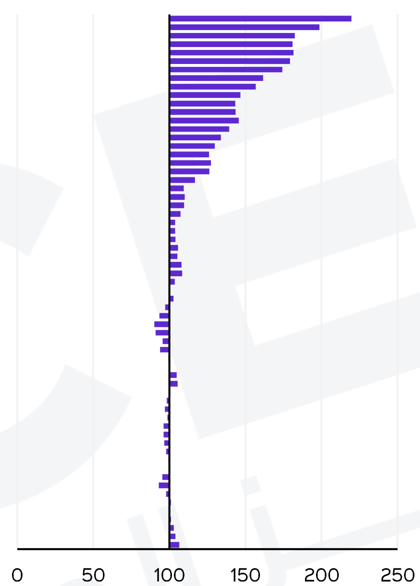
Crude Oil, Brent



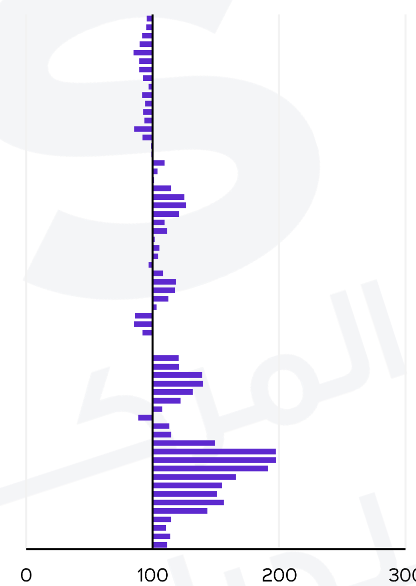
Natural Gas



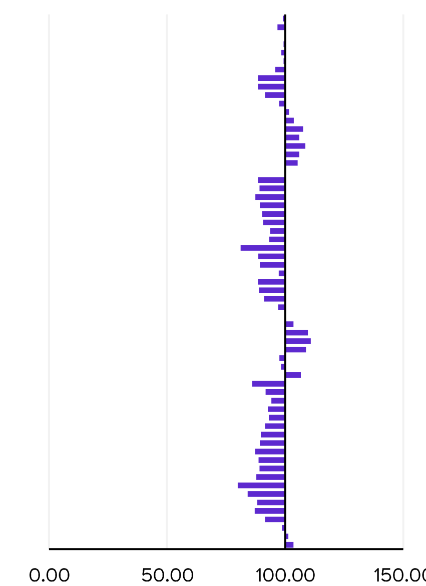
Gold



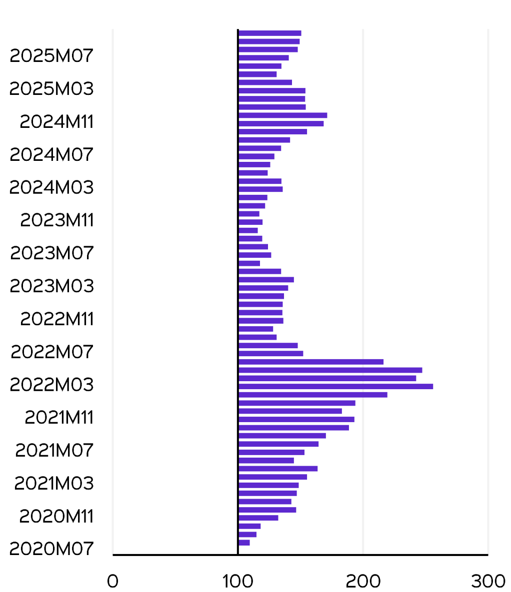
Iron ore



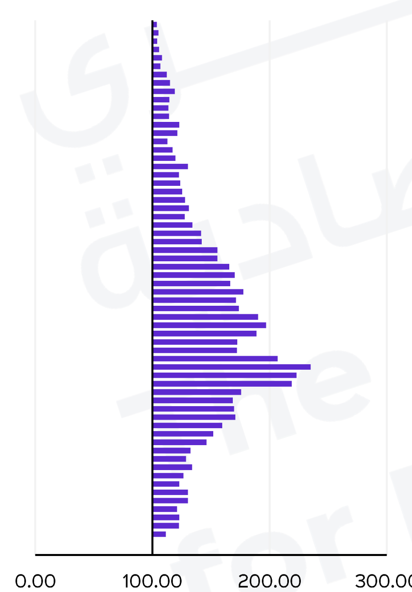
Tea



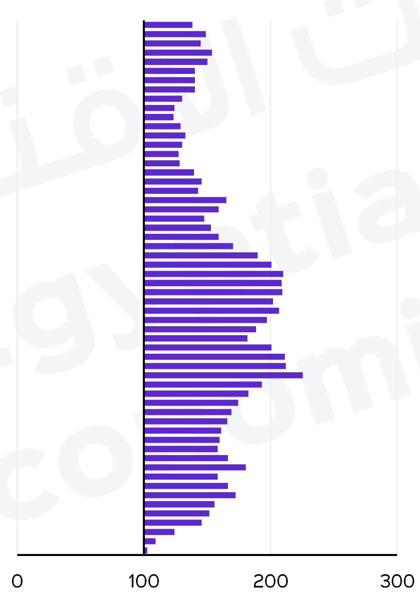
Palm oil



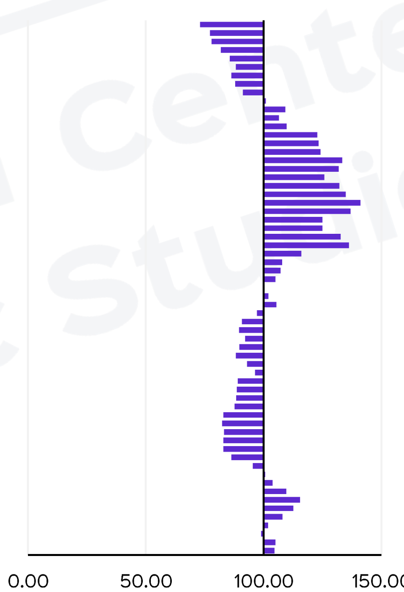
Wheat



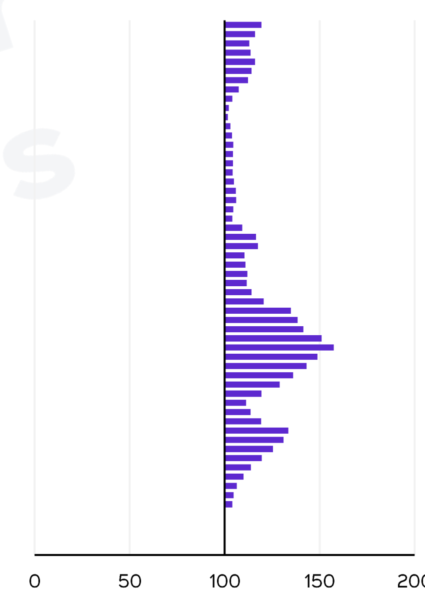
Maize



Rice

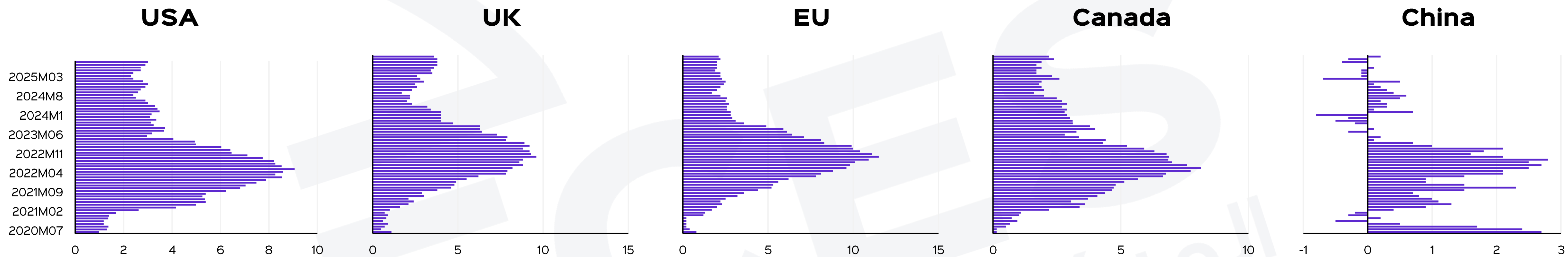


Bovine meat

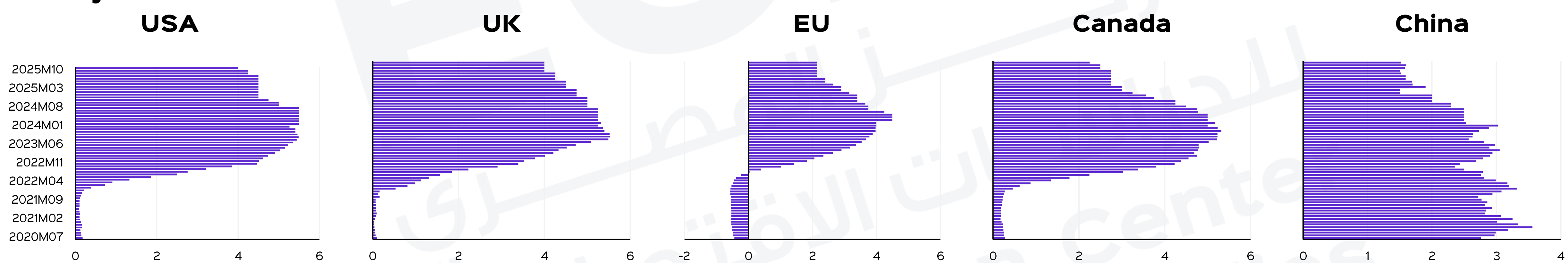


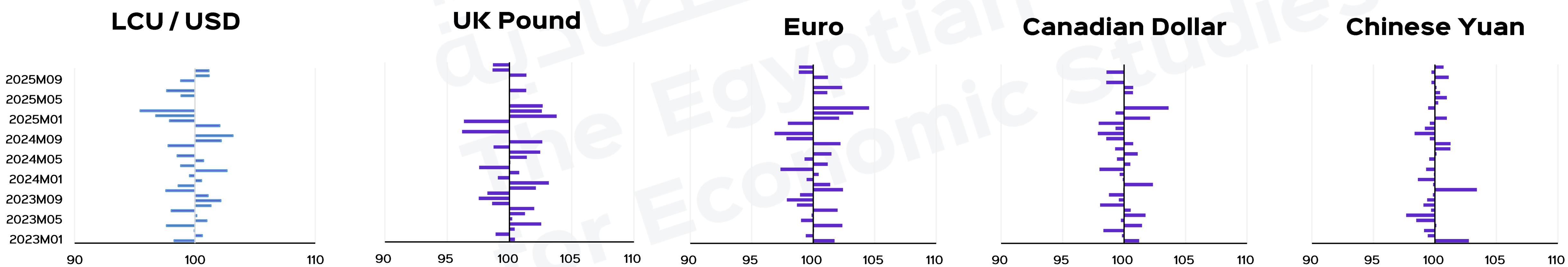
Global inflation trends continued to show divergence for another month, reflecting uneven recovery patterns across major economies. As a result, US Fed has kept cutting rates to stimulate the economy, while other major Central banks stayed cautious. Inflation eased further in the US and the Eurozone, reinforcing expectations of a more sustained monetary easing cycle, while the UK and Canada recorded only marginal declines, prompting their central banks to remain cautious despite earlier rate cuts. The US Federal Reserve proceeded with another rate cut, while most other major Central banks held policy rates steady as they assessed the balance between sluggish growth and still-sticky prices. Such moves increased volatility in global currency markets.

Inflation Rate

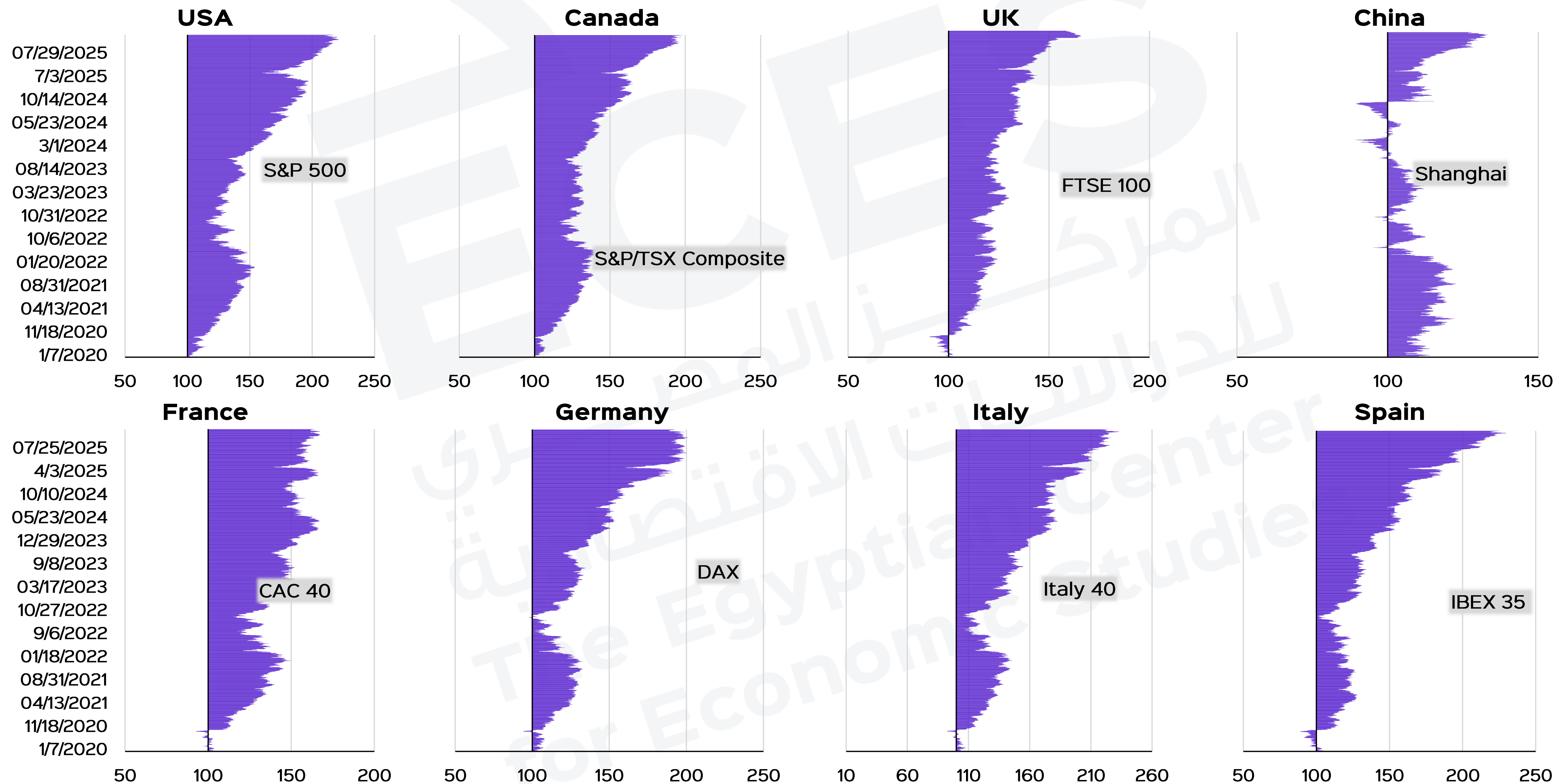


Policy Rate



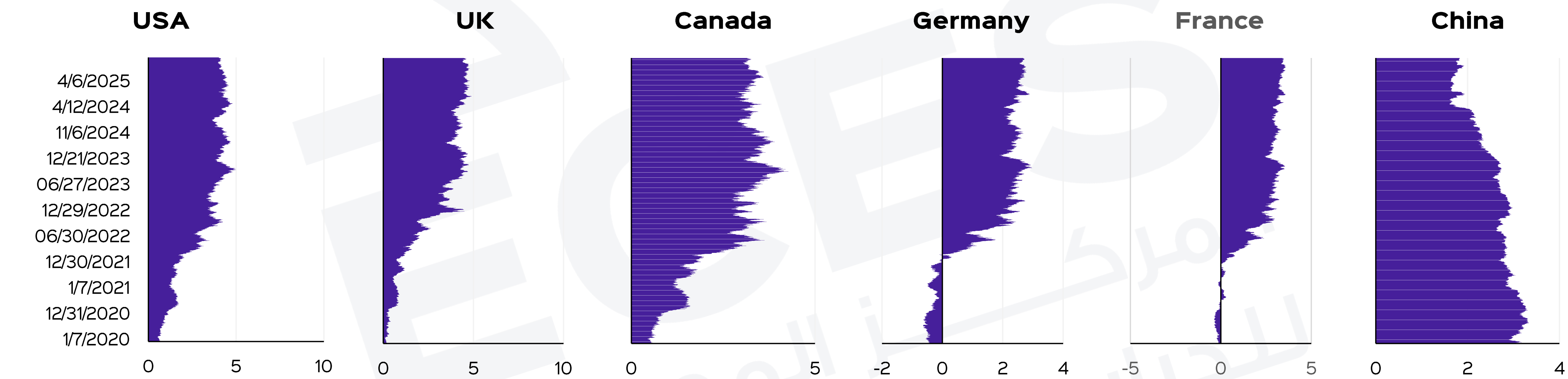


Global stock markets continued to display divergent performance this month, with some markets gaining momentum while others remained under pressure, shaped by varying economic conditions and monetary policy signals across major economies. Yet stock market rallies have been interrupted by mounting fears of an AI bubble. Despite strong corporate earnings and the recent Fed rate cut, US equities experienced a highly turbulent month, driven largely by concerns over an inflated AI-driven valuation cycle. Canadian markets advanced moderately, supported by easing inflation and an improving domestic outlook. Major European markets—including the UK, France, Germany, Italy, and Spain—remained relatively subdued amid persistent inflation concerns and weak economic activity. Meanwhile, Chinese stock markets continued to lag, weighed down by soft household demand and fragile business confidence.

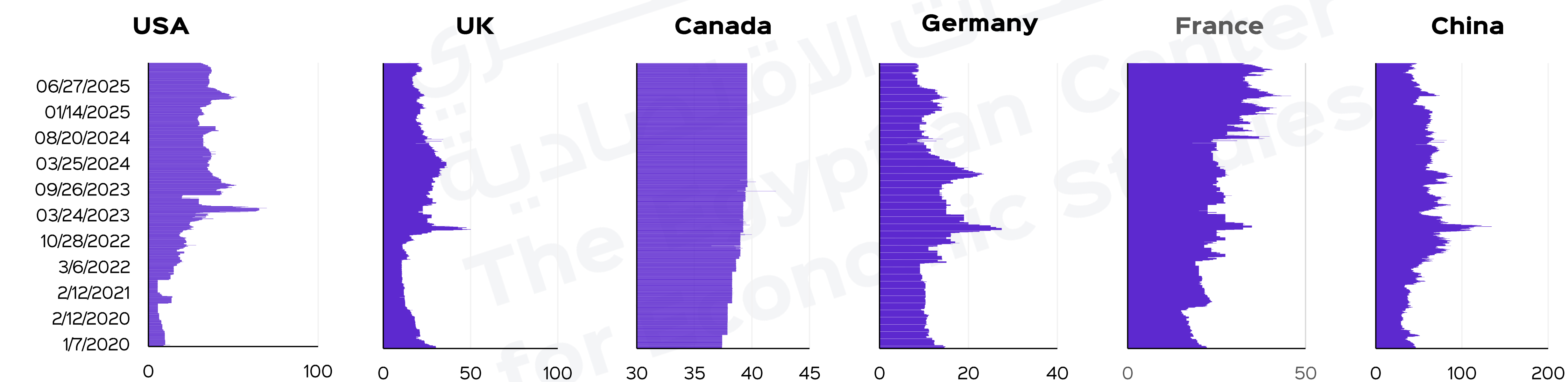


Global bond markets showed a broadly stable performance this month as investors adjusted to the ongoing global monetary easing cycle and clearer inflation dynamics. Market sentiment remained calm, with risk perceptions improving despite persistent geopolitical uncertainty. Bond yields in the US and Canada continued to decline following recent rate cuts, reinforcing expectations of a softer monetary stance ahead. Across major European markets—including the UK, Germany, and France—yields stabilized as inflation pressures eased and growth remained subdued. China bond market stayed steady, supported by low inflation and continued policy accommodation. At the same time, CDS levels across key economies held near recent lows, reflecting improved investor confidence.

10-Year Bond Yield

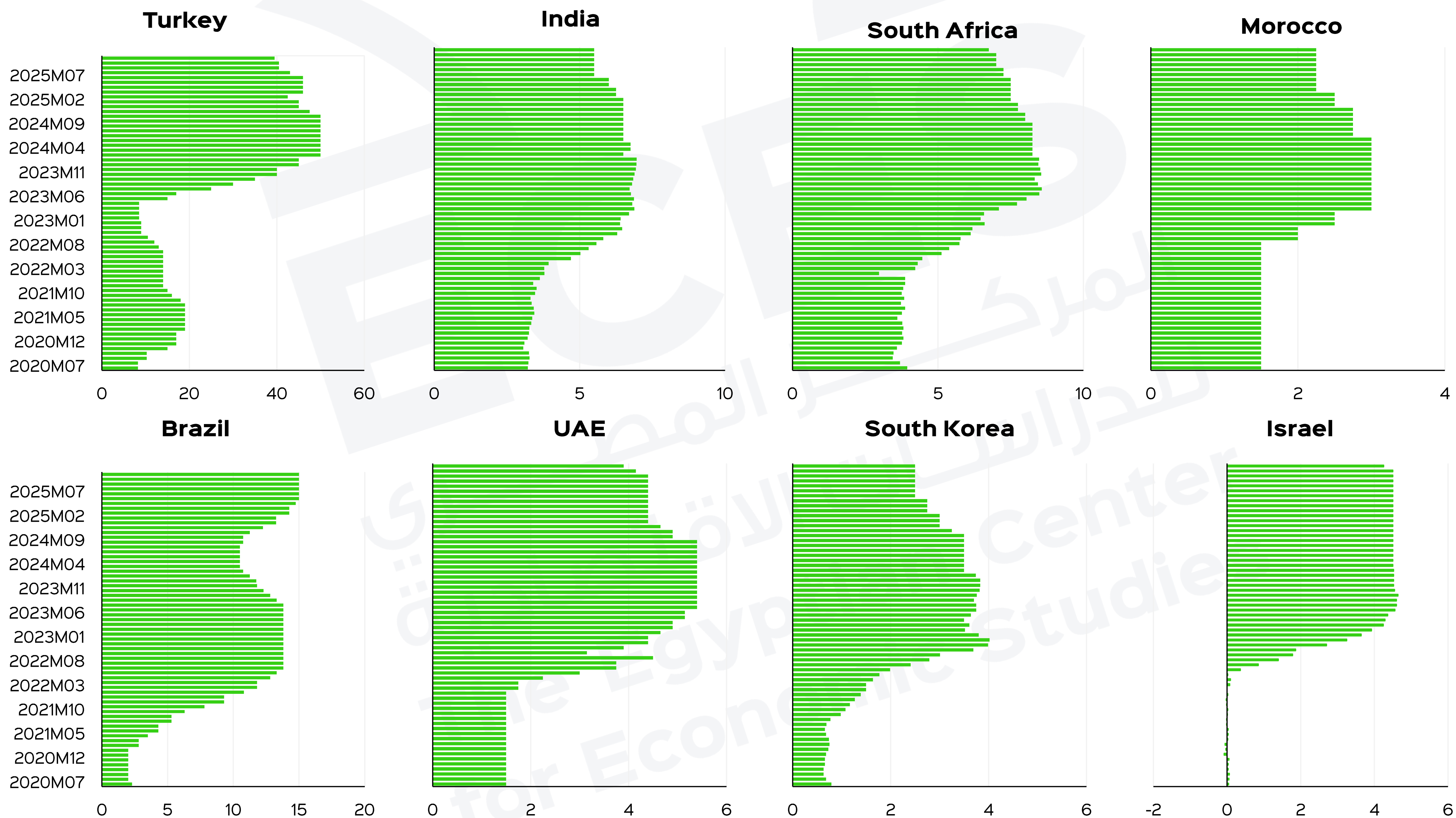


5-Year CDS



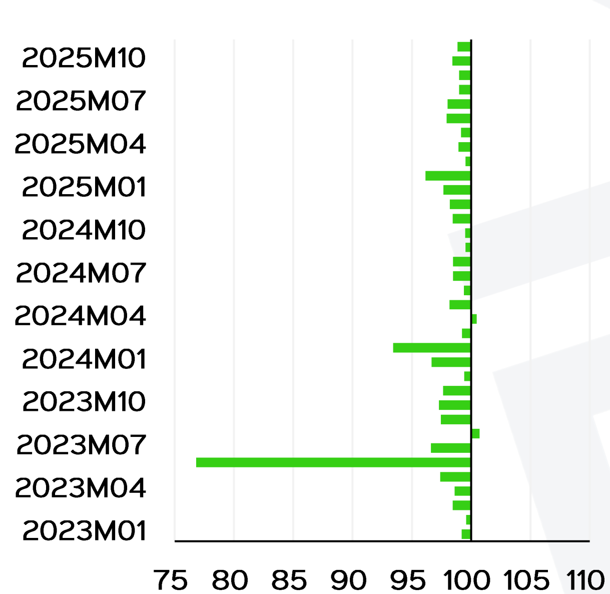
Inflation across emerging markets remained broadly moderate, though country-level dynamics diverged with some countries such as India and Morocco witnessing major declines and others such as Turkey still suffering from sticky inflation. India and Brazil experienced a decline in inflation, supported by easing food and energy costs. In contrast, South Korea, South Africa, and the UAE saw an uptick in inflation, driven by higher service, housing, and domestic demand pressures. Turkey continues to face elevated and persistent inflationary pressures. Overall, the emerging market landscape shows a mixed pattern, reflecting differing local factors and structural dynamics despite generally contained global inflationary pressures.

Amid mixed inflationary trends and a generally weakening US Dollar, emerging markets Central banks have largely kept their cautious stance towards monetary policy, maintaining a "wait and see" approach given the uncertainty surrounding the global economic outlook. However, several countries—including the UAE, Turkey and South Africa—opted to cut interest rates, aiming to support domestic liquidity and economic activity despite varying inflationary pressures. This reflects a selective approach where Central banks balance monetary stimulus with inflation management, responding to both local conditions and global financial developments.

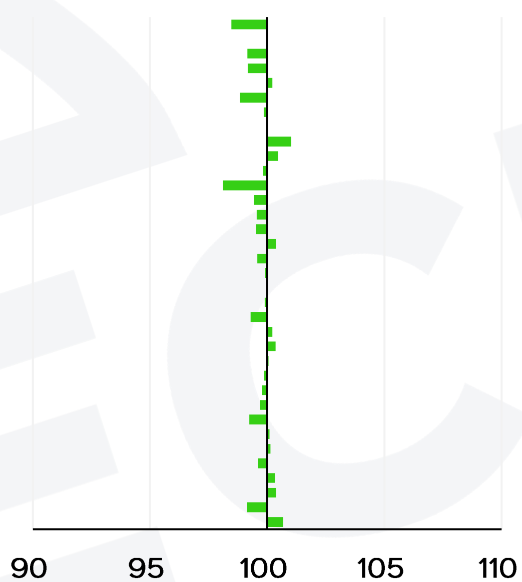


Emerging market currencies broadly weakened against the US Dollar this month, reversing part of the earlier downward trend, as global uncertainty and shifting capital flows weighed on investor sentiment. The Indian Rupee and Turkish Lira lost value, reflecting concerns over domestic growth and persistent inflationary pressures. Meanwhile, the South African Rand and Brazilian Real remained relatively stable, showing resilience amid the broader market volatility. Overall, most emerging market currencies faced mixed pressures as investors sought safety in the US Dollar amid an uncertain global economic outlook, which was exacerbated by the equities markets global selloff.

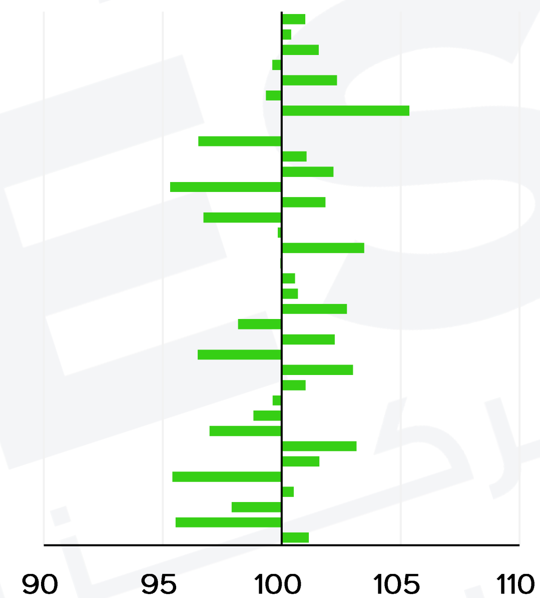
Turkish Lira



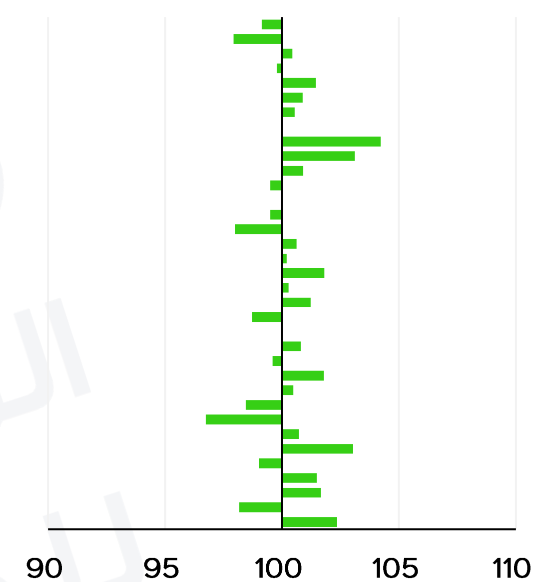
Indian Rupee



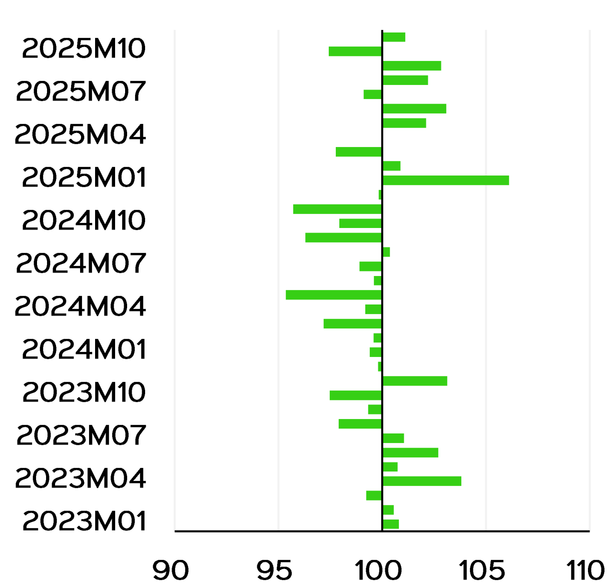
South African Rand



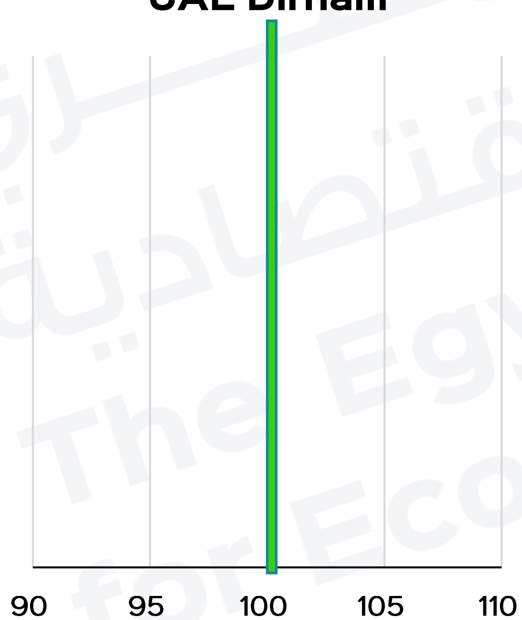
Moroccan Dirham



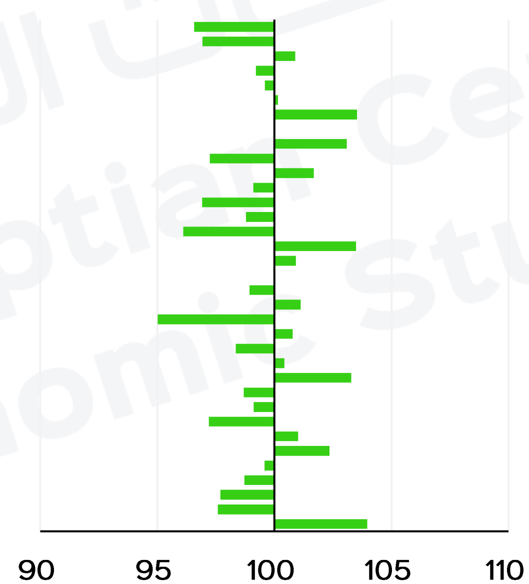
Brazilian Real



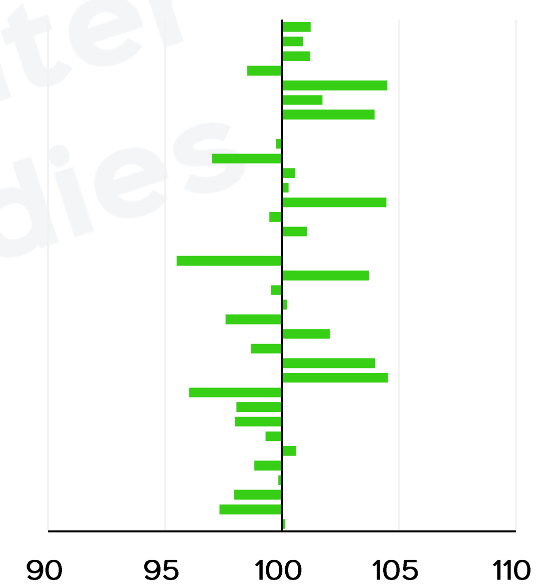
UAE Dirham



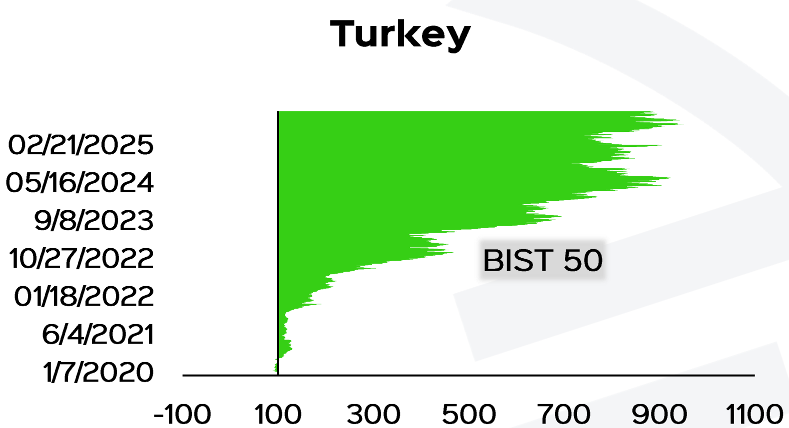
Korean Won

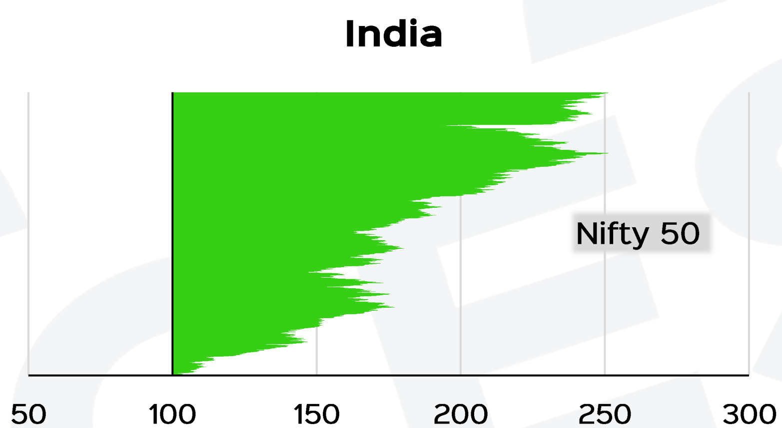


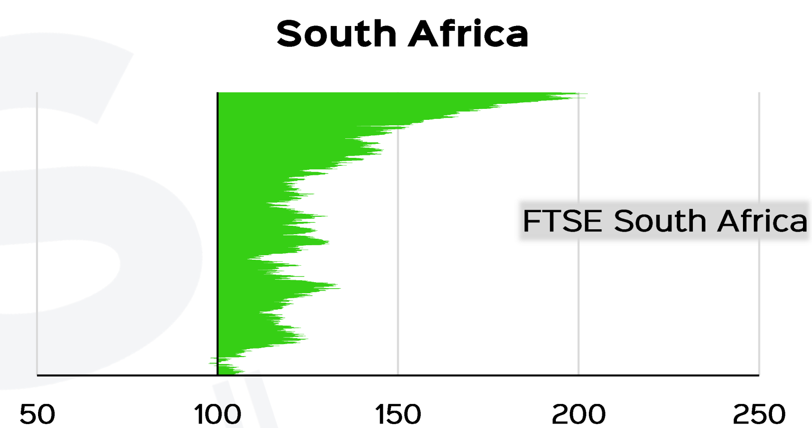
Israeli New Shekel

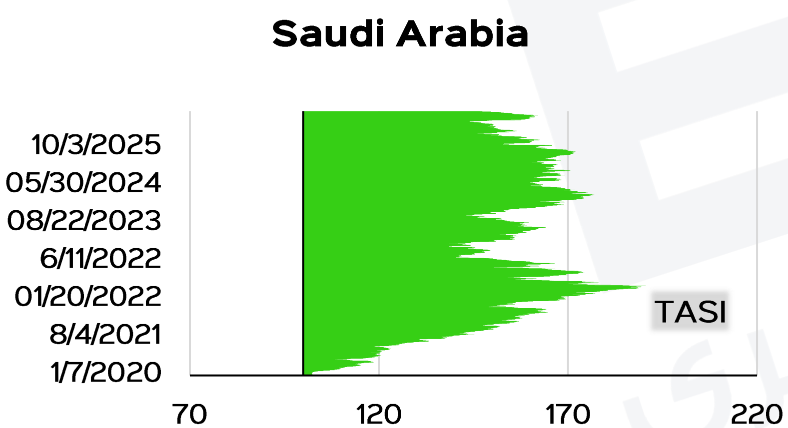


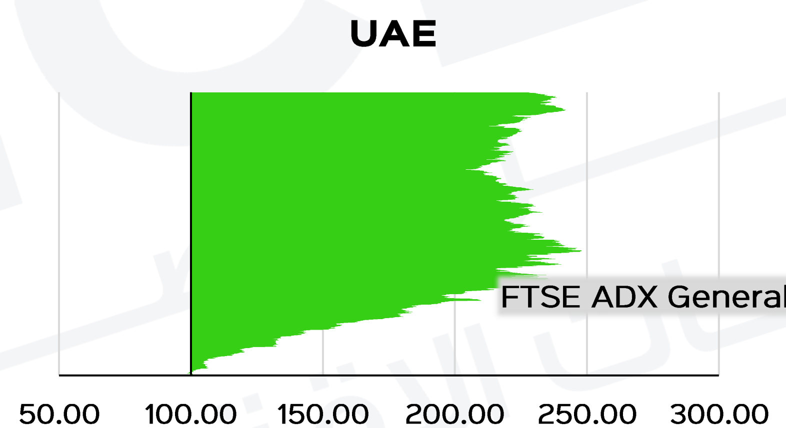
Emerging market stock markets continued to post positive performance this month, supported by mixed inflation dynamics, improving investor sentiment, ongoing foreign inflows as well as monetary easing expectations. India and South Korea led the gains, fueled by strong performance in the technology sector and resilient capital inflows. Equity markets in the UAE and Saudi Arabia also advanced, benefiting from easing inflation and a more favorable risk appetite. Meanwhile, Turkey, South Africa, and Morocco recorded more moderate gains, as investors remained cautious amid domestic economic challenges and policy uncertainties. Overall, emerging market equities sustained their upward trend, reflecting stronger local fundamentals and gradual stabilization.

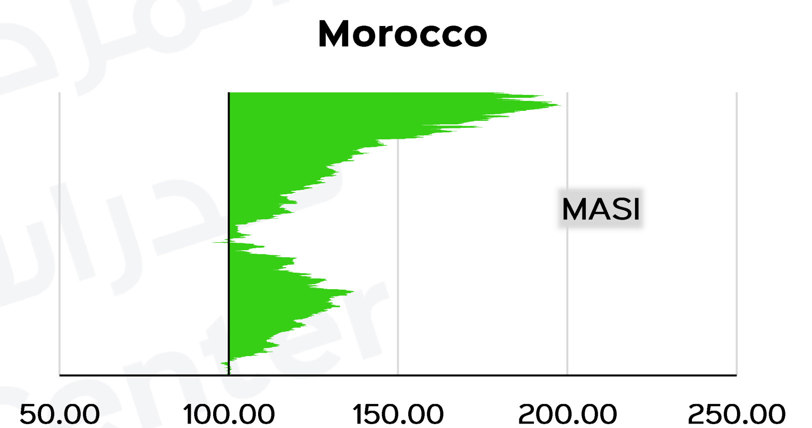


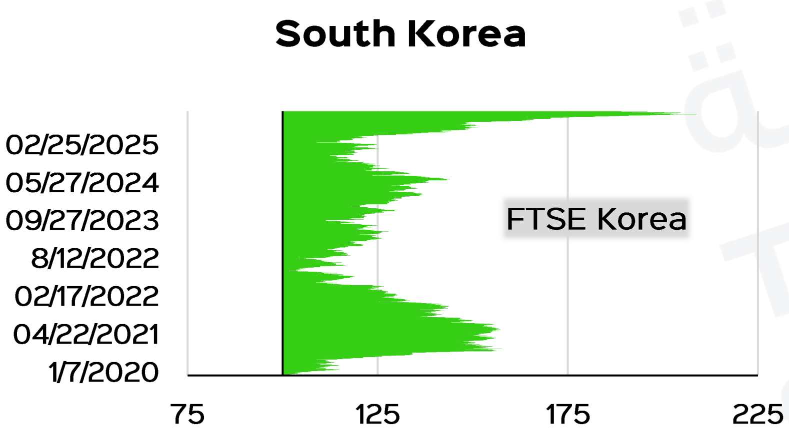


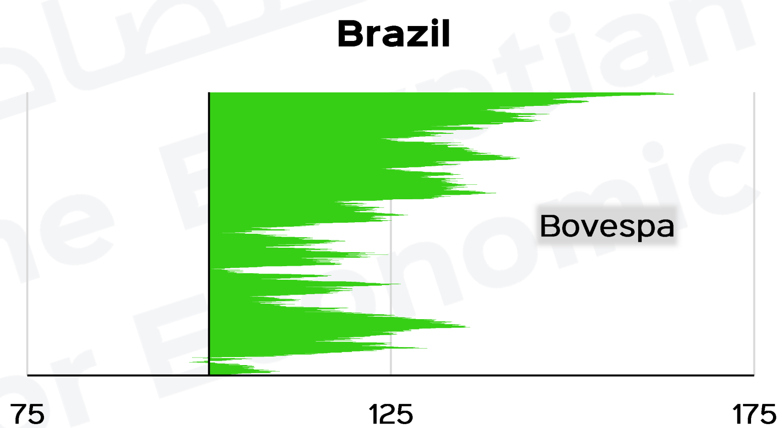


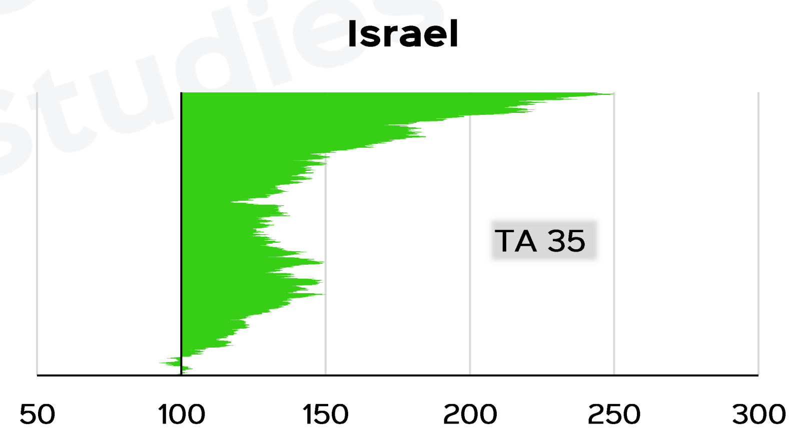






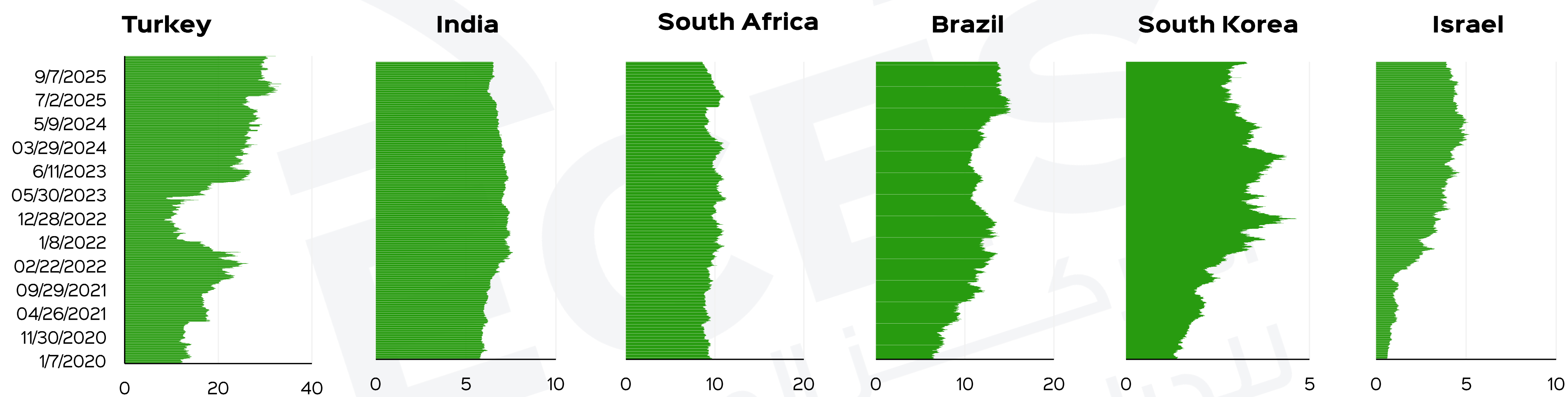




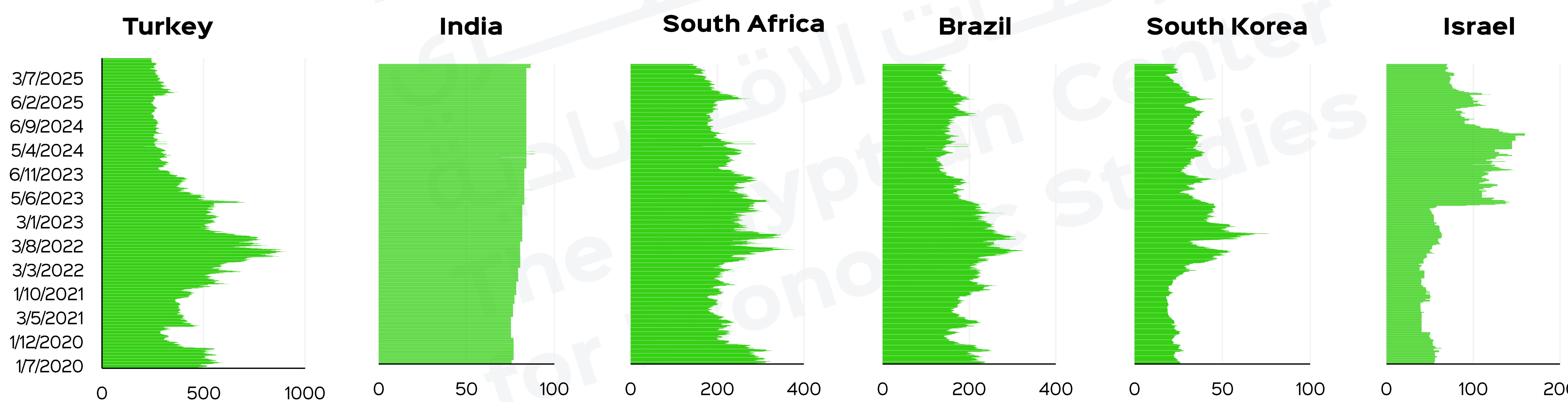


Bond yields across most emerging markets remained largely stable this month, supported by easing local inflation and cautious monetary policy stance by Central banks. While CDSs stayed high, reflecting renewed investor caution amid persistent global uncertainties. While stable yields suggest limited pressure on local debt markets, the increase in CDSs indicates that investors remain sensitive to external risks, including geopolitical tensions and global financial volatility. Overall, emerging markets continue to navigate a balance between improving domestic conditions and a cautious global risk environment, remaining vulnerable to shifts in global capital flows.

10-Year Bond Yield

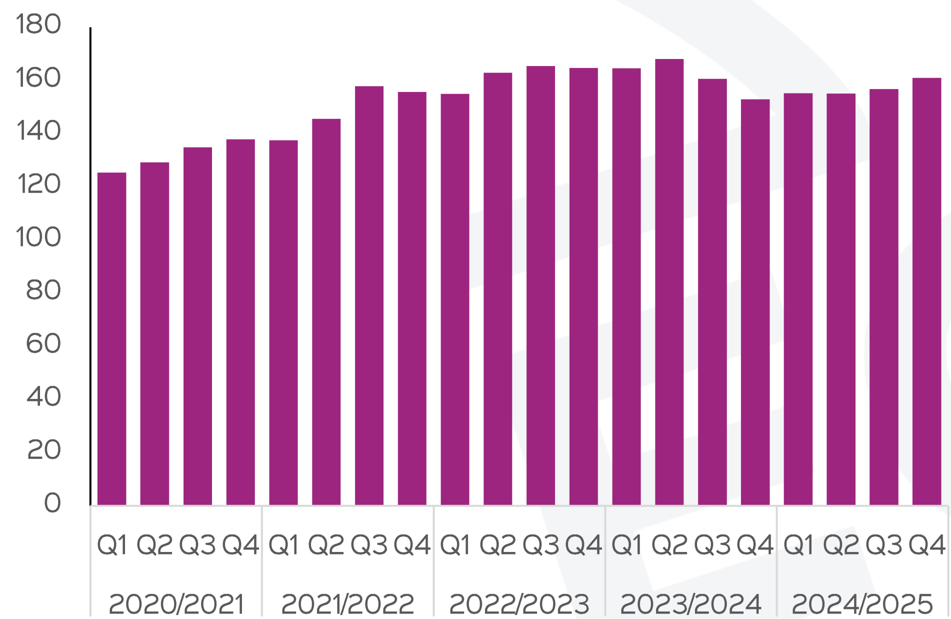


5-Year CDS

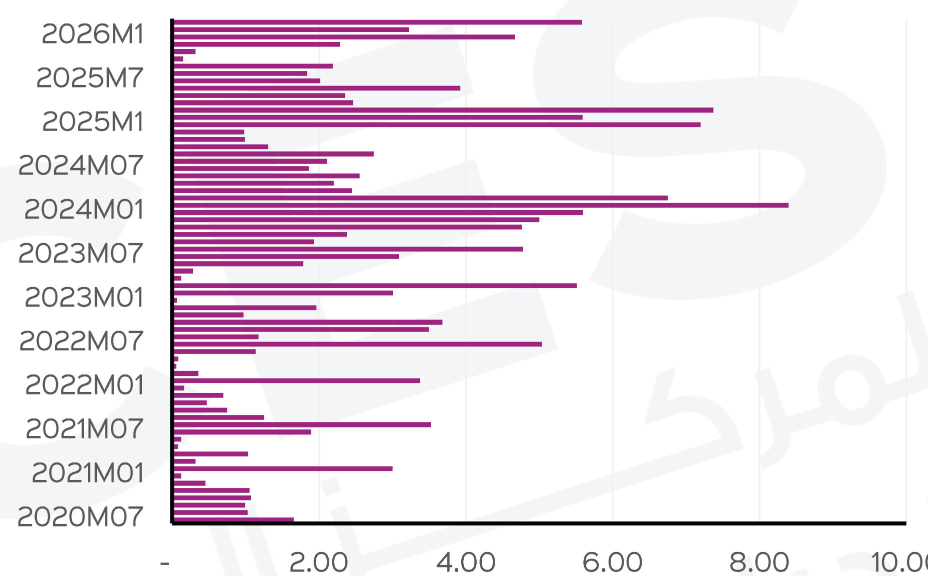


Despite the increase of total external debt and upcoming debt service, Egypt bond yield declined and CDSs have even declined further, reflecting ongoing borrowing needs alongside improving investor confidence. This was confirmed with a rating upgrade by S&P reflecting improved macro situation. Total external debt and external debt service both rose, driven by new borrowing requirements and higher debt servicing costs. At the same time, Egypt 10-year bond yield declined following the Central bank rate cuts, reflecting easing monetary conditions and improved market sentiment. CDSs also moved lower, signaling declining perceived risk. Notably, S&P Global upgraded Egypt sovereign rating, further underscoring increased confidence in the country's economic and fiscal outlook.

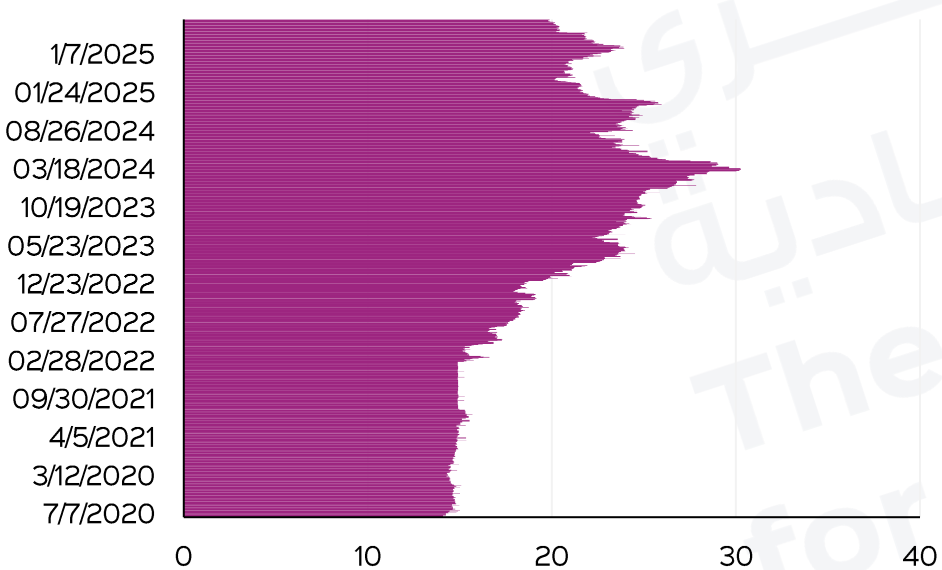
Total External Debt (bn $)*



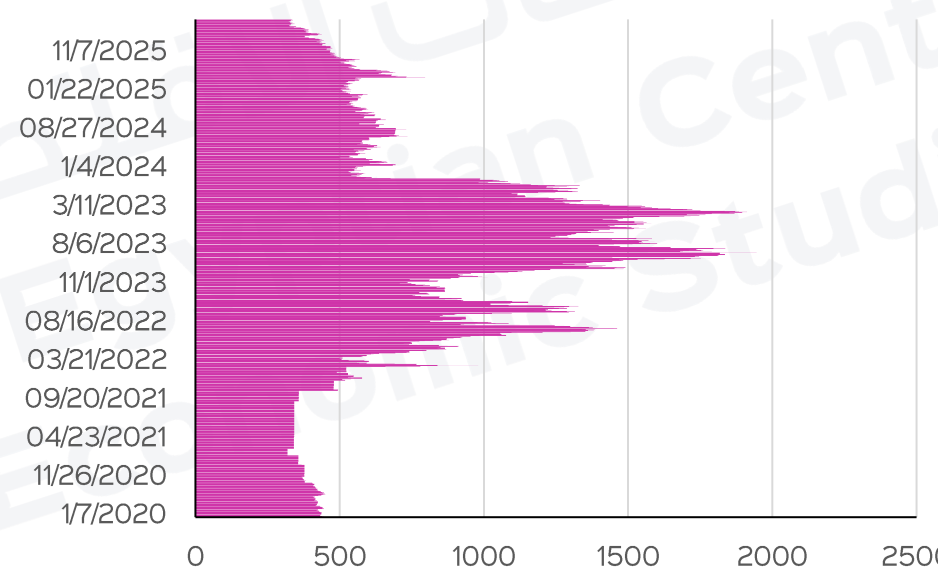
External Debt Service (bn $)*



Egypt 10-Year Bond Yield



5Y CDS, Egypt



S&P Global Ratings

B Positive

Fitch Ratings

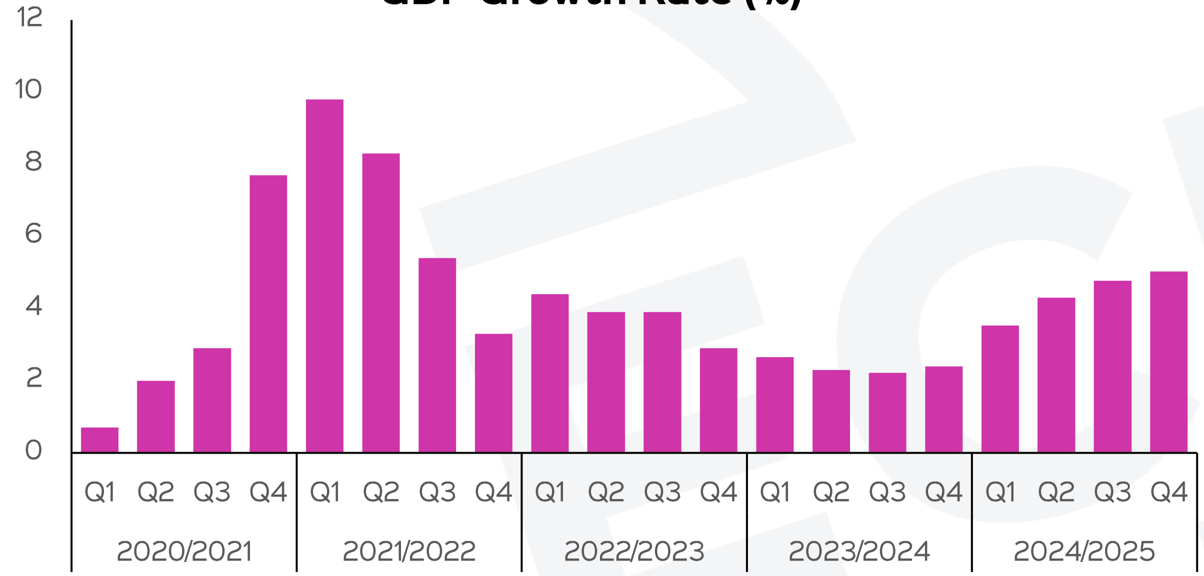
B Stable

Moody's Investors Service

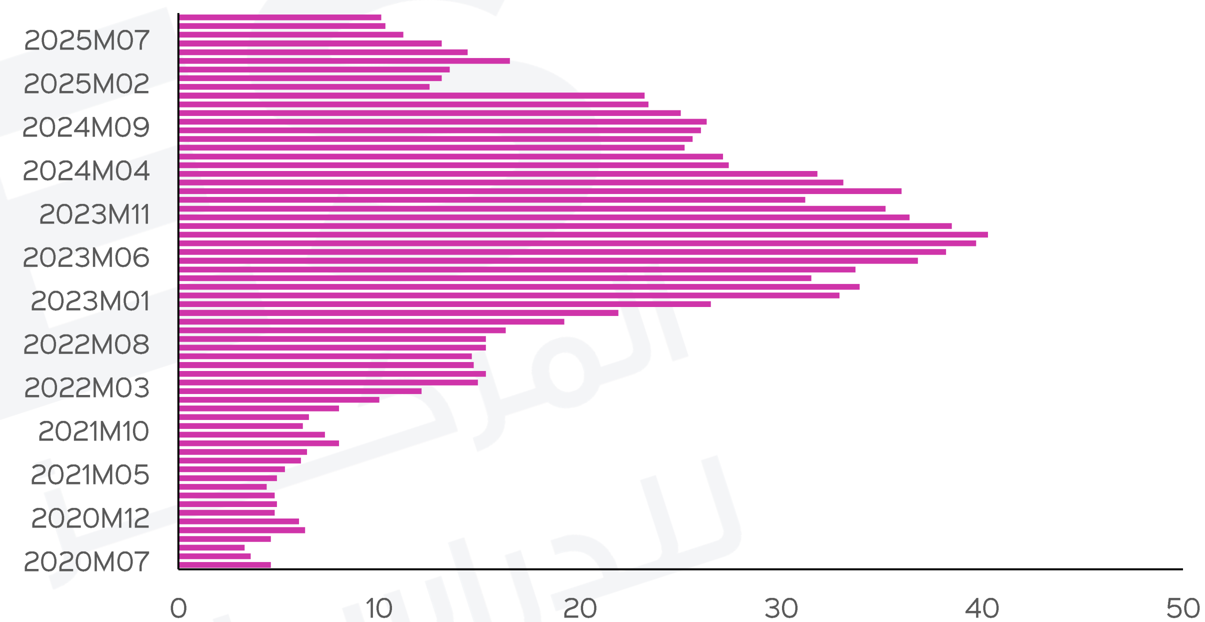
Caa1 Positive

Egypt macroeconomic indicators reflected a more balanced and improving outlook this month, as growth momentum strengthened and inflation pressures showed mixed developments. Central bank opted to keep interest rate steady amid continued increase in growth rate of money supply. GDP growth continued to accelerate, signaling a sustained economic recovery supported by improving domestic activity. Inflation declined in some segments but rose in others, creating a nuanced inflationary picture. The Central bank kept interest rates unchanged this month, following the cuts implemented last month, while rate of growth of money supply continued to increase.

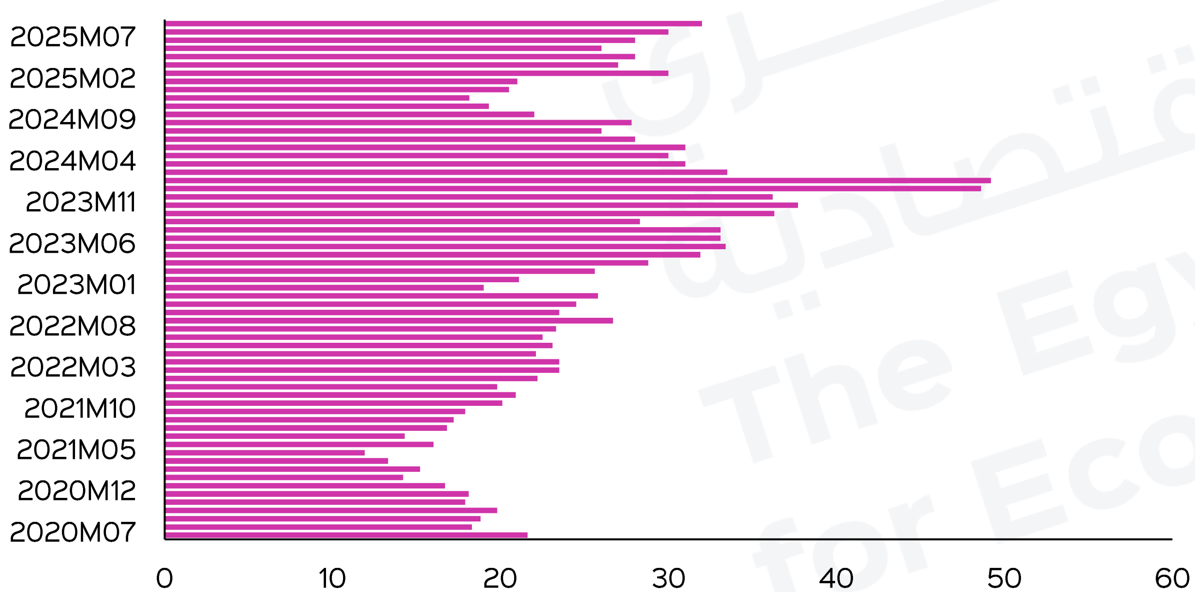
GDP Growth Rate (%)*



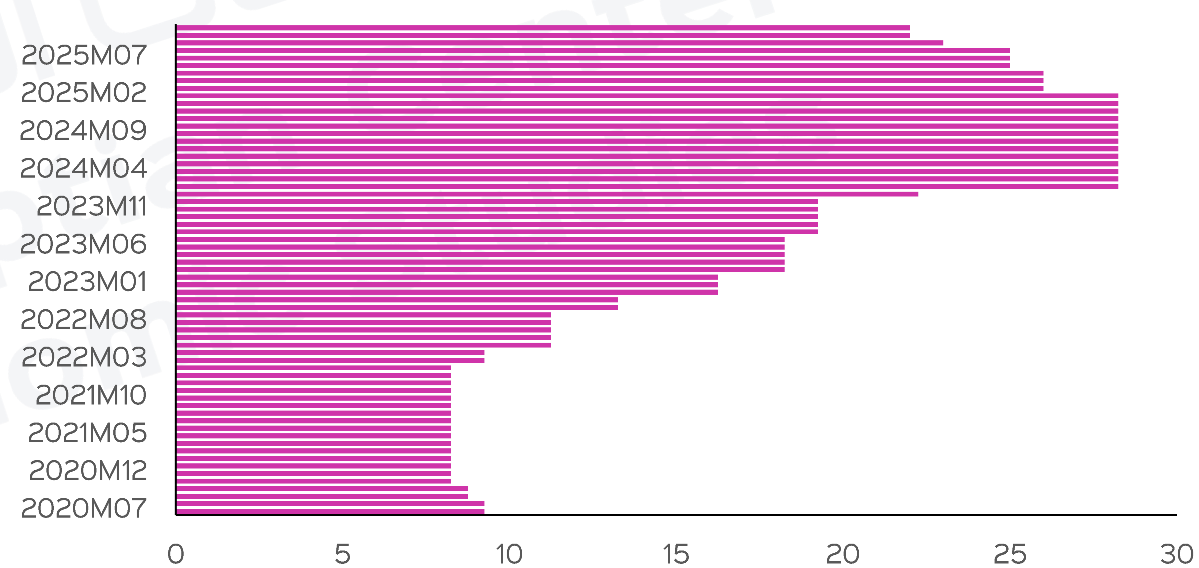
Inflation Rate (%)



Growth Rate of Money Supply (M1)*

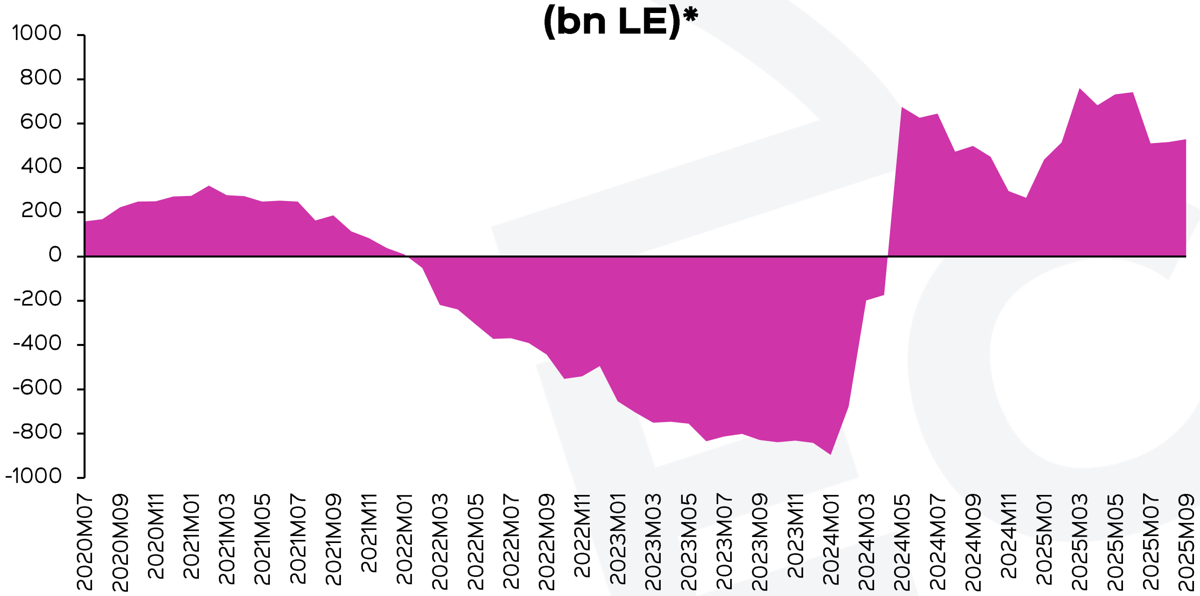


Policy Rate (%)

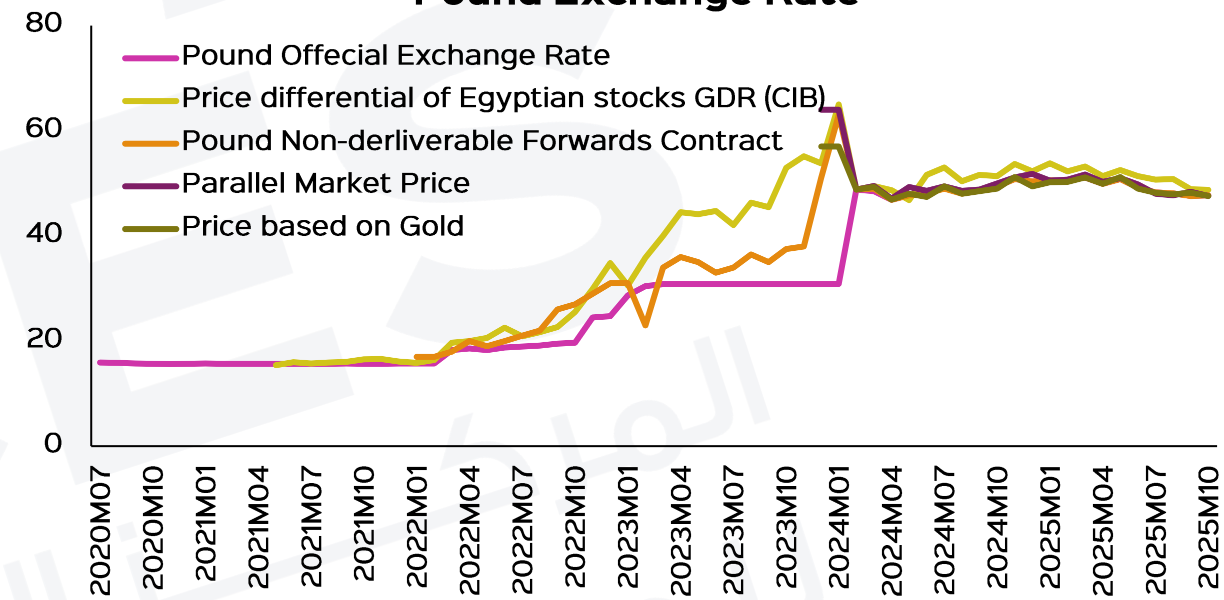


Egypt external position continued to strengthen this month, supported by sustained foreign currency inflows and improving market confidence, which reflected into a slightly stronger Pound. The Central bank foreign reserves increased further, while net foreign assets in the banking system edged higher, reflecting renewed capital inflows and stronger foreign liquidity. Remittances kept the upward trajectory for several consecutive months, providing additional support to external balances. The official exchange rate continued its gradual recovery, contributing to a slightly stronger Egyptian Pound, aided by the global weakening of the US Dollar and the return of portfolio investments following recent regional tensions.

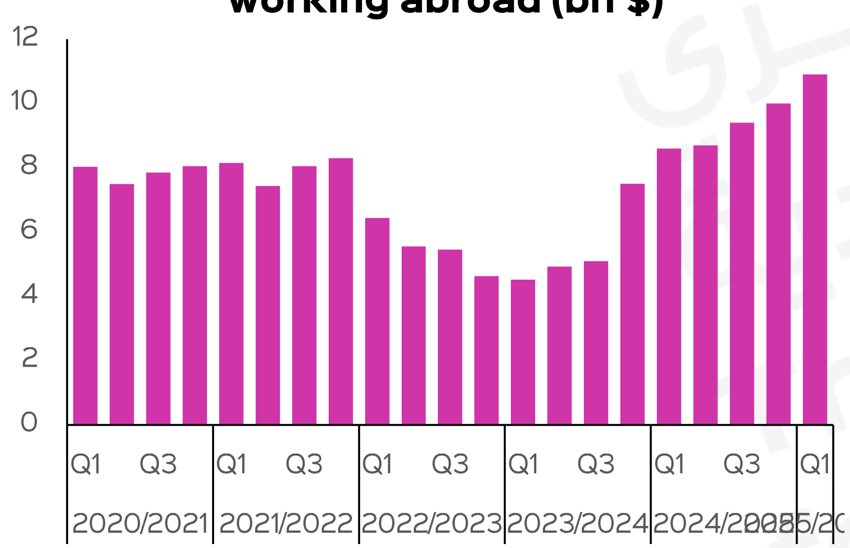
Net Foreign Assets of the Banking System (bn LE)*



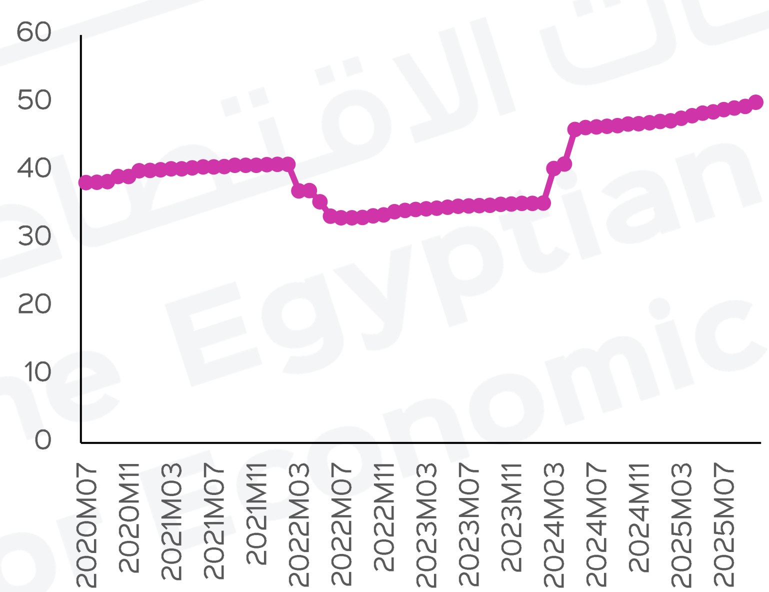
Pound Exchange Rate



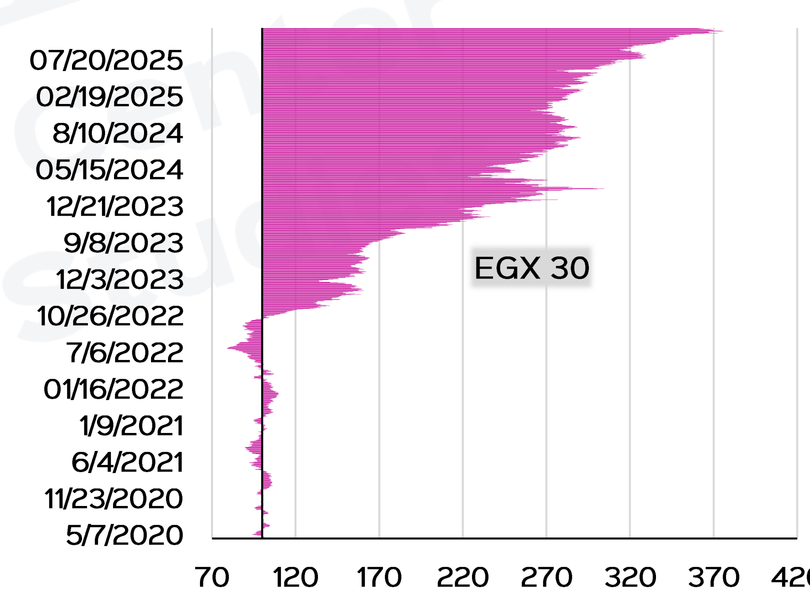
Remittances of Egyptians working abroad (bn $)



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

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.

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