



# Financial Markets Snapshot

Issue 26  
 February 2026

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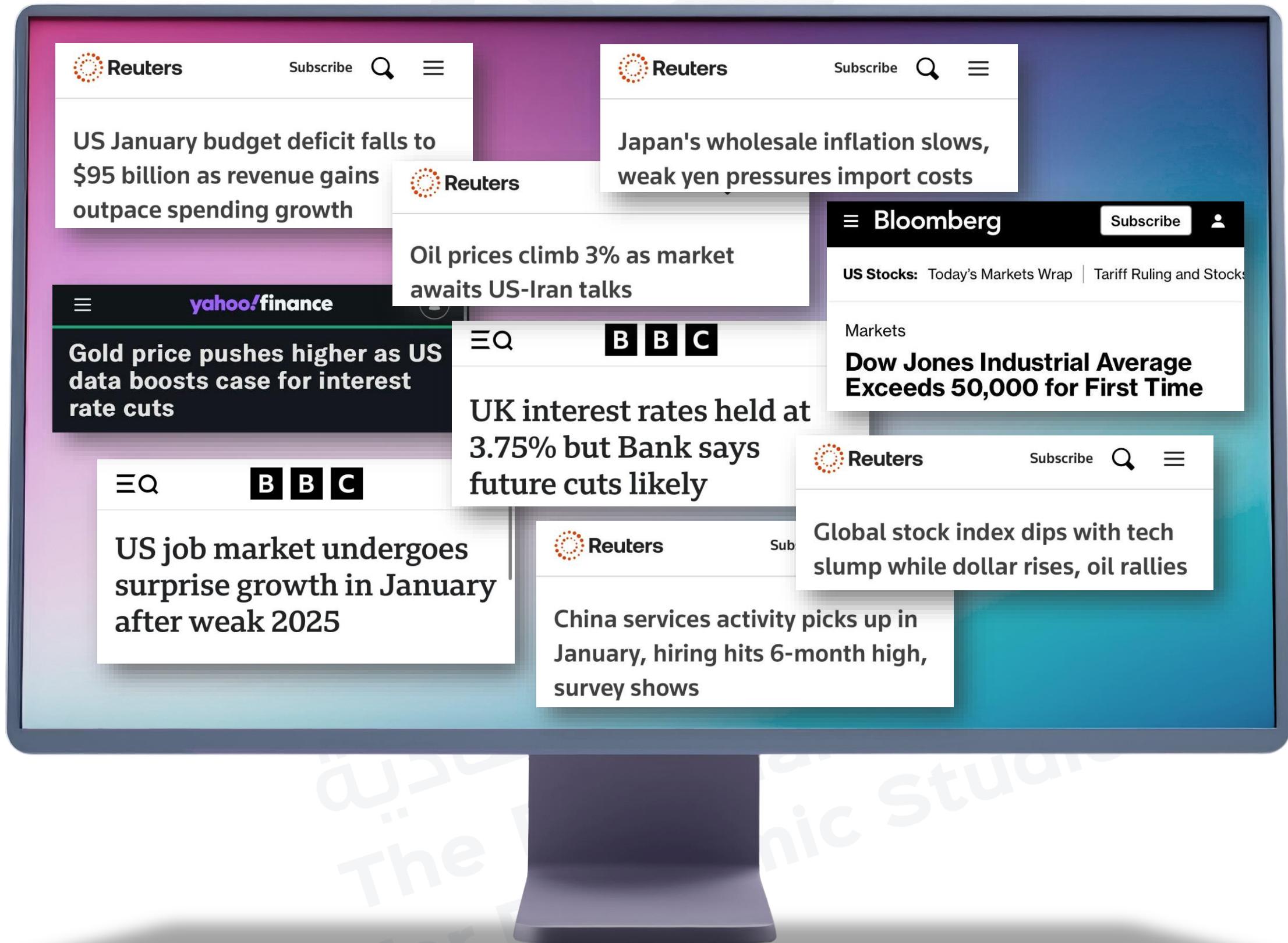
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## About The Report

- 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 markets recorded a broadly positive performance over the past month, with upward movements across major commodity groups especially Gold which skyrocketed.
- Global inflation dynamics moderated further over the past month, with price pressures easing across most major economies, albeit at varying speeds, paving the way for further monetary easing.
- Global equity markets recorded broadly positive performance over the past month, supported by improving risk appetite and evolving monetary policy expectations across major economies, although gains remained uneven.
- Global bond markets exhibited modest upward pressure over the past month, as investors reassessed the pace of monetary easing and evolving inflation expectations, while CDS spreads remained broadly contained.

## Emerging Markets



- Inflation dynamics across emerging markets remained uneven over the past month, reflecting divergent domestic drivers.
- Amid mixed inflation dynamics and evolving global financial conditions, monetary policy across emerging markets remained broadly cautious over the past month, with most Central banks maintaining policy rates unchanged while preserving a vigilant stance.
- Emerging markets currencies exhibited mixed performance against the US Dollar over the past month, amid a generally softer Dollar environment but divergent domestic conditions.
- Emerging markets equities continued to post broadly positive performance over the past month, supported by improving investor sentiment, sustained foreign inflows, and favorable domestic conditions.
- Ten-year government bond yields across most emerging markets remained broadly stable over the past month, supported by moderating inflation and a generally cautious monetary policy stance.

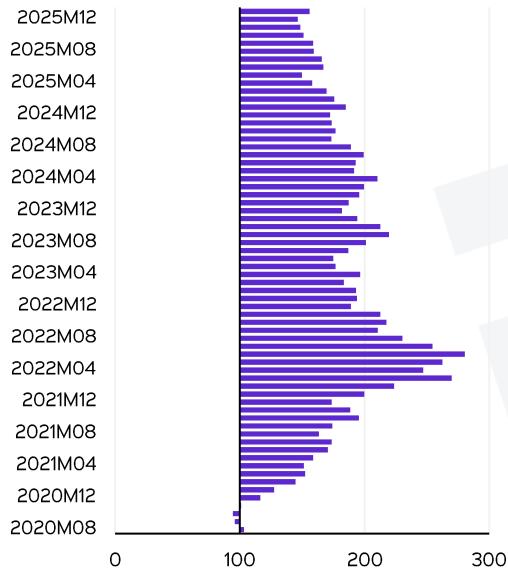
## Egyptian Local Market



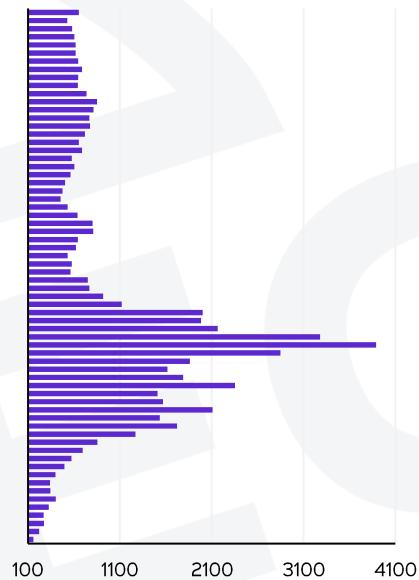
- Amid rising total external debt and elevated upcoming debt service obligations, Egypt 10-year government bond yield edged slightly higher over the past month, reflecting a modest repricing amid ongoing market caution and recent Central Bank rate cuts.
- Egypt macroeconomic indicators reflected a cautiously stable outlook over the past month, with GDP growth holding steady at its previous level, inflation staying generally stable and Central bank proceeding with another rate cut.
- Despite the increasing external debt and debt service, Egypt external position showed continued gradual improvement over the past month, supported by steady foreign currency inflows from remittances and a notable rally in the stock market.

**Commodity markets recorded a broadly positive performance over the past month, with upward movements across major commodity groups especially Gold which skyrocketed.** Energy prices rebounded, as both oil and natural gas moved higher, supported by improving demand expectations and relatively tighter supply conditions compared to the previous period. Gold prices also extended their gains, reflecting sustained investor demand for safe-haven assets amid ongoing global uncertainties. In agricultural markets, rice prices increased on the back of continued supply pressures, while tea prices declined, indicating softer market fundamentals.

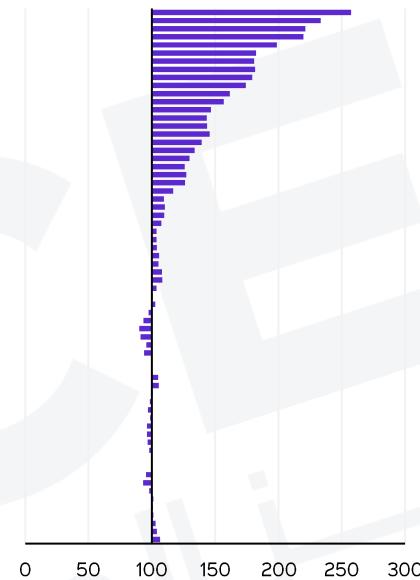
**Crude Oil, Brent**



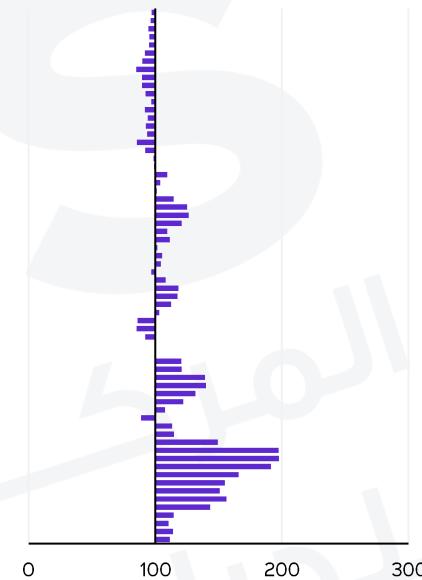
**Natural Gas**



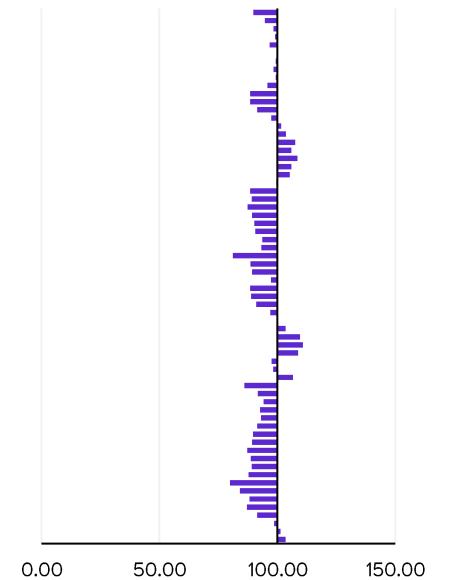
**Gold**



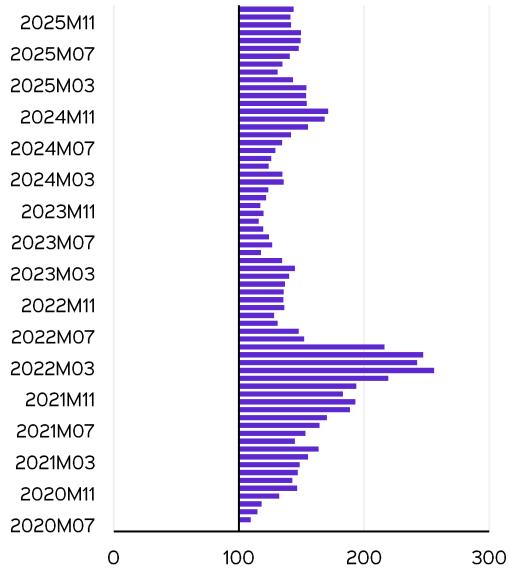
**Iron ore**



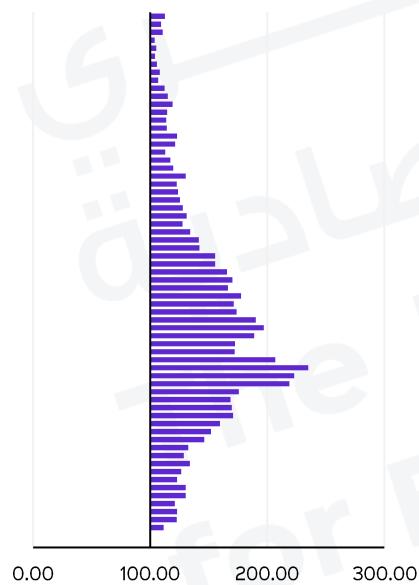
**Tea**



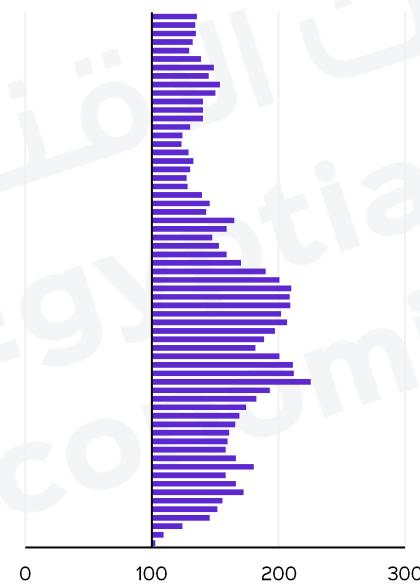
**Palm oil**



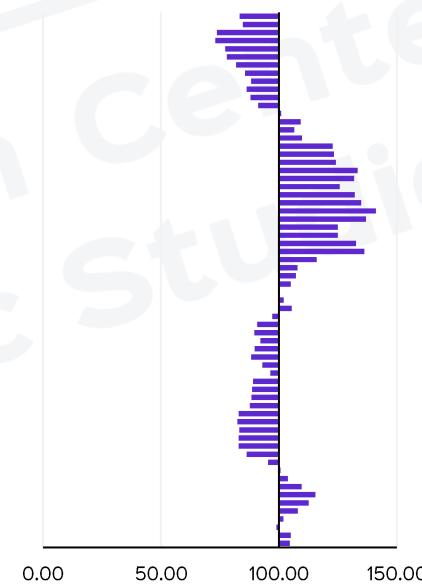
**Wheat**



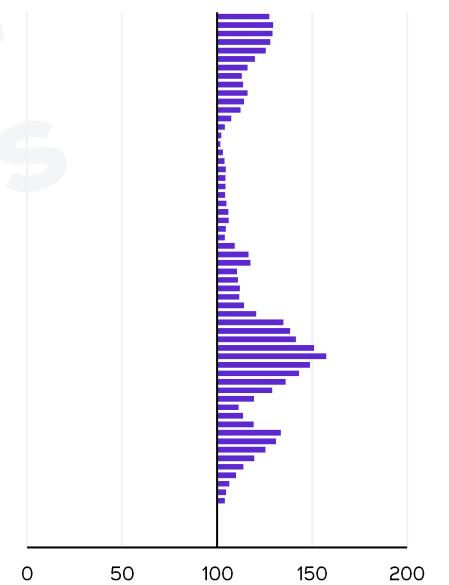
**Maize**



**Rice**

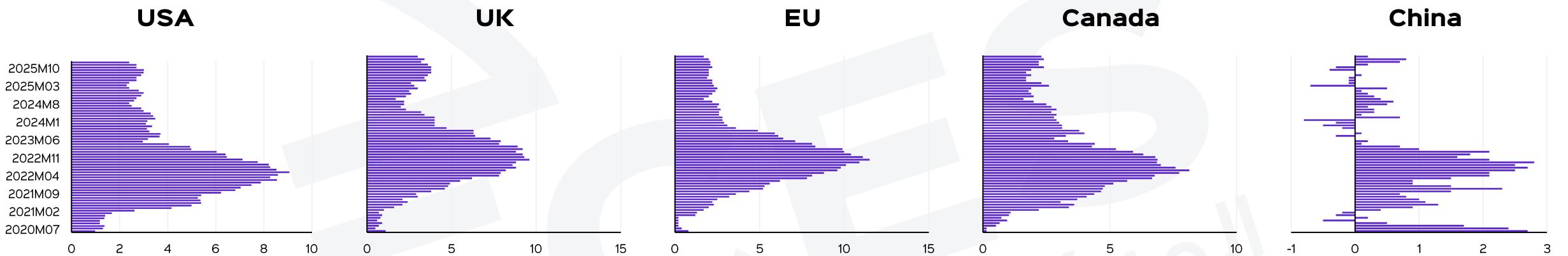


**Bovine meat**

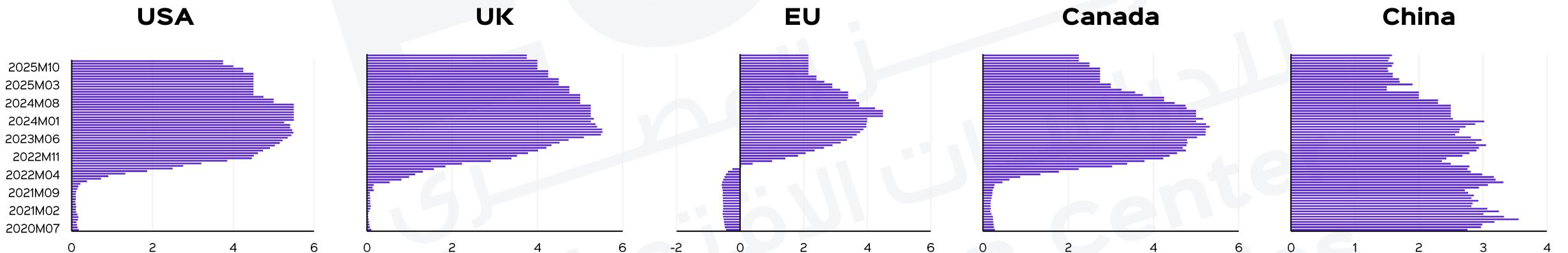


**Global inflation dynamics moderated further over the past month, with price pressures easing across most major economies, albeit at varying speeds, paving the way for further monetary easing.** Inflation continued to decline in the US and the Eurozone, reinforcing expectations of a gradual shift toward policy normalization. Notably, inflation in the UK also moved lower, signaling some relief in previously persistent price pressures and allowing for a more balanced monetary policy outlook. Against this backdrop, major Central banks maintained cautious communication, while currency markets reflected shifting rate differentials, with the US Dollar showing mixed performance against key counterparties amid evolving inflation and policy expectations.

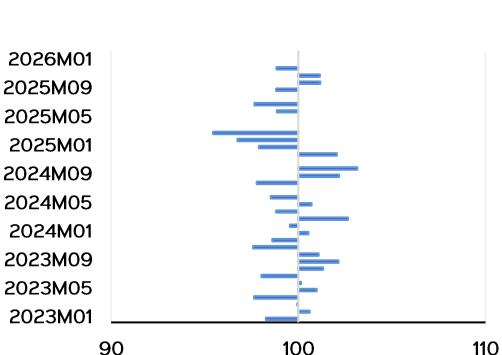
**Inflation Rate**



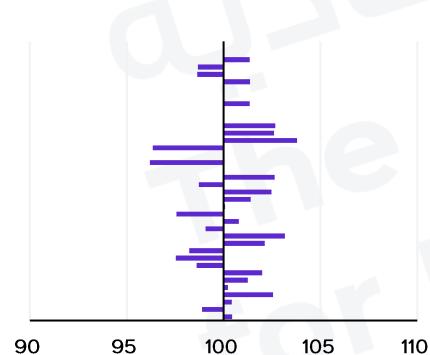
**Policy Rate**



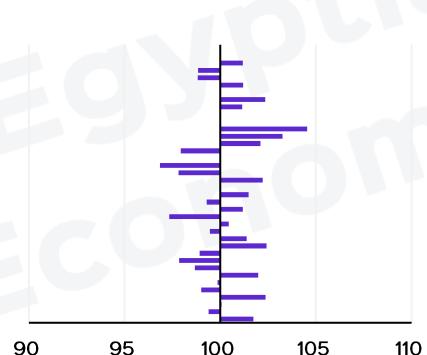
**LCU / USD**



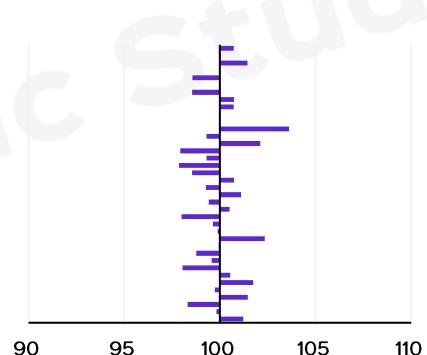
**UK Pound**



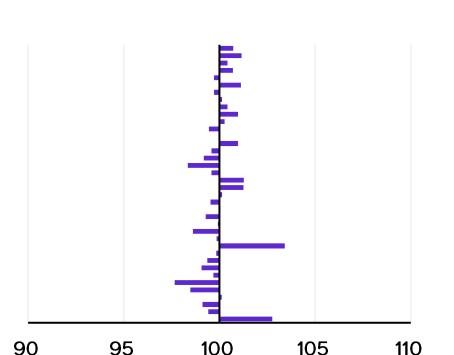
**Euro**



**Canadian Dollar**



**Chinese Yuan**



Commodity Markets

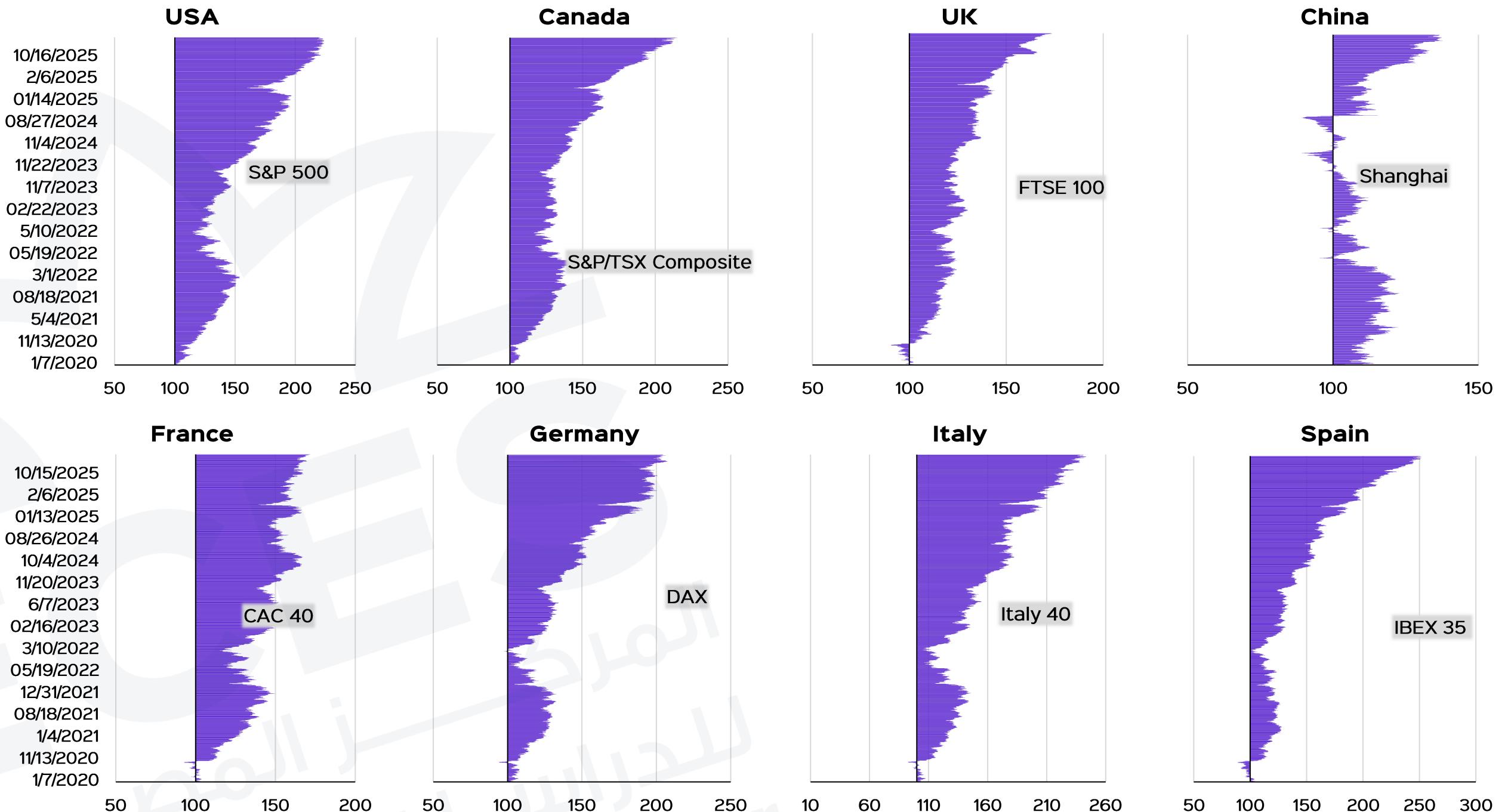
Main Rates

Stock Market

Bond Market

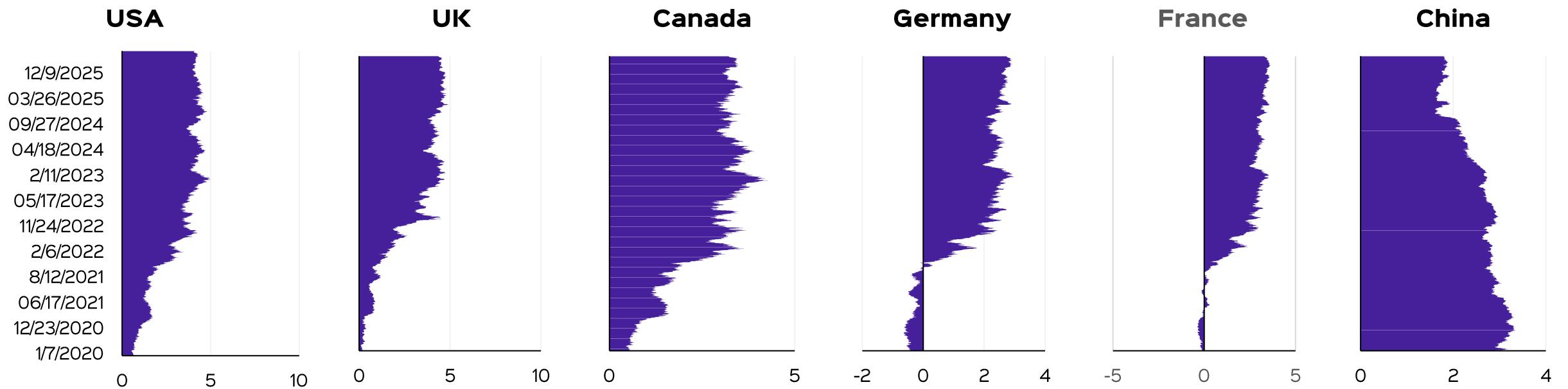
**Global equity markets recorded broadly positive performance over the past month, supported by improving risk appetite and evolving monetary policy expectations across major economies, although gains remained uneven.** US equities extended their upward trajectory, trading near elevated levels amid resilient corporate performance and supportive financial conditions. In the UK and Canada, stock markets also advanced, reflecting easing inflation pressures and growing expectations of policy flexibility. Meanwhile, Chinese equities moved higher as well, supported by targeted policy measures and improving market confidence, though structural headwinds and subdued domestic demand continued to moderate the overall pace of recovery.

Commodity Markets  
Main Rates  
Stock Market  
Bond Market

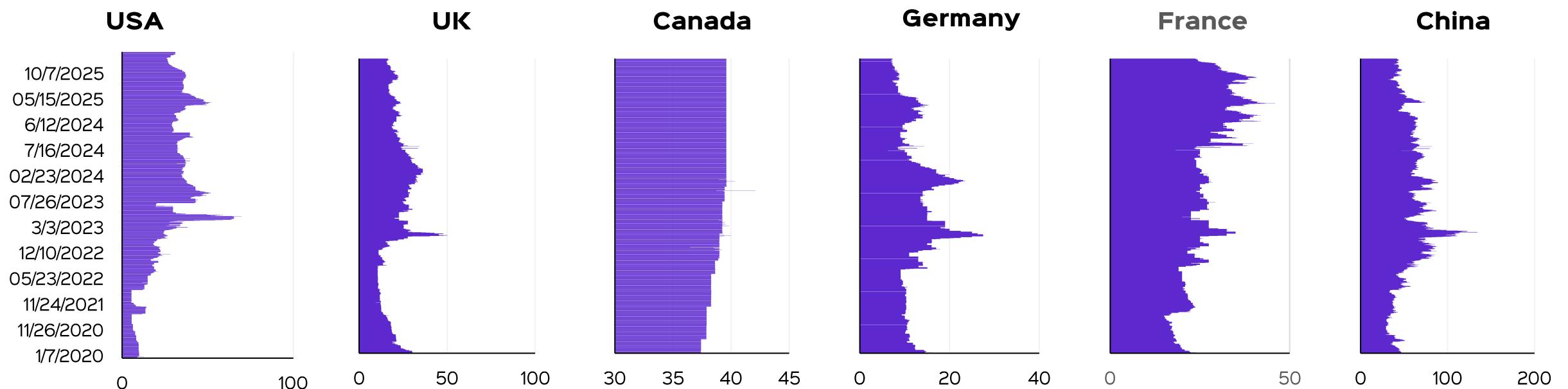


**Global bond markets exhibited modest upward pressure over the past month, as investors reassessed the pace of monetary easing and evolving inflation expectations, while CDS spreads remained broadly contained.** Ten-year government bond yields in the US and Canada edged higher, reflecting partial repricing of policy rate expectations and resilient economic data. In the UK and across major European markets, including Germany and France, yields also moved slightly upward, supported by improving growth sentiment and reduced urgency for aggressive easing. Despite the modest rise in yields, CDS spreads across key markets remained near recent lows, underscoring sustained investor confidence and limited perceived sovereign credit risk.

**10-Year Bond Yield**

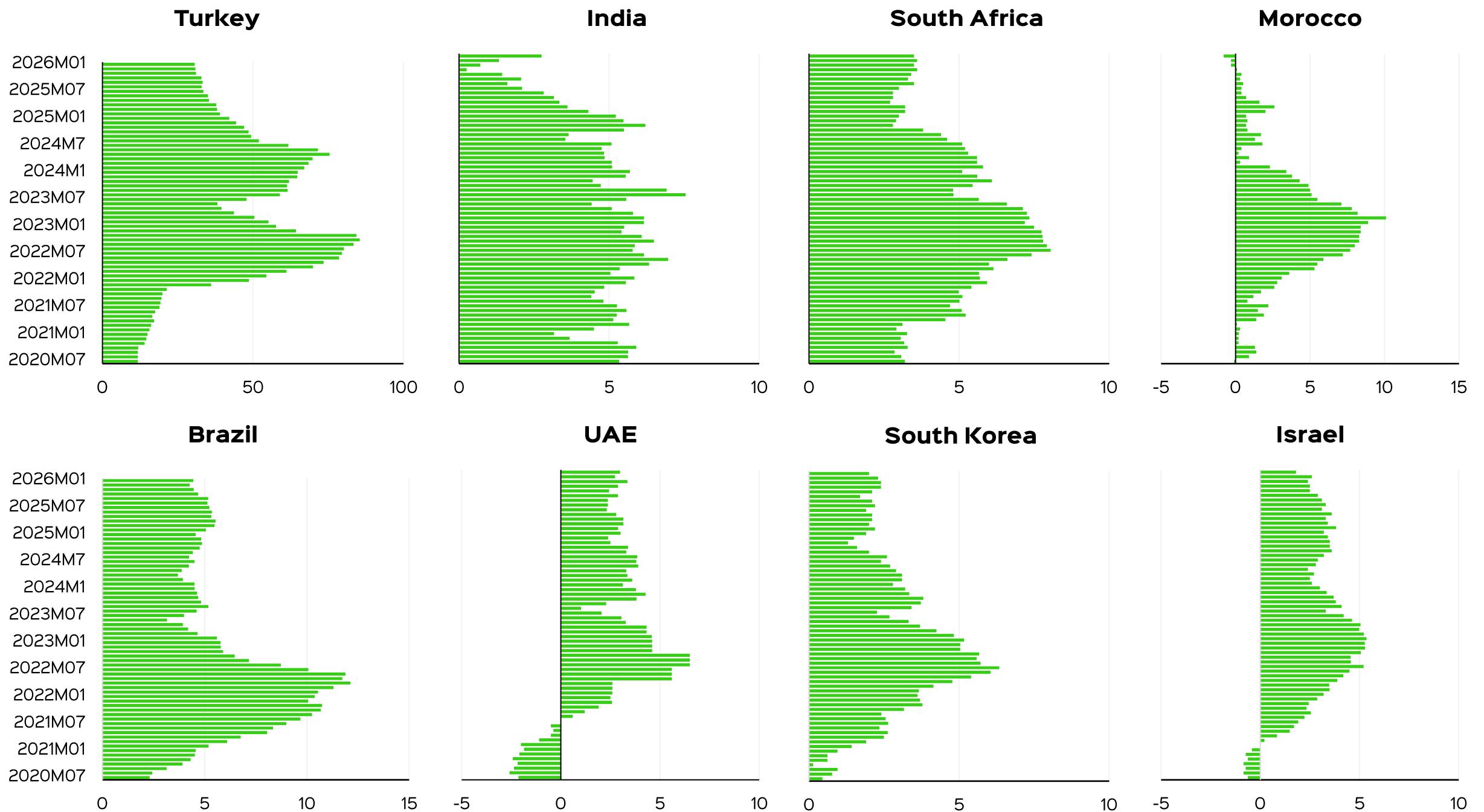


**5-Year CDS**



Commodity Market  
Main Rates  
Stock Market  
Bond Market

**Inflation dynamics across emerging markets remained uneven over the past month, reflecting divergent domestic drivers.** Despite relatively stable global price conditions, with a notable spike in India. Inflation accelerated in India and Brazil, supported by renewed food price pressures and resilient domestic demand, while the UAE also recorded an uptick, reflecting firm activity levels and sector-specific price adjustments. In contrast, inflation moderated in Morocco and South Korea, aided by softer input costs and easing supply-side pressures. Meanwhile, Turkey continued to experience elevated inflation, though recent readings suggest a gradual stabilization in the pace of increases.



**Amid mixed inflation dynamics and evolving global financial conditions, monetary policy across emerging markets remained broadly cautious over the past month, with most Central banks maintaining policy rates unchanged while preserving a vigilant stance.** The majority of the emerging markets Central banks kept interest rates steady, reflecting a careful balance between supporting growth and containing inflationary risks. Meanwhile, India and Brazil raised policy rates in response to renewed price pressures, whereas Morocco and South Korea moved toward modest easing amid moderating inflation trends.

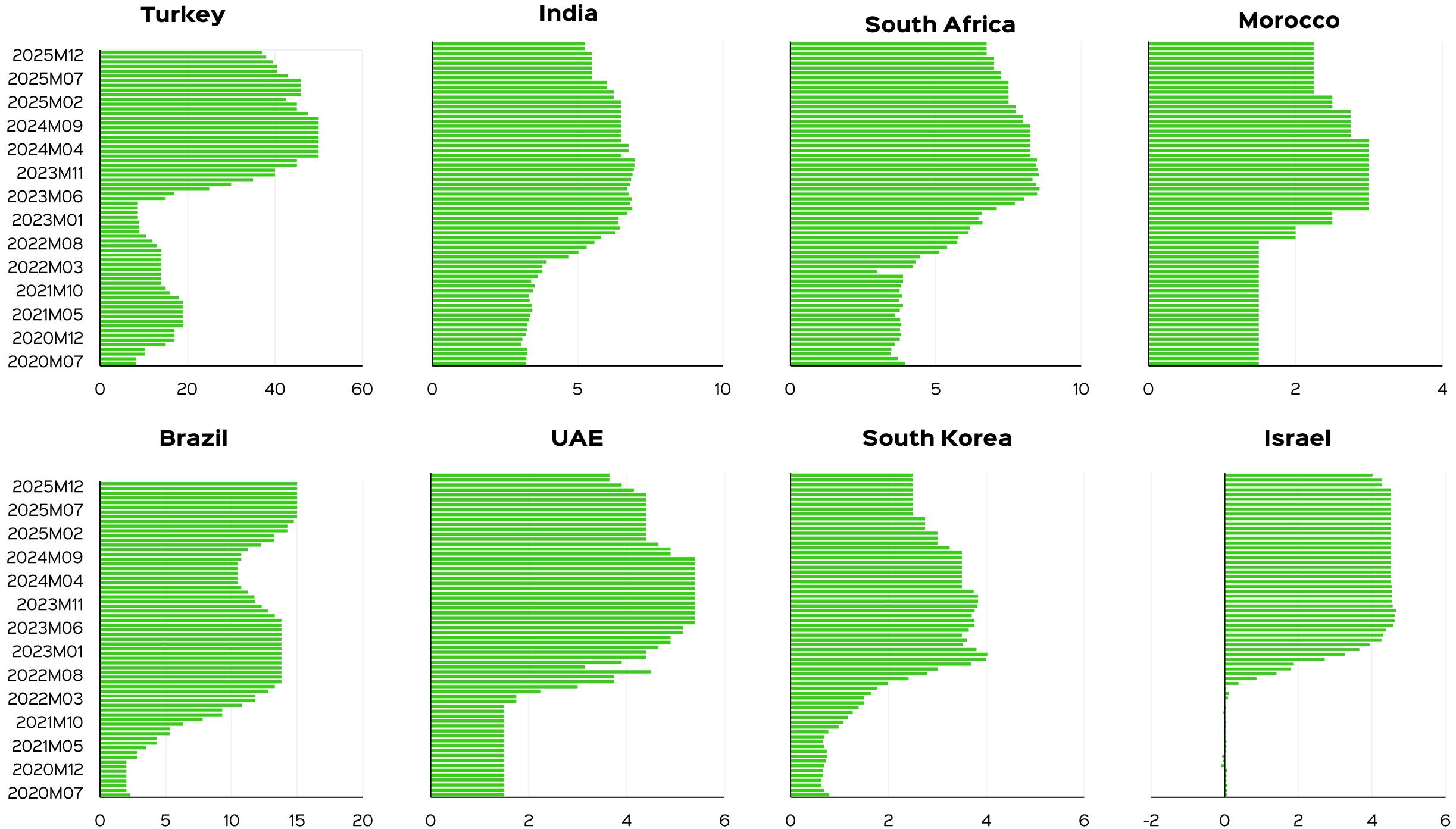
Inflation Rate

Policy Rate

LUC/UDC

Stock Market

Bond Market



**Emerging markets currencies exhibited mixed performance against the US Dollar over the past month, amid a generally softer Dollar environment but divergent domestic conditions.** Most currencies weakened, including the Turkish Lira, Moroccan Dirham, South African Rand, and UAE Dirham, reflecting country-specific economic and inflationary pressures. In contrast, the Indian Rupee and South Korean Won strengthened, supported by resilient domestic fundamentals and positive investor sentiment. Overall, currency movements across emerging markets remained uneven, driven primarily by local macroeconomic dynamics and differing policy approaches, even as the US Dollar maintained a broadly moderate tone.

Inflation Rate

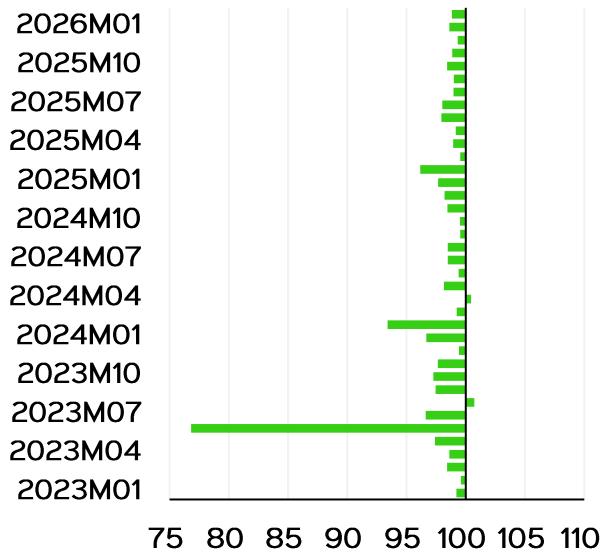
Policy Rate

**LUC/USD**

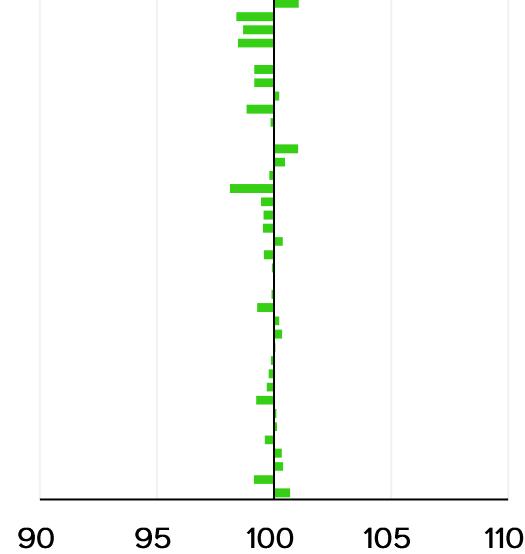
Stock Market

Bond Market

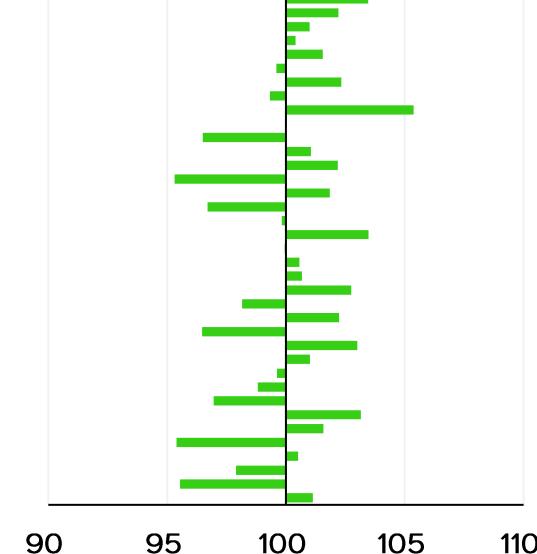
**Turkish Lira**



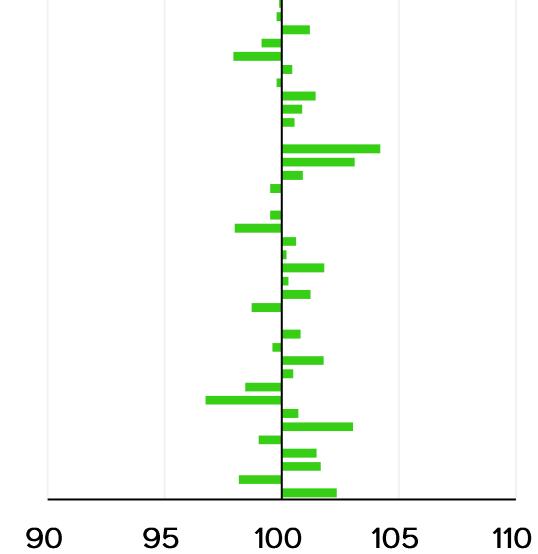
**Indian Rupee**



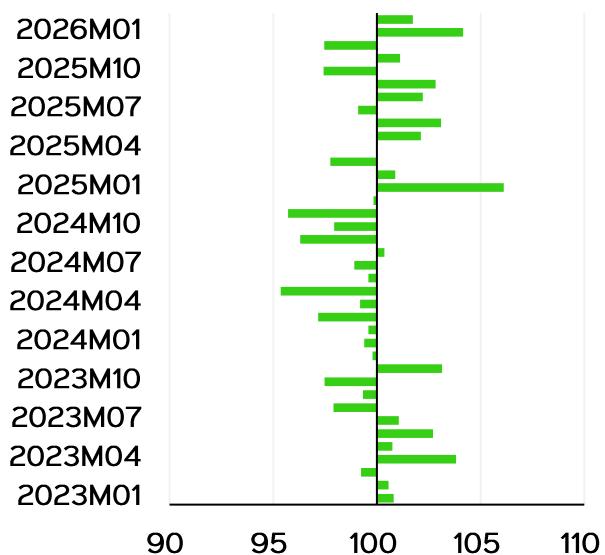
**South African Rand**



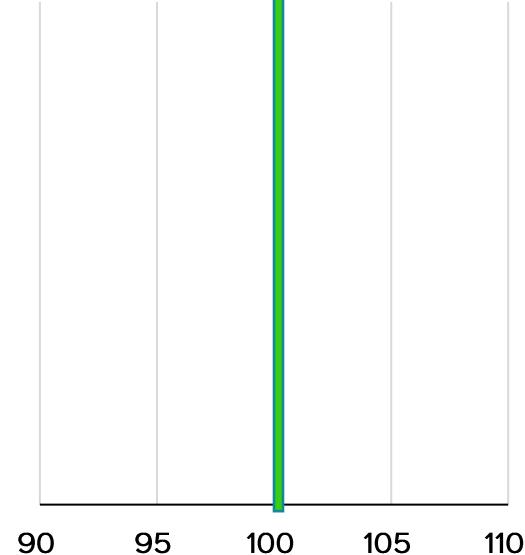
**Moroccan Dirham**



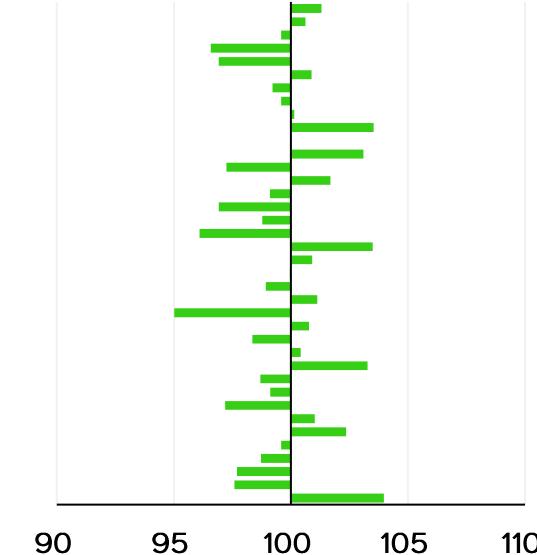
**Brazilian Real**



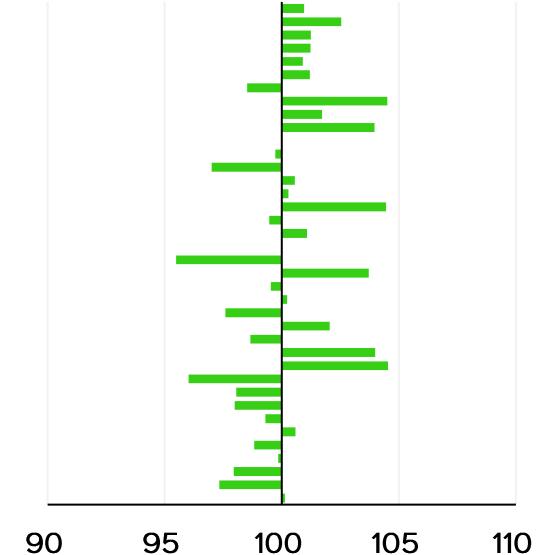
**UAE Dirham**



**Korean Won**



**Israeli New Shekel**



**Emerging markets equities continued to post broadly positive performance over the past month, supported by improving investor sentiment, sustained foreign inflows, and favorable domestic conditions.** Stock markets across all major emerging economies—including India, South Korea, UAE, Saudi Arabia, Turkey, South Africa, and Morocco—recorded notable gains, driven by resilient sectoral performance and supportive investment environments as well as increased risk appetite. Overall, emerging market equities demonstrated broad-based strength, underpinned by improving fundamentals and a gradual stabilization of both global and regional risk factors.

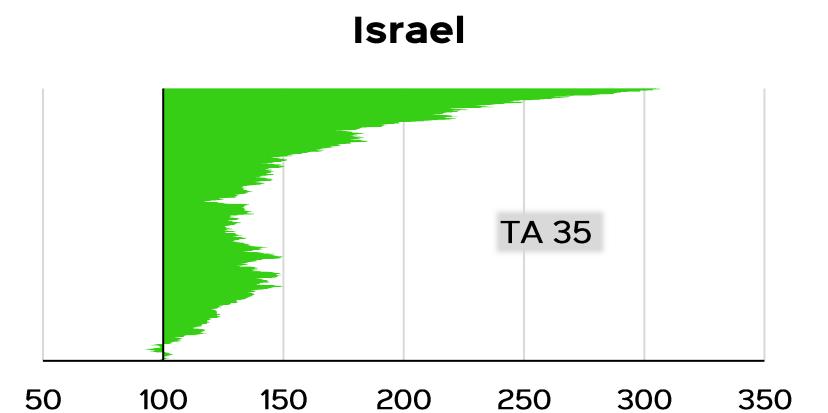
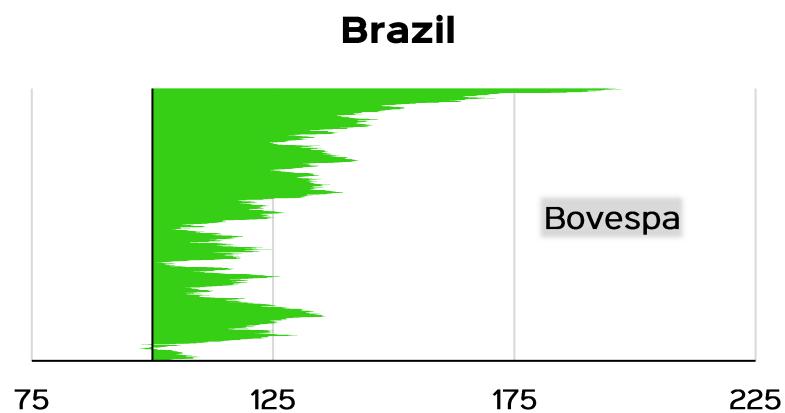
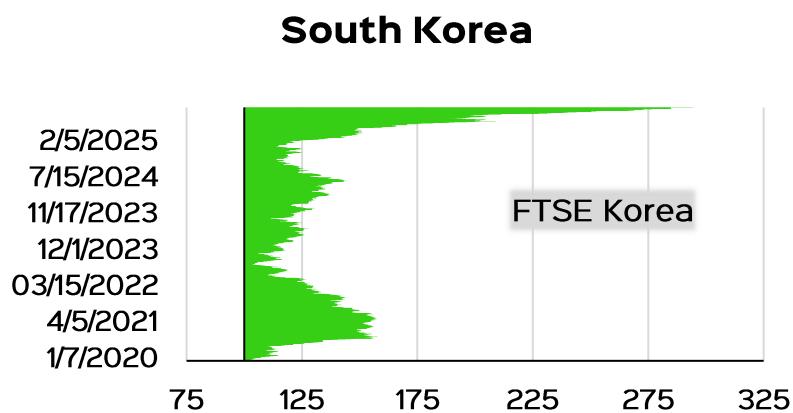
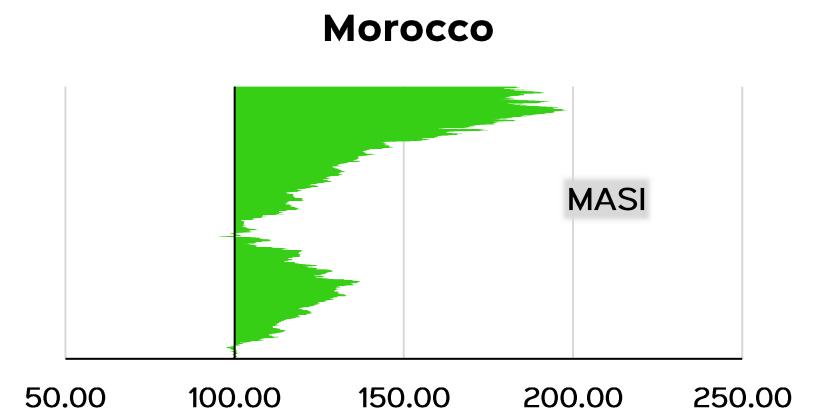
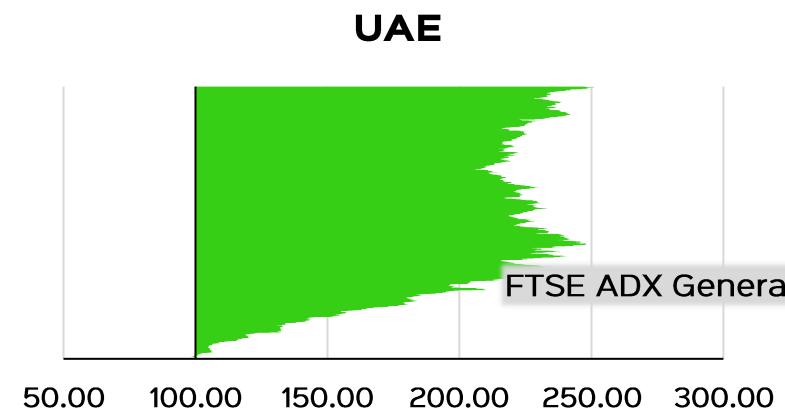
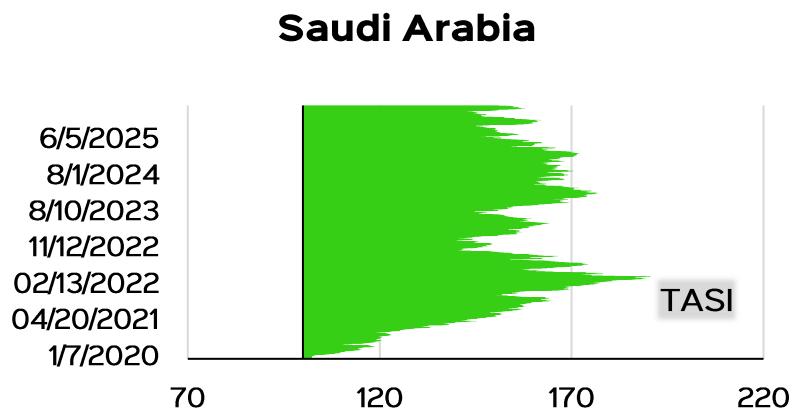
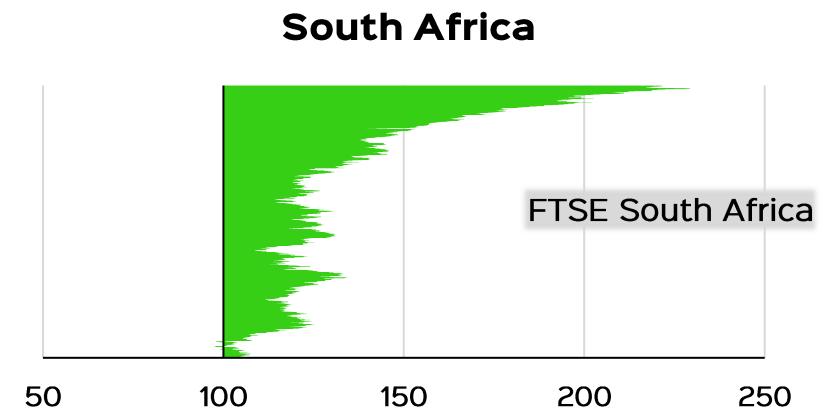
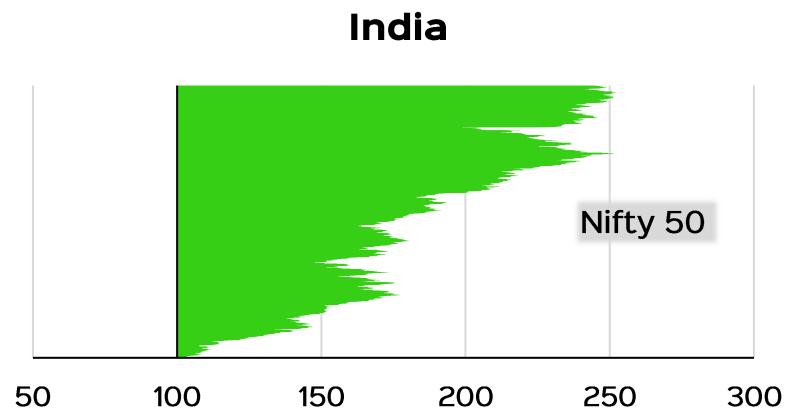
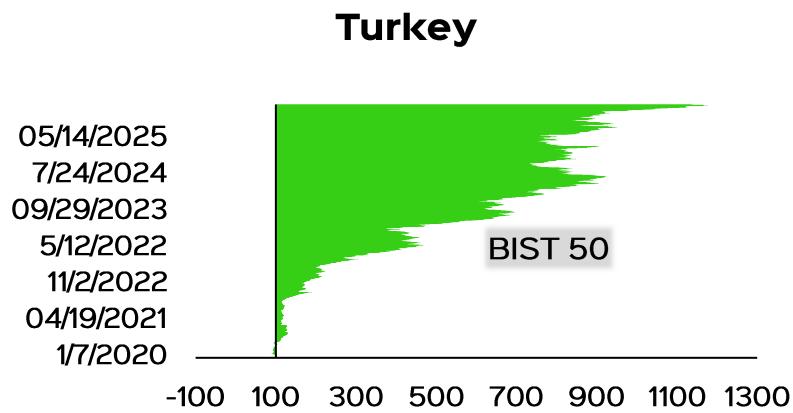
Inflation Rate

Policy Rate

LUC/USD

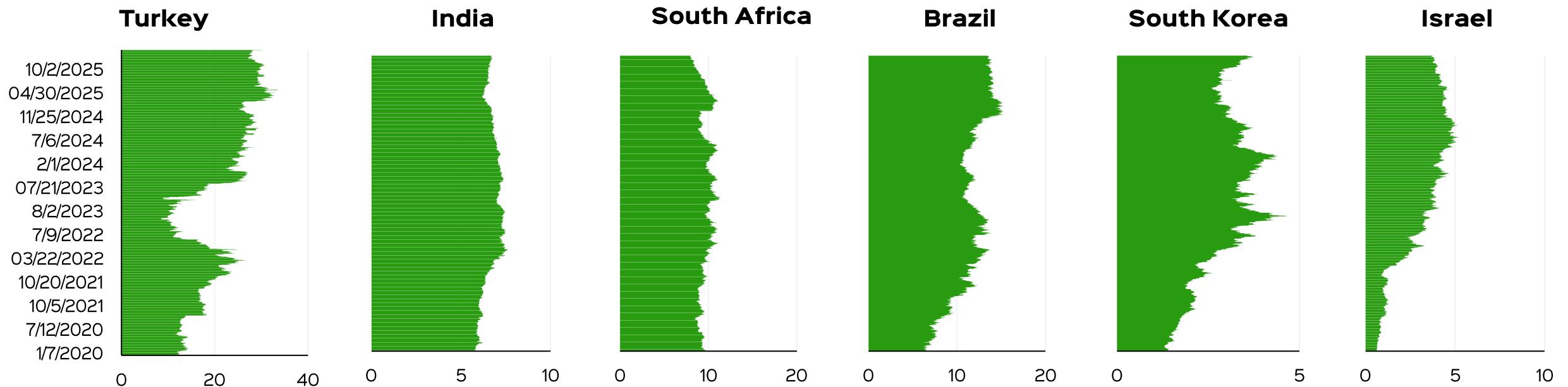
Stock Market

Bond Market

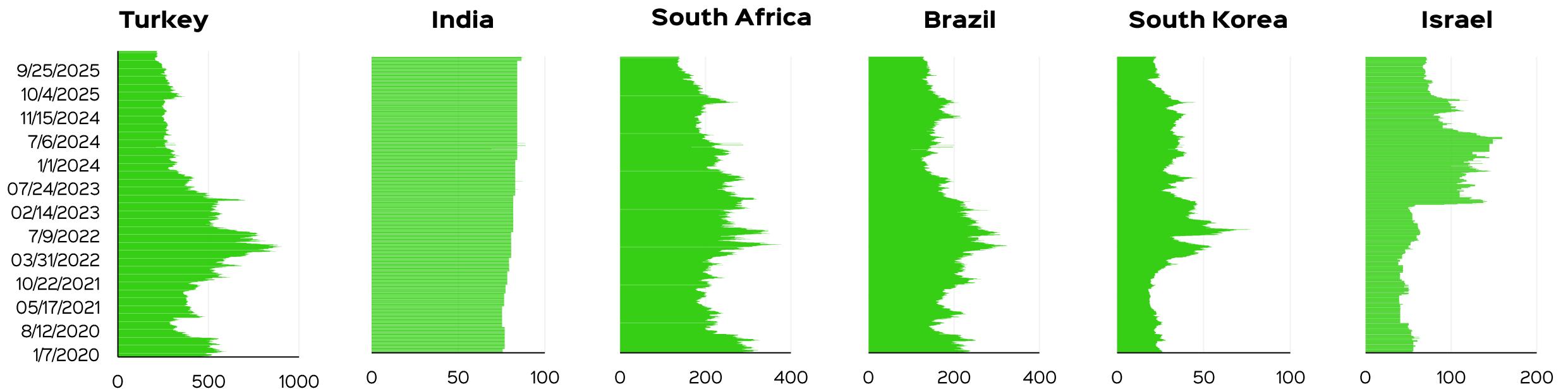


**Ten-year government bond yields across most emerging markets remained broadly stable over the past month, supported by moderating inflation and a generally cautious monetary policy stance.** Yields in Turkey, India, South Africa, South Korea, and Brazil held largely steady, reflecting limited pressure on domestic debt markets. Meanwhile, credit default swaps (CDSs) edged slightly higher, suggesting that investors remained attentive to external risks, including geopolitical developments and global financial volatility. Overall, emerging markets debt markets continued to balance improving domestic fundamentals with sensitivity to global risk factors, maintaining resilience while remaining exposed to shifts in international capital flows.

**10-Year Bond Yield**



**5-Year CDS**



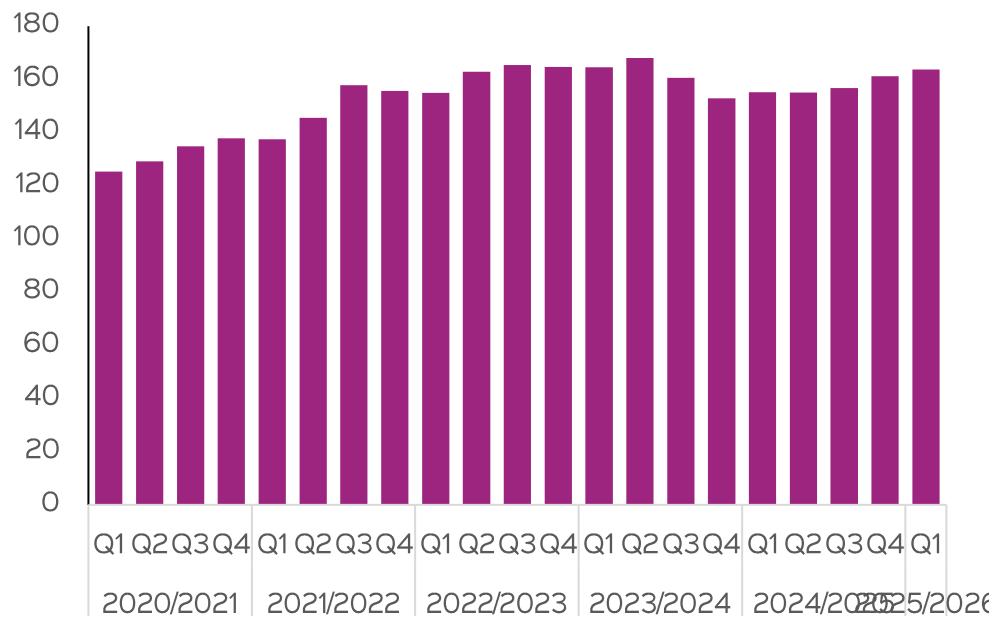
Inflation Rate  
Policy Rate  
LUC/USD  
Stock Market  
Bond Market

**Amid rising total external debt and elevated upcoming debt service obligations, Egypt 10-year government bond yield edged slightly higher over the past month, reflecting a modest repricing amid ongoing market caution and recent Central Bank rate cuts.** External debt levels and debt service requirements remained elevated due to new borrowing needs. Meanwhile, credit default swaps (CDSs) increased, signaling heightened perceived risk and cautious investor sentiment, despite gradual improvements in domestic financial conditions. Overall, Egypt debt market showed near-term resilience while managing elevated external obligations, highlighting ongoing challenges for long-term debt sustainability.

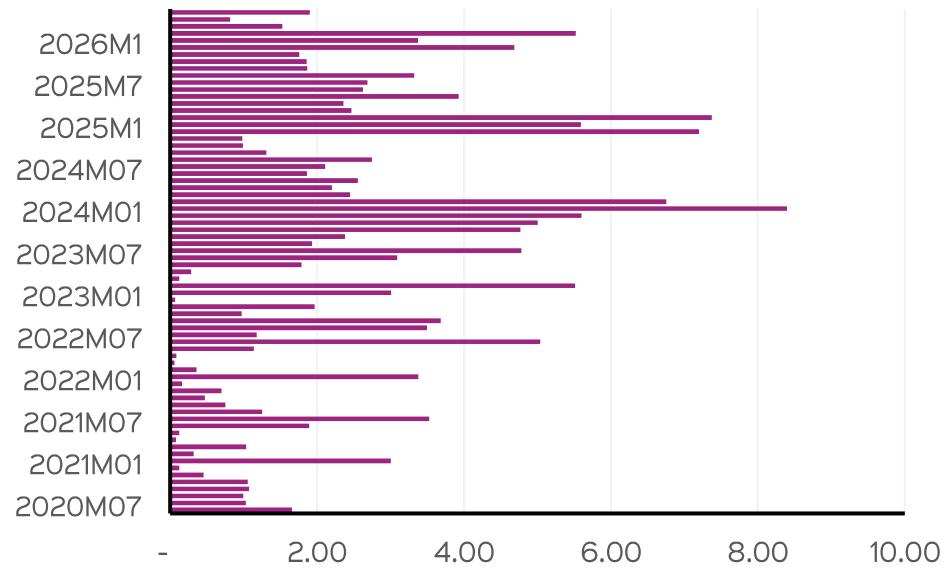
External Position

Local Developments

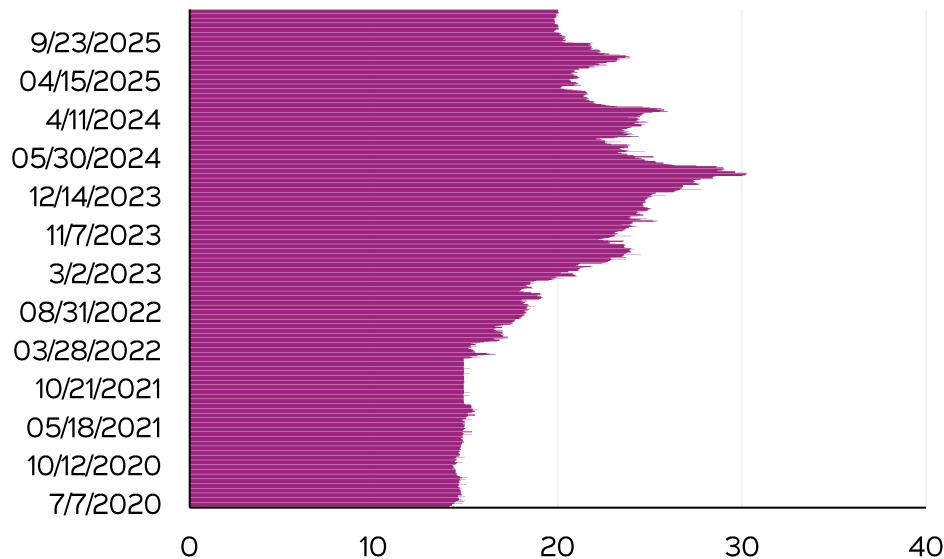
**Total External Debt (bn \$)\***



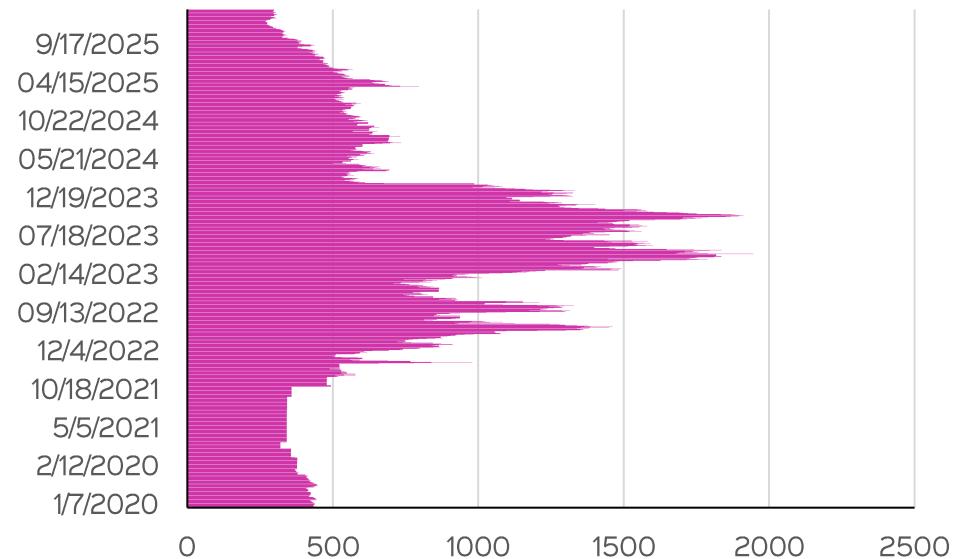
**External Debt Service (bn \$)\***



**Egypt 10-Year Bond Yield**



**5Y CDS, Egypt**



**S&P Global Ratings**  
**B Positive**

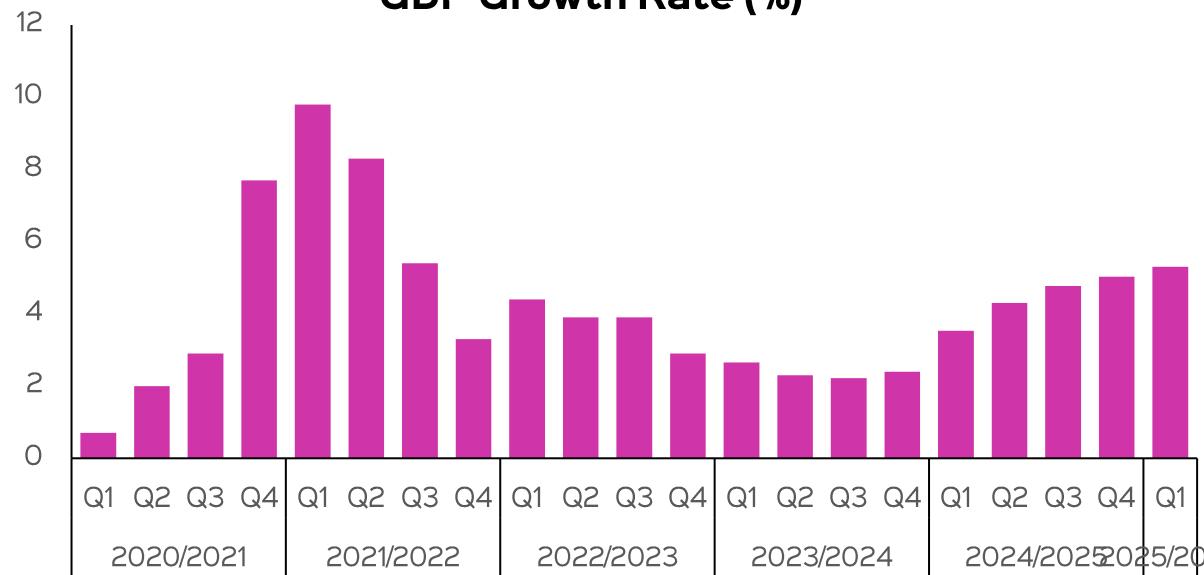
**Fitch Ratings**  
**B Stable**

**MOODY'S INVESTORS SERVICE**  
**Caa1 Positive**

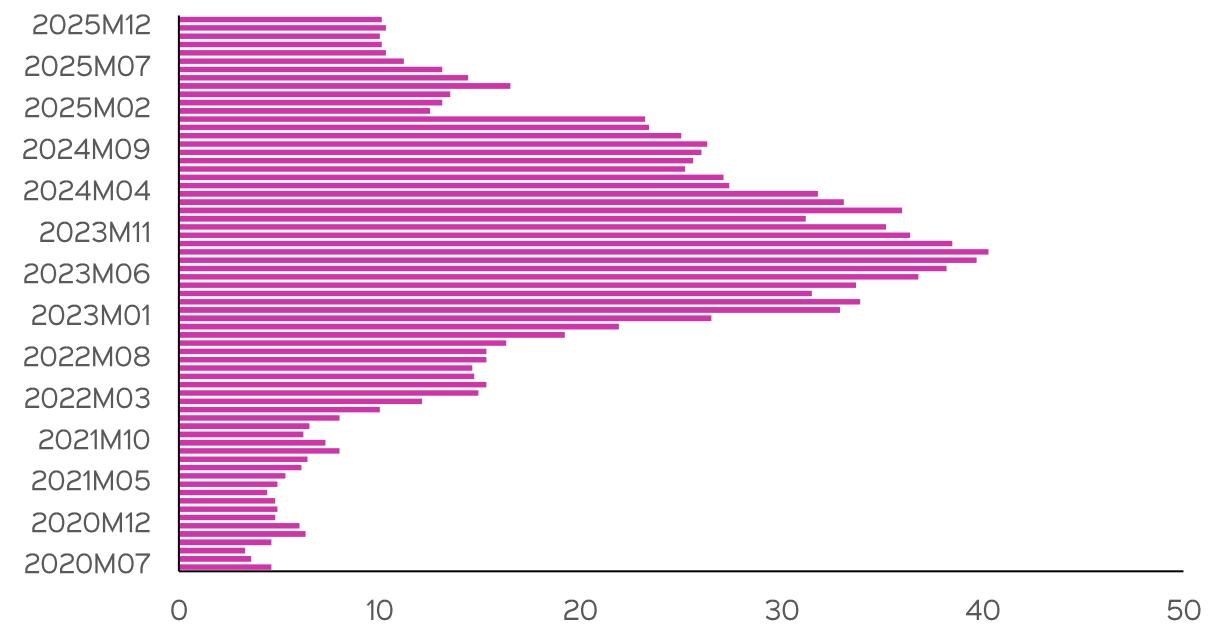
**Egypt macroeconomic indicators reflected a cautiously stable outlook over the past month, with GDP growth holding steady at its previous level, inflation staying generally stable and Central bank proceeding with another rate cut.** Inflation edged higher, reflecting renewed price pressures, while the Central bank implemented a second consecutive interest rate cut, reinforcing an accommodative monetary stance to support liquidity and economic activity. Meanwhile, the growth rate of money supply rose further, strengthening domestic liquidity conditions. Overall, stable GDP growth, stable inflation, and continued monetary easing point to a gradual recovery, albeit with ongoing sensitivity to both domestic and external risks.

External Position  
Local Developments

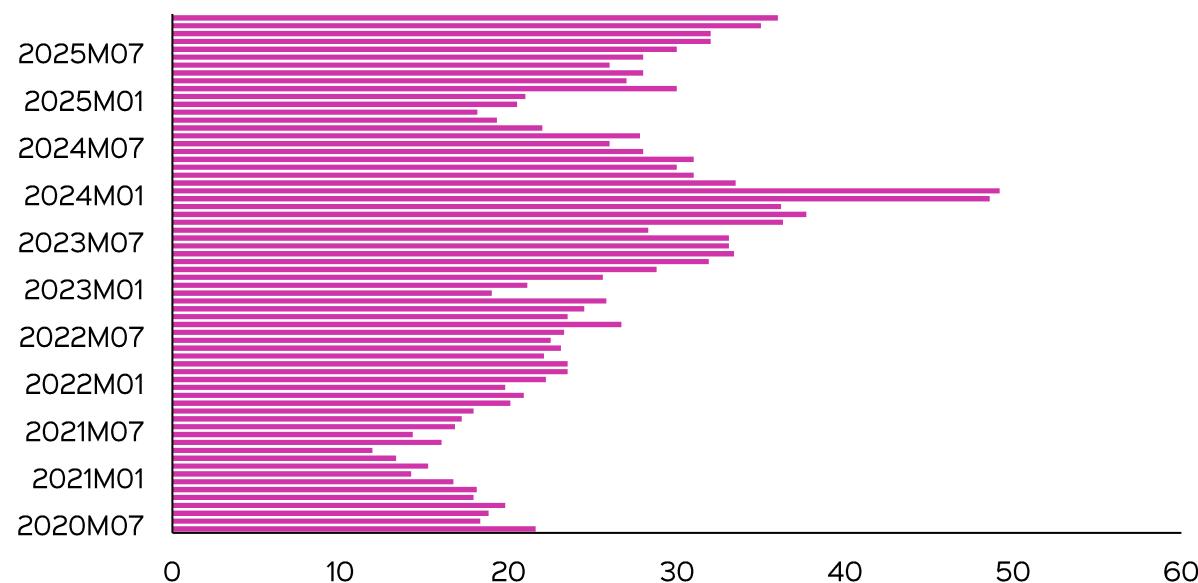
**GDP Growth Rate (%)\***



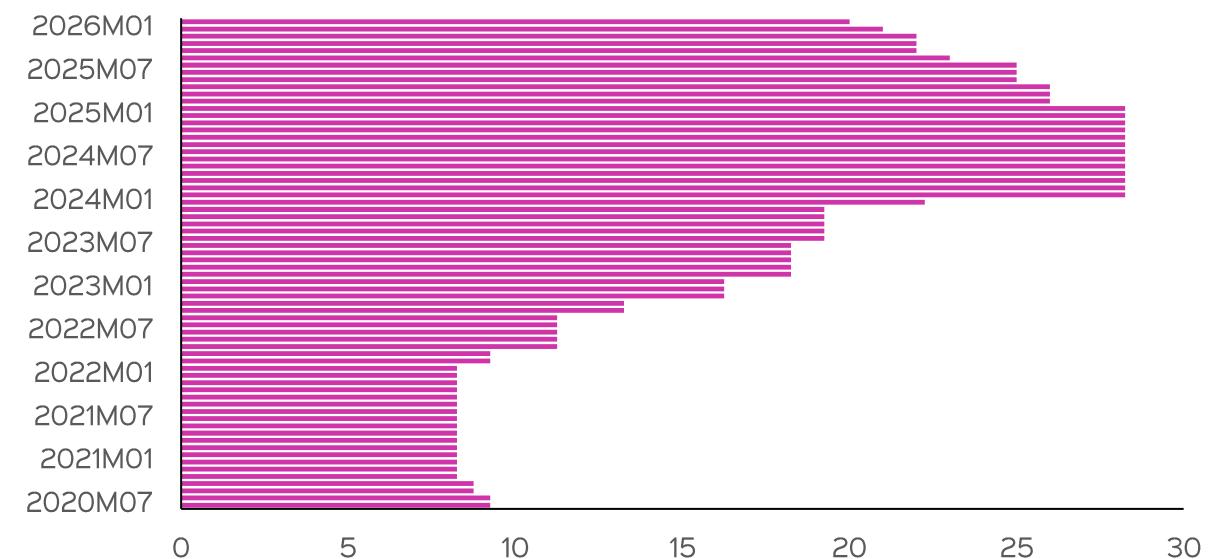
**Inflation Rate (%)**



**Growth Rate of Money Supply (M1)\***



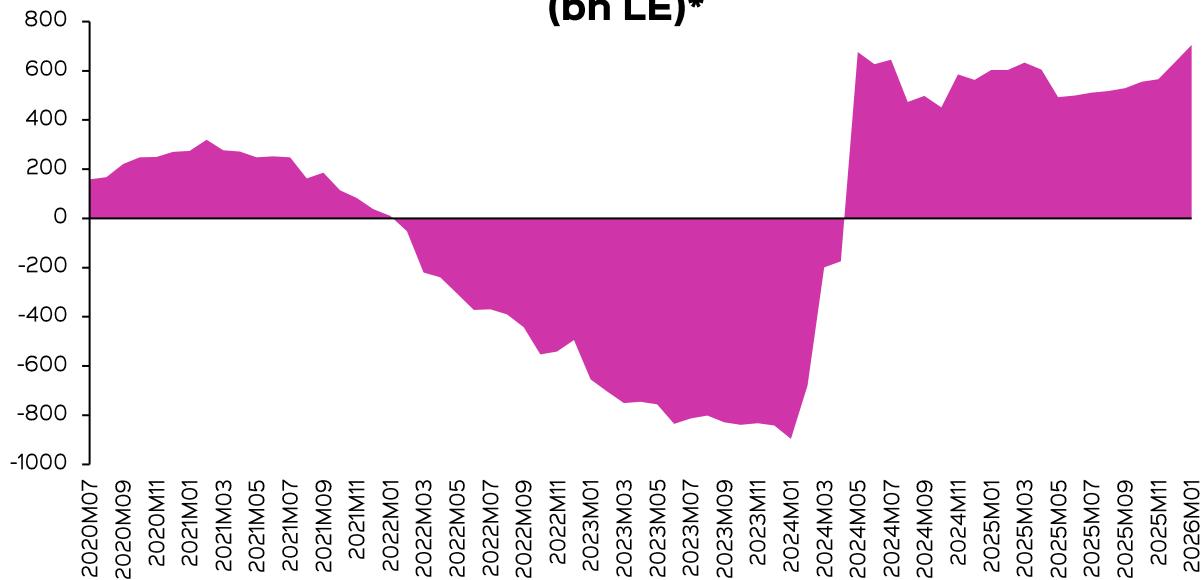
**Policy Rate (%)**



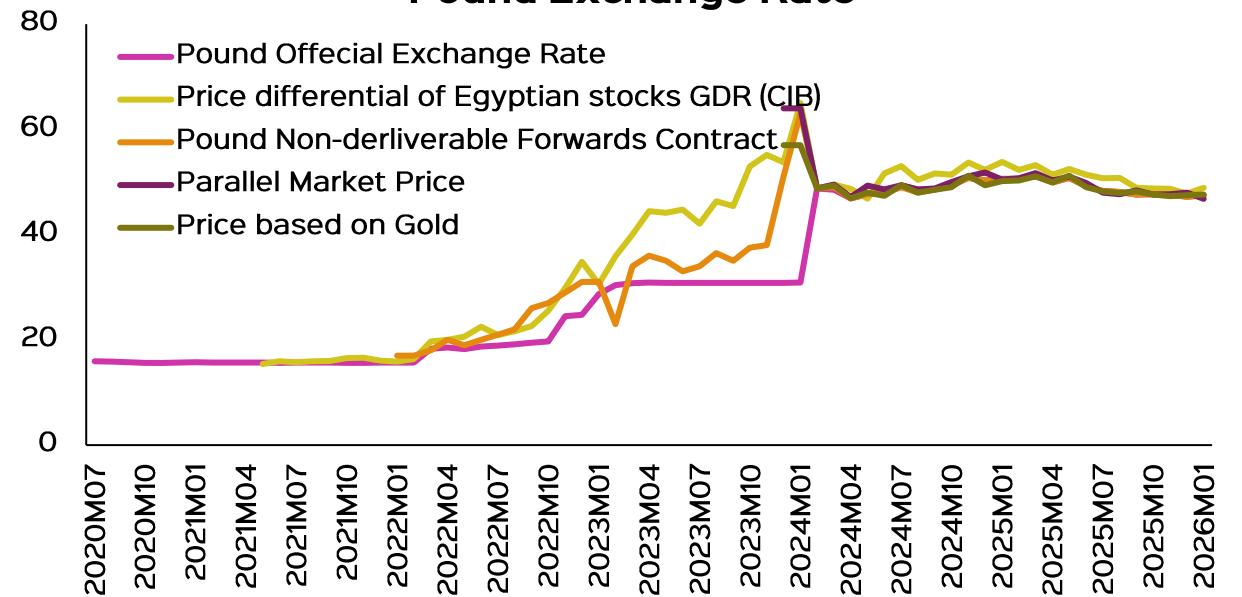
**Despite the increasing external debt and debt service, Egypt external position showed continued gradual improvement over the past month, supported by steady foreign currency inflows from remittances and a notable rally in the stock market.** Central bank foreign reserves increased further, while net foreign assets in the banking system edged higher, reflecting renewed capital inflows and stronger external liquidity. Remittances from Egyptians working abroad remained robust, contributing to overall external stability. The official exchange rate strengthened slightly, supporting a firmer Egyptian Pound amid a generally softer US Dollar and returning portfolio investments. Meanwhile, the EGX 30 index rose, benefiting from improved investor sentiment.

External Position  
Local Developments

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



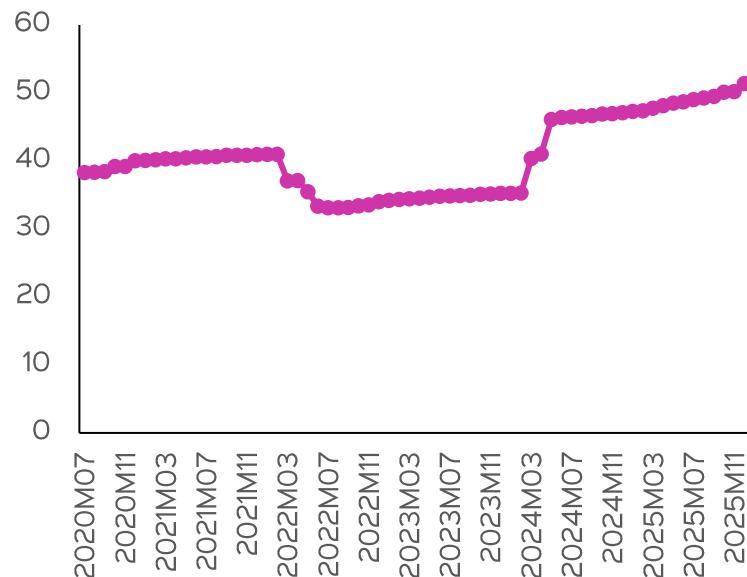
**Pound Exchange Rate**



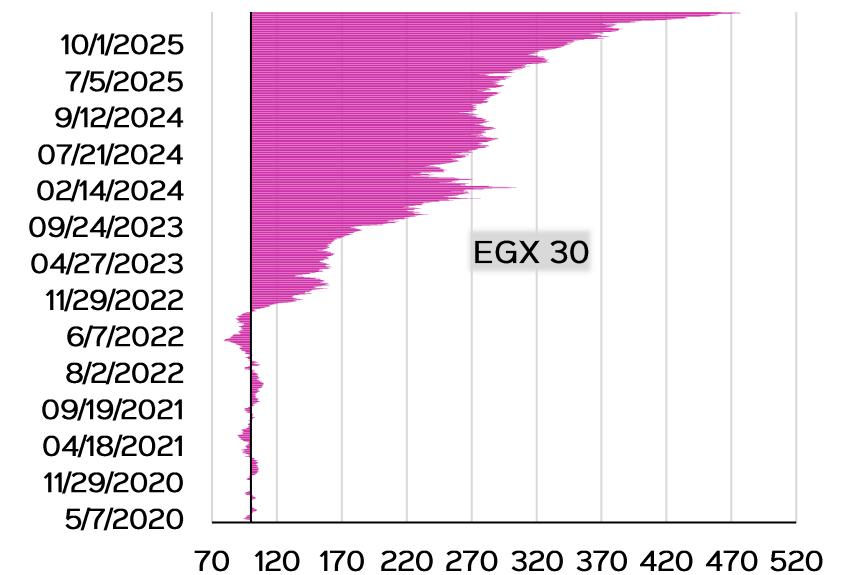
**Remittances of Egyptians working abroad (bn \$)**



**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



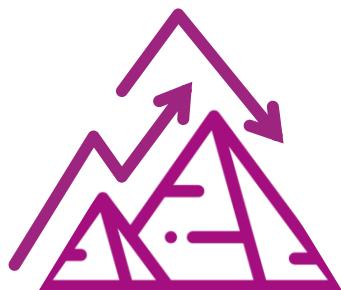
- Global markets such as the USA, UK, EU, China and Canada set the tone of the global economy.
- The report begins by analyzing the changes in global markets in terms of economic policy directions and financial markets and tries to plot how those dynamics are interlinked.
- The report then tries to examine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

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...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

