



Financial Markets Snapshot

Issue 27
 March 2026

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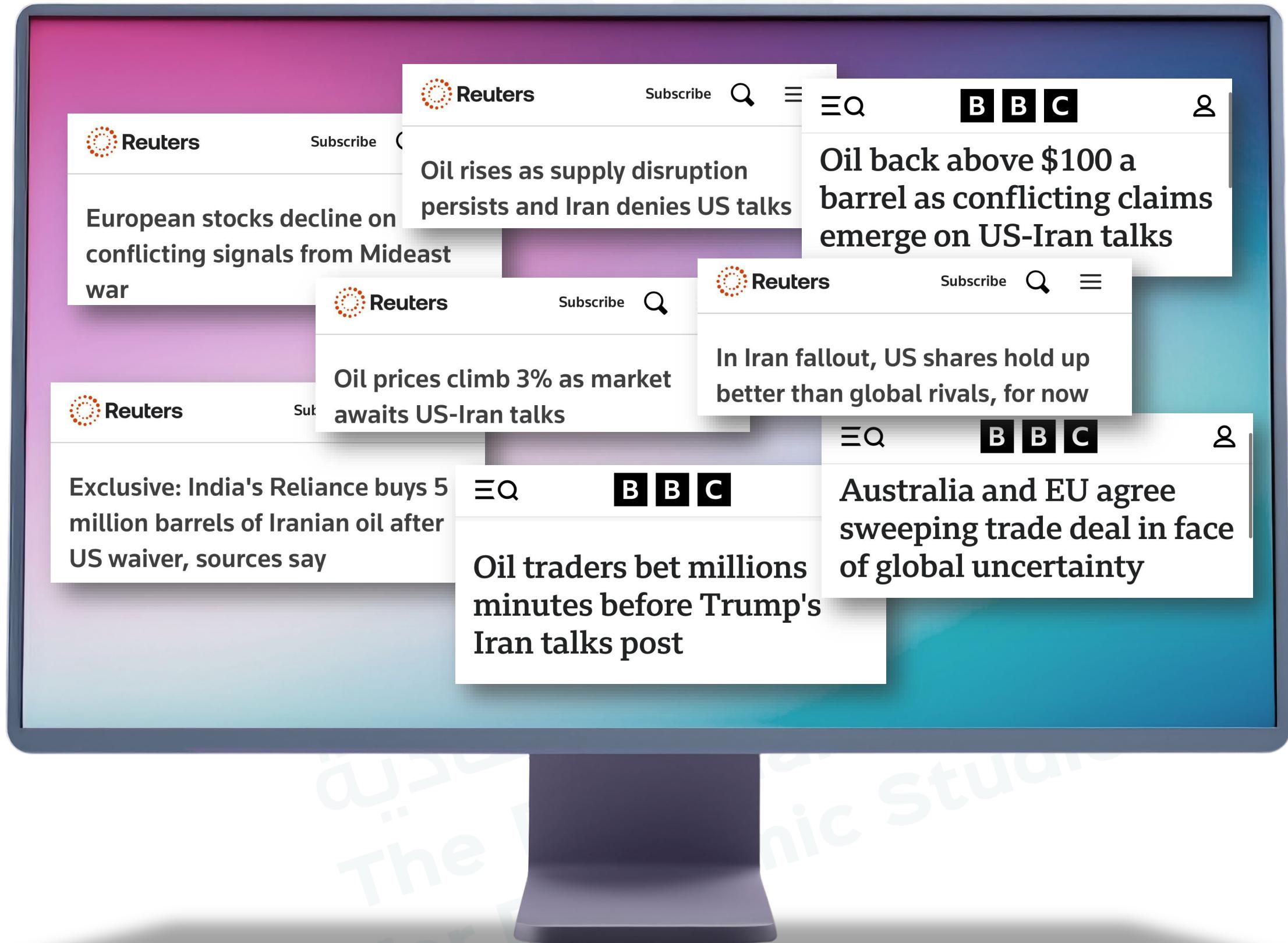
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About The Report

- 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 have witnessed some turbulence in the last month, with gains across key commodities despite some pockets of decline and instability especially with Gold due to geopolitical instability.
- Global inflation dynamics showed mixed developments over the past month, with price pressures stabilizing in some economies while reaccelerating in others especially those energy dependent.
- Global equity markets recorded broadly negative performance over the past month, as risk sentiment weakened amid shifting monetary policy expectations and rising uncertainty across major economies.
- Global bond markets faced broad-based upward pressure over the past month, as both sovereign yields and risk premiums increased amid shifting monetary policy expectations and evolving inflation dynamics.

Emerging Markets



- Inflation dynamics across emerging markets remained mixed over the past month, reflecting divergent domestic drivers across countries.
- Amid mixed inflation trends and shifting global financial conditions, monetary policy across emerging markets remained broadly cautious over the past month, with most Central banks keeping policy rates unchanged while maintaining a watchful stance.
- Emerging market currencies broadly weakened against the US Dollar over the past month, reflecting a combination of domestic pressures and shifts in global financial conditions towards the US Dollar as a safe haven.
- Emerging market equity markets posted broadly negative performance over the past month, weighed down by softer investor sentiment, reduced foreign inflows, and less supportive domestic conditions.
- Ten-year government bond yields across most emerging markets rose over the past month, reflecting renewed investor caution and evolving monetary policy expectations.

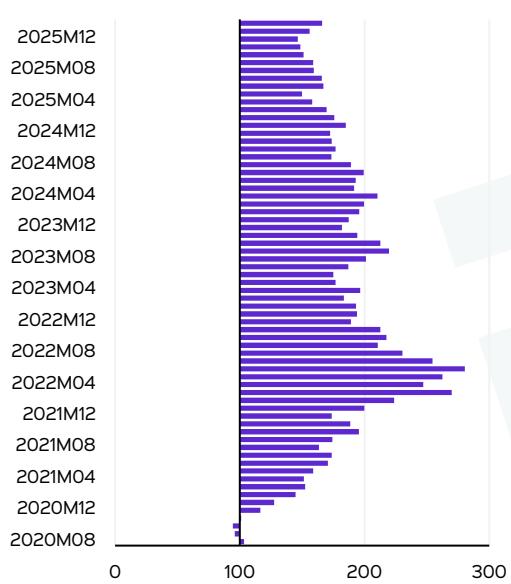
Egyptian Local Market



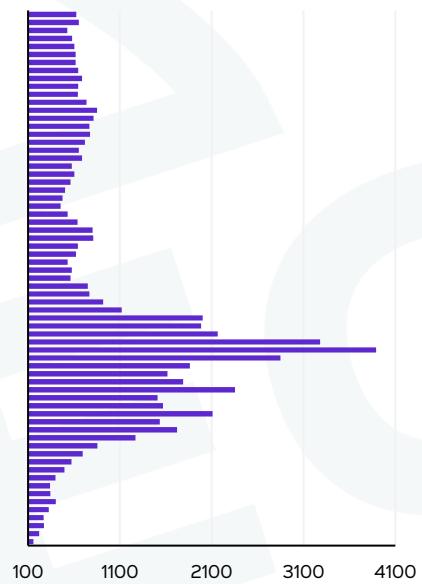
- Egypt 10-year government bond yield has increase due to continued growth in total external debt and high upcoming debt service obligations, reflecting modest market repricing amid cautious investor sentiment. CDSs have also spiked.
- After the ongoing recovery trajectory of the economy over the past few months, Egypt macroeconomic indicators started witnessed a pushback as a result of the Middle East war and its implications on energy prices and inflation.
- The Middle East war has resulted into the recent exit of hot money portfolios, which have reflected into a higher exchange rate across the market as well as a sharp correction in the stock market. Yet still the overall picture is within control subject to quick conclusion of the war.

Commodity markets have witnessed some turbulence in the last month, with gains across key commodities despite some pockets of decline and instability especially with Gold due to geopolitical instability. Energy prices spiked on the back of the Middle East war and the closure of the Strait of Hormuz. Energy prices keep fluctuating with news of the war. Gold kept rising overall due to continued investor interest in safe-haven assets, despite seeing big fluctuations. In contrast, iron ore and tea prices declined, indicating weaker demand conditions or easing supply pressures in specific markets. Overall, commodity price movements pointed to sustained strength across energy, precious metals, and selected agricultural products, supported by war dynamics.

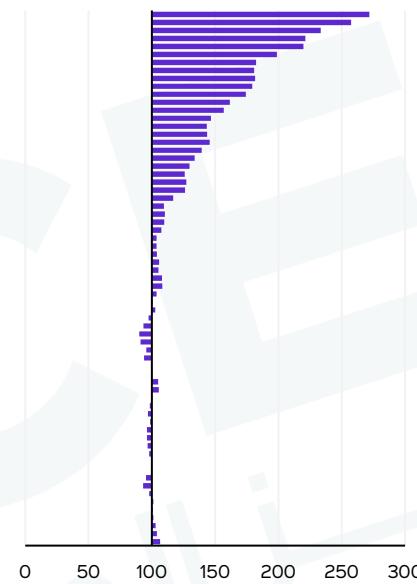
Crude Oil, Brent



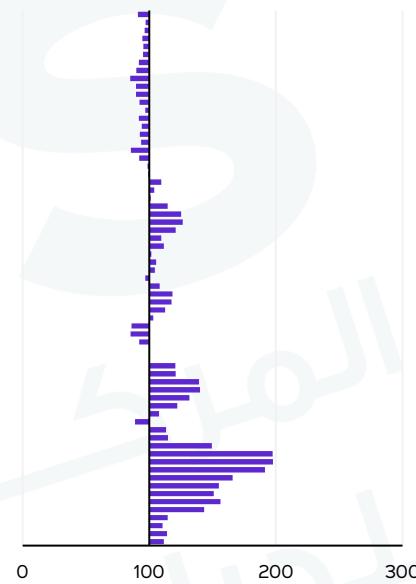
Natural Gas



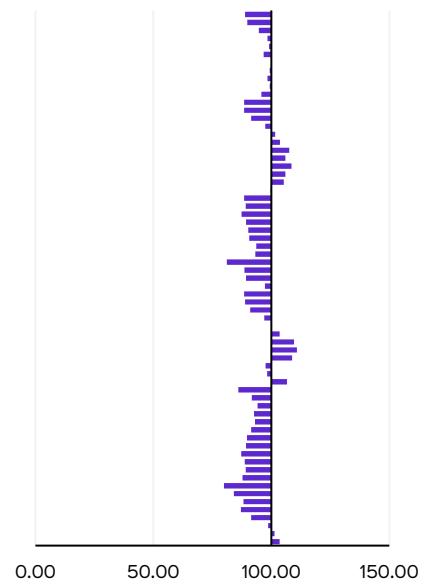
Gold



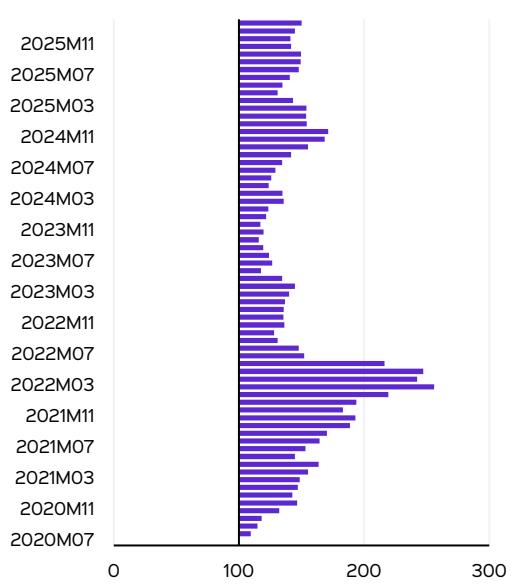
Iron ore



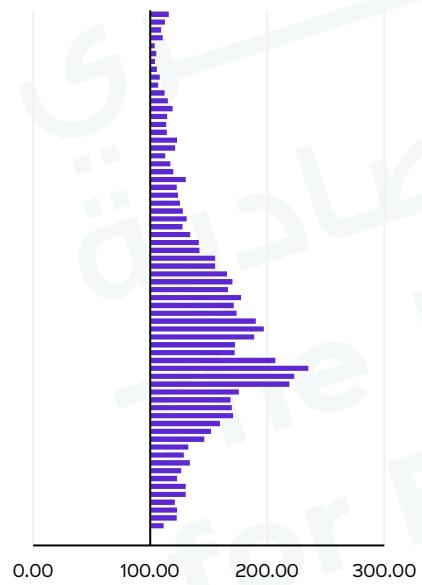
Tea



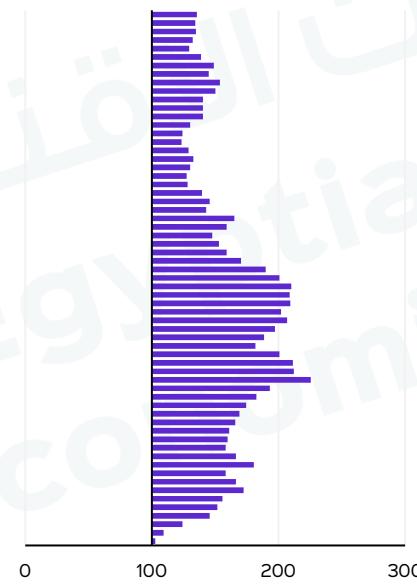
Palm oil



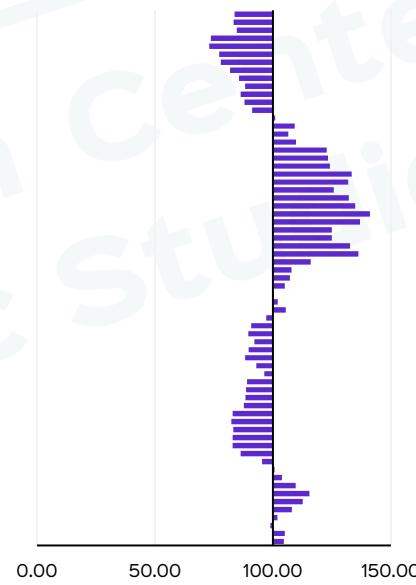
Wheat



Maize



Rice

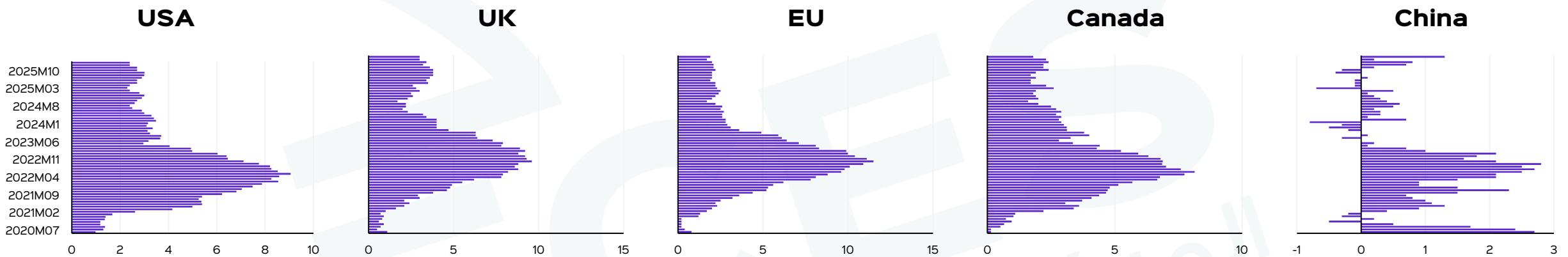


Bovine meat

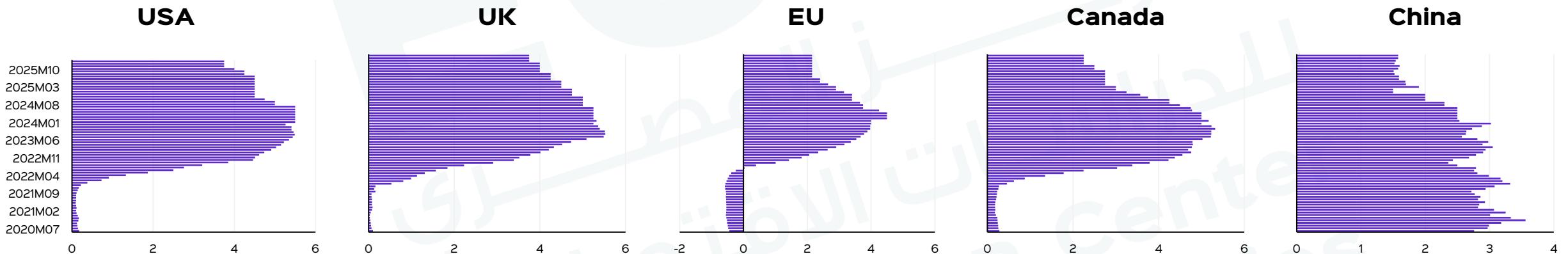


Global inflation dynamics showed mixed developments over the past month, with price pressures stabilizing in some economies while reaccelerating in others especially those energy dependent. Inflation continued to ease in the US, supporting expectations of a gradual policy shift, while the Eurozone recorded a slight uptick, indicating some renewed price pressures. This has been the case before the war, while the effect of the war especially energy prices remain to be seen. Against this backdrop, major central banks maintained a prudent approach, while currency markets reflected shifting dynamics, with the US Dollar strengthening against major counterparts amid policy expectations and flight to the US market at time of global turbulence.

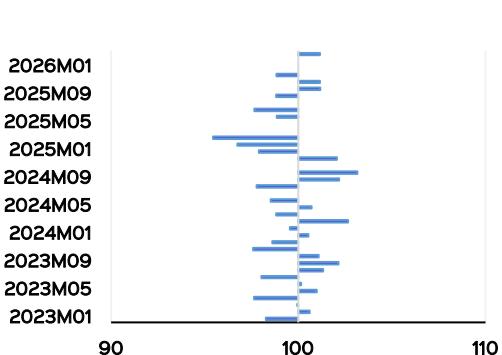
Inflation Rate



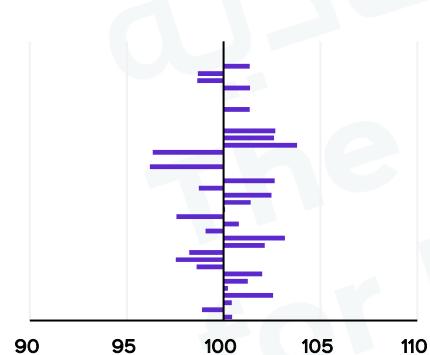
Policy Rate



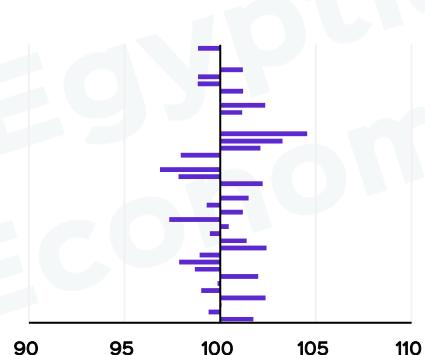
LCU / USD



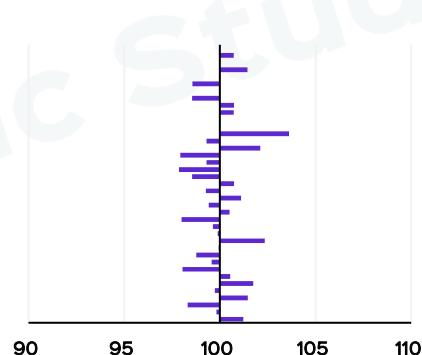
UK Pound



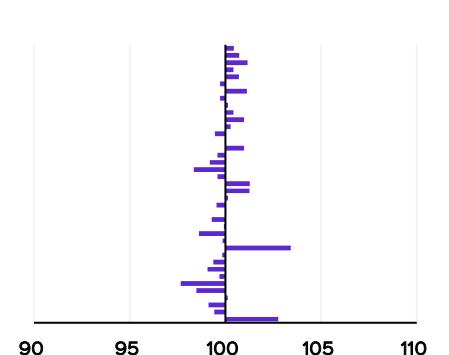
Euro



Canadian Dollar



Chinese Yuan



Commodity Markets

Main Rates

Stock Market

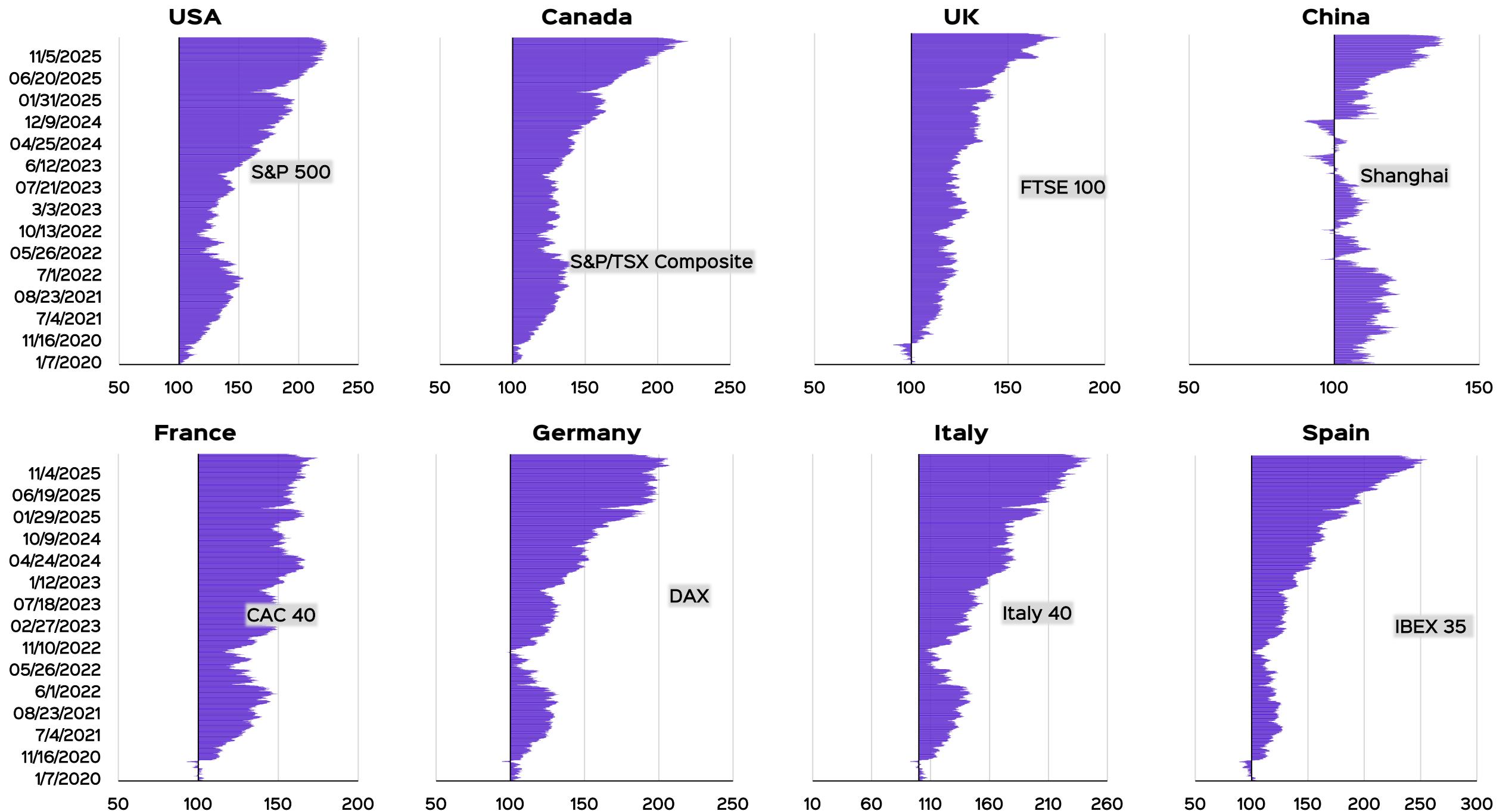
Bond Market

Global equity markets recorded broadly negative performance over the past month, as risk sentiment weakened amid shifting monetary policy expectations and rising uncertainty across major economies. US equities retreated from elevated levels, reflecting increased caution around valuations and earnings outlooks. In the UK and Canada, stock markets also declined, pressured by tighter financial conditions and less supportive inflation dynamics. Overall, global equity markets faced broad-based downward pressure, highlighting a more cautious investment environment. This was further exacerbated with increased energy prices and Middle East war risks.

Commodity Markets

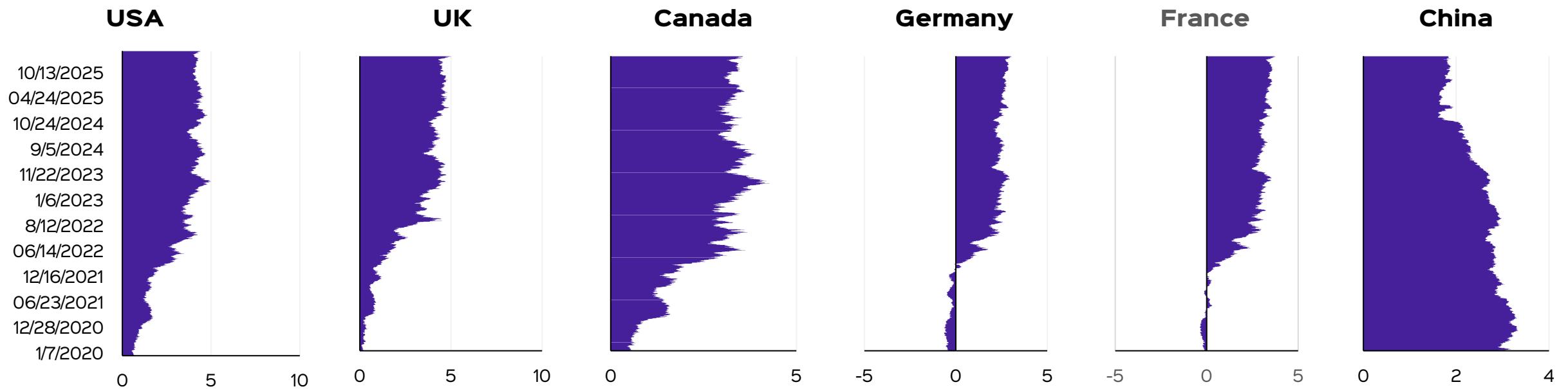
Stock Market

Bond Market

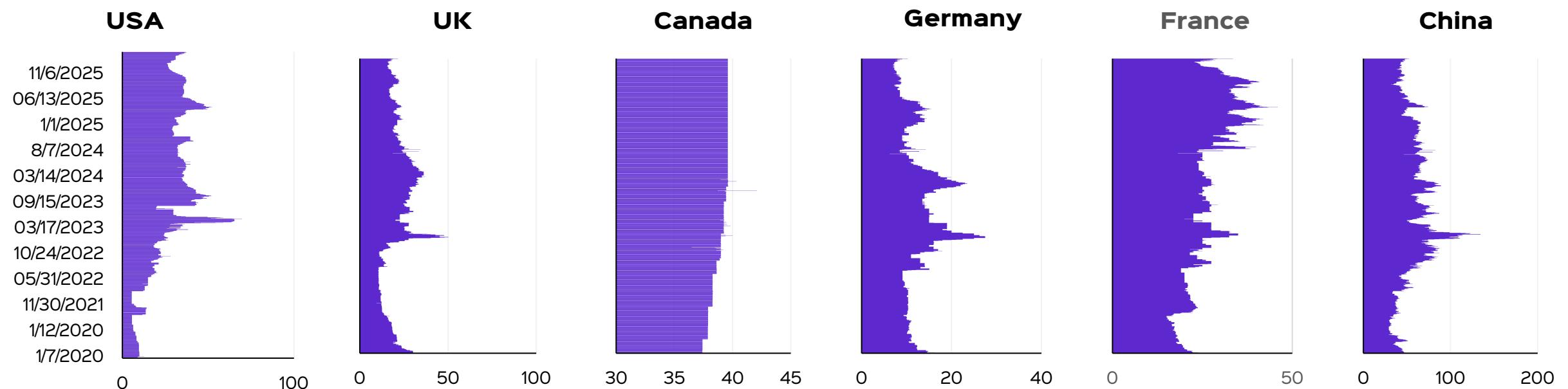


Global bond markets faced broad-based upward pressure over the past month, as both sovereign yields and risk premiums increased amid shifting monetary policy expectations and evolving inflation dynamics. Ten-year government bond yields rose across major economies, reflecting repricing of interest rate expectations and persistent uncertainty around the pace of policy easing. At the same time, credit default swaps (CDSs) increased across all key markets, signaling a rise in perceived sovereign risk and more cautious investor sentiment. Overall, global debt markets reflected tighter financial conditions and heightened sensitivity to both macroeconomic developments and external risks.

10-Year Bond Yield

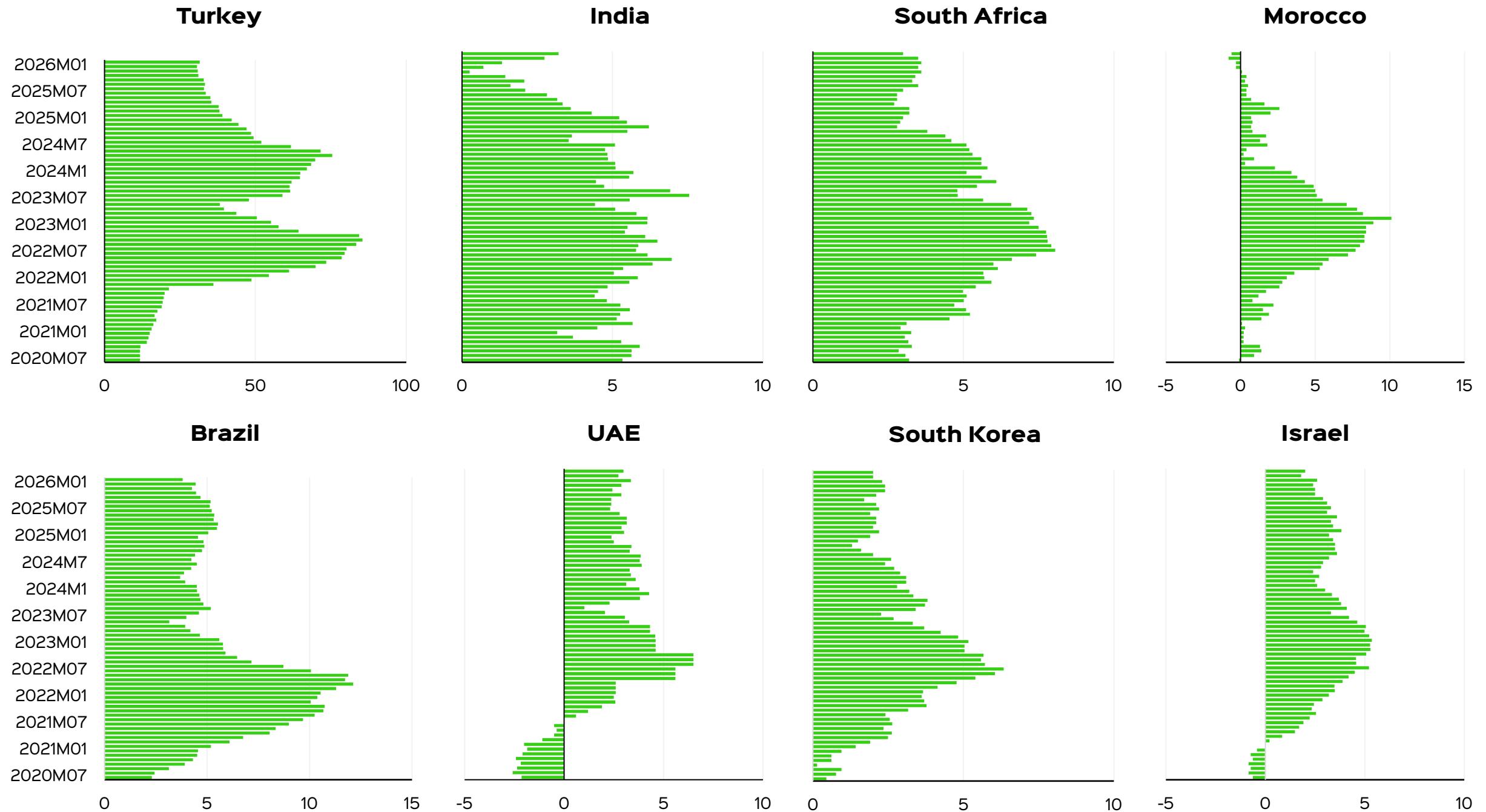


5-Year CDS



Commodity Markets
Main Rates
Stock Market
Bond Market

Inflation dynamics across emerging markets remained mixed over the past month, reflecting divergent domestic drivers across countries, with some witnessing colling inflation, while others witnessed heated inflation such as India. Inflation accelerated in India, the UAE, Turkey, and Morocco, supported by renewed price pressures and resilient domestic demand conditions. In contrast, inflation declined in South Africa and Brazil, aided by easing cost pressures and more stable supply conditions. Meanwhile, inflation in South Korea remained relatively stable with limited monthly changes. Overall, inflation trends across emerging markets continued to be uneven, largely driven by country-specific factors rather than common global influences.



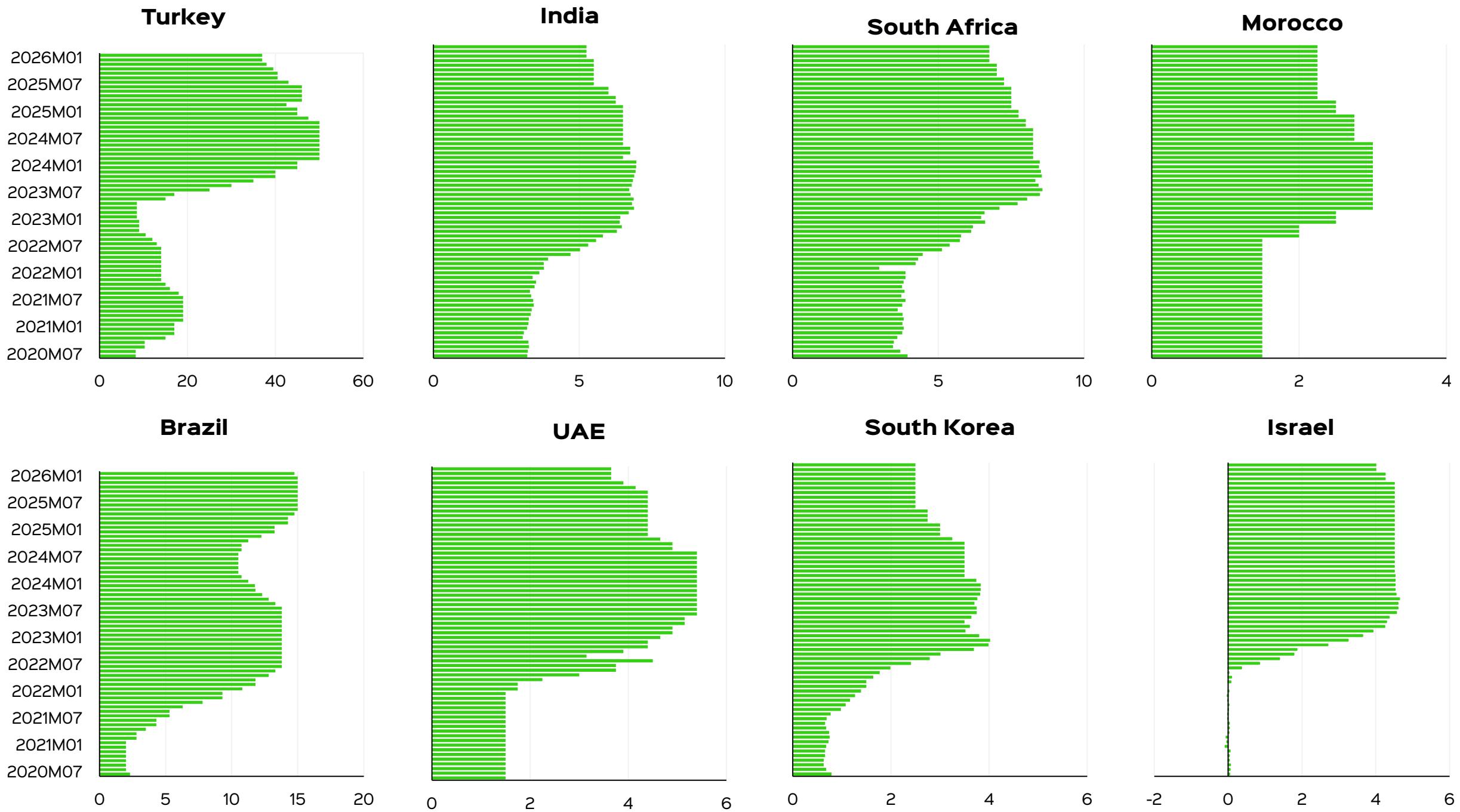
Amid mixed inflation trends and shifting global financial conditions, monetary policy across emerging markets remained broadly cautious over the past month, with most Central banks keeping policy rates unchanged while maintaining a watchful stance. The majority of emerging economies Central banks held interest rates steady, balancing the need to support growth against inflationary pressures. Meanwhile, India raised its policy rate in response to rising price pressures, while Morocco and South Korea implemented modest easing amid moderating inflation. Overall, monetary authorities across emerging markets continued to follow a careful, data-driven approach, remaining attentive to both domestic developments and external financial conditions.

Inflation Rate
Policy Rate

LUC/UDC

Stock Market

Bond Market



Emerging market currencies broadly weakened against the US Dollar over the past month, reflecting a combination of domestic pressures and shifts in global financial conditions towards the US Dollar as a safe haven. Currencies across all key economies—including the Turkish Lira, Moroccan Dirham, South African Rand, UAE Dirham, Indian Rupee, and South Korean Won—declined, pressured by inflationary dynamics, economic uncertainties, and investor caution. Overall, currency movements across emerging markets were uniformly weaker, driven by country-specific challenges and broader global market volatility, even as the US Dollar remained generally firm, where the US Dollar got to be viewed as a safe haven at the time of war.

Inflation Rate

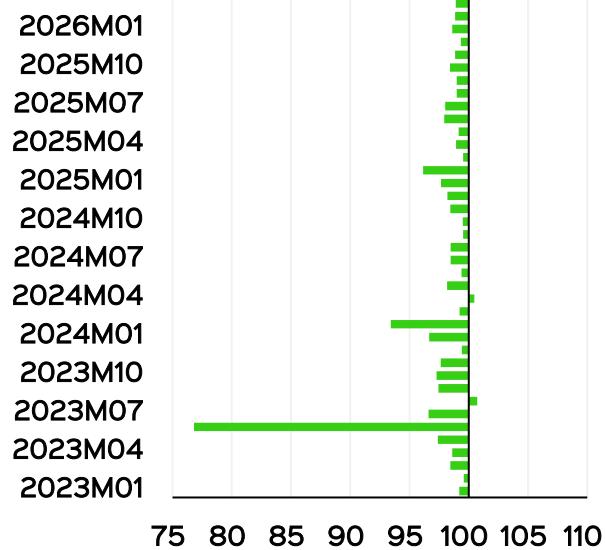
Policy Rate

LUC/USD

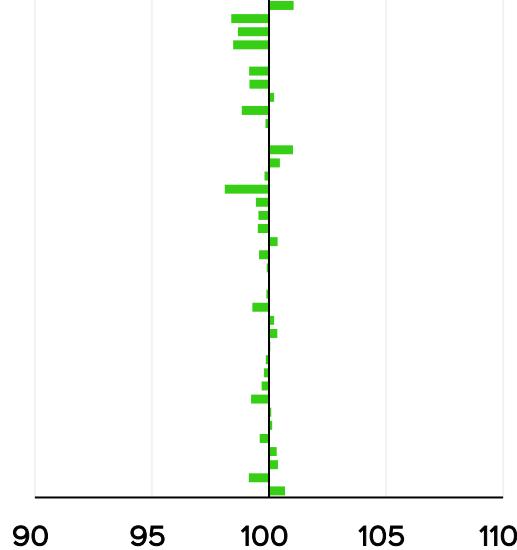
Stock Market

Bond Market

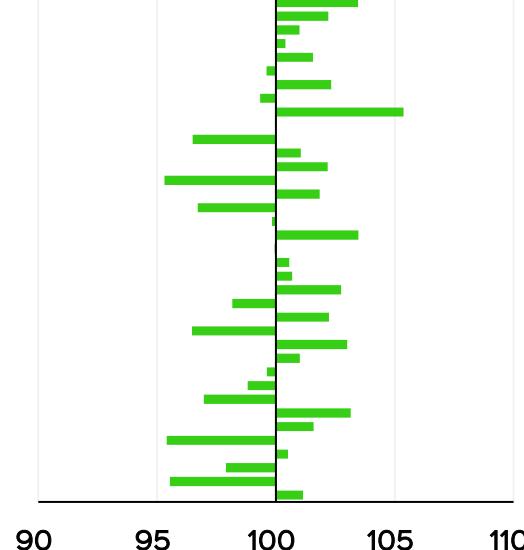
Turkish Lira



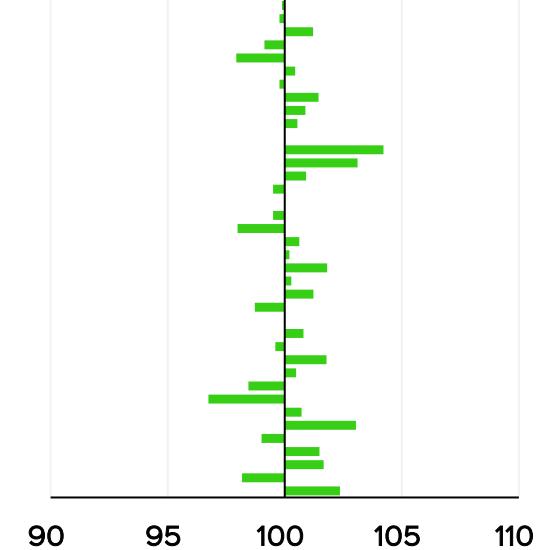
Indian Rupee



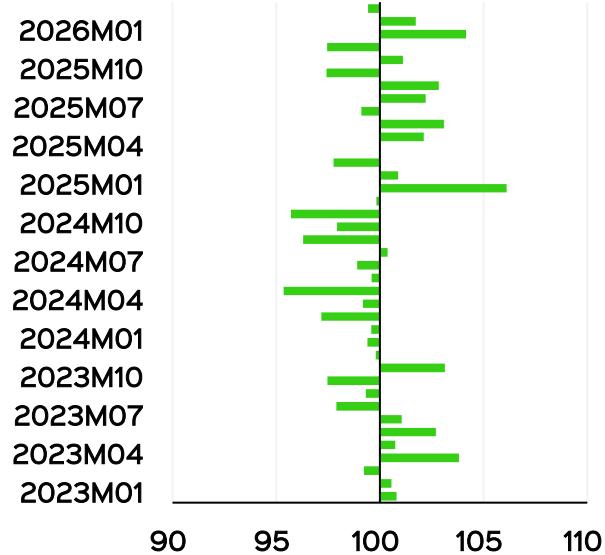
South African Rand



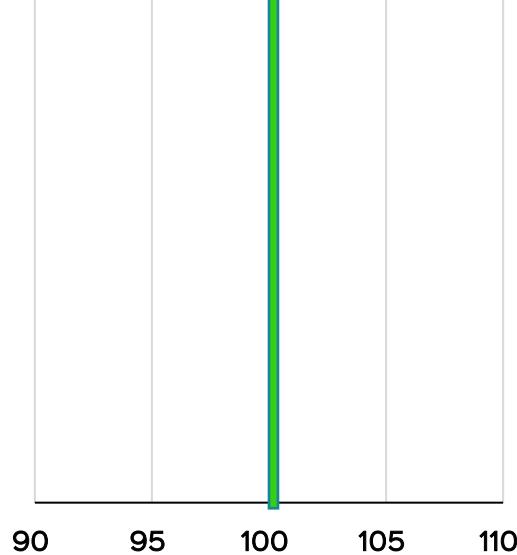
Moroccan Dirham



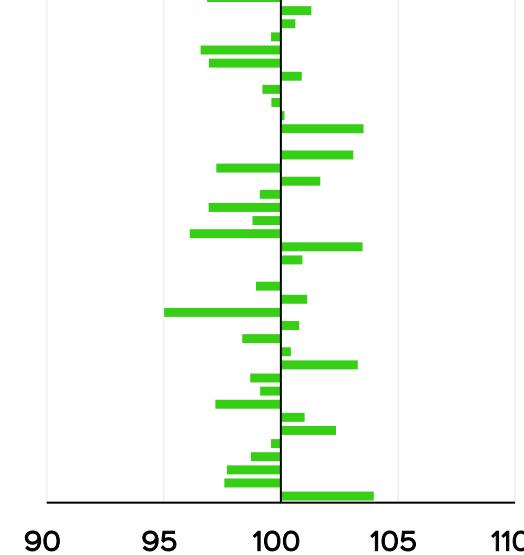
Brazilian Real



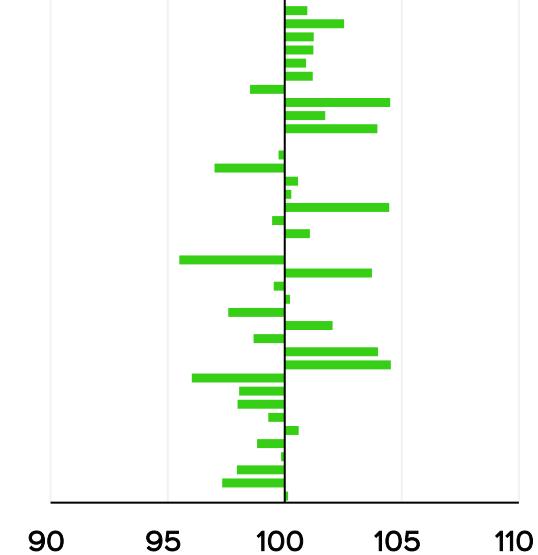
UAE Dirham



Korean Won



Israeli New Shekel



Emerging market equity markets posted broadly negative performance over the past month, weighed down by softer investor sentiment, reduced foreign inflows, and less supportive domestic conditions. Stock markets across most major emerging economies—including Turkey, UAE, Saudi Arabia, South Africa, and Morocco—recorded declines, reflecting weaker sectoral performance and cautious investor behavior. While India and South Korea showed relative resilience. Overall emerging market equities faced broad-based downward pressure, highlighting ongoing sensitivity to both domestic challenges and global risk factors, as well as the effects of the increased energy prices due to Middle East war.

Inflation Rate

Policy Rate

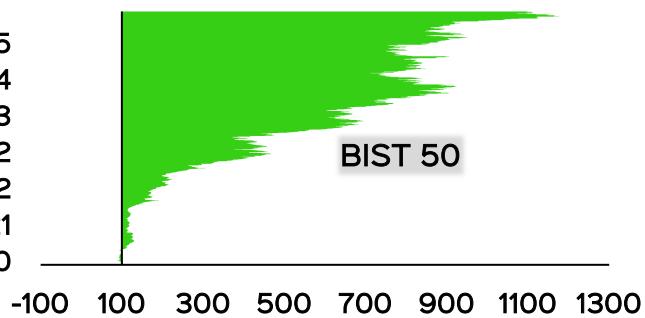
LUC/USD

Stock Market

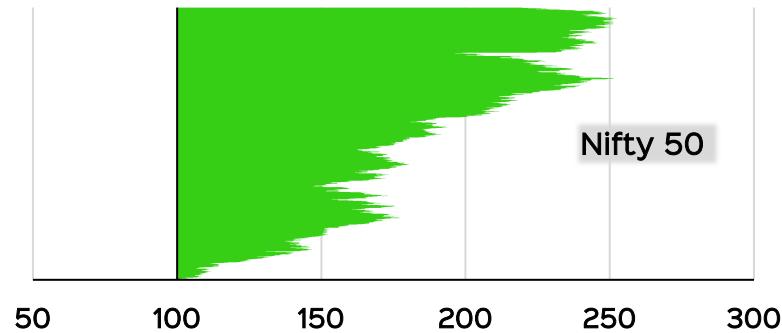
Bond Market

Turkey

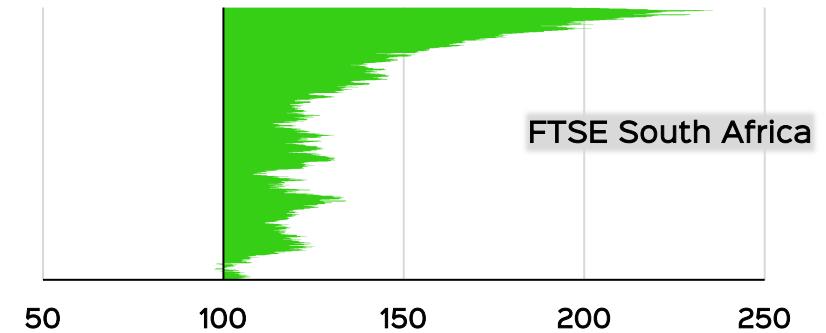
12/6/2025
08/14/2024
10/17/2023
12/16/2022
02/21/2022
04/22/2021
1/7/2020



India

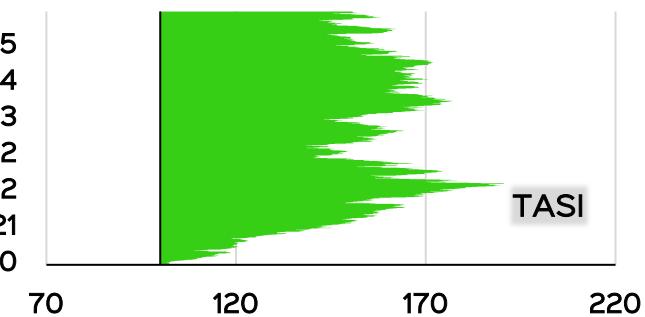


South Africa

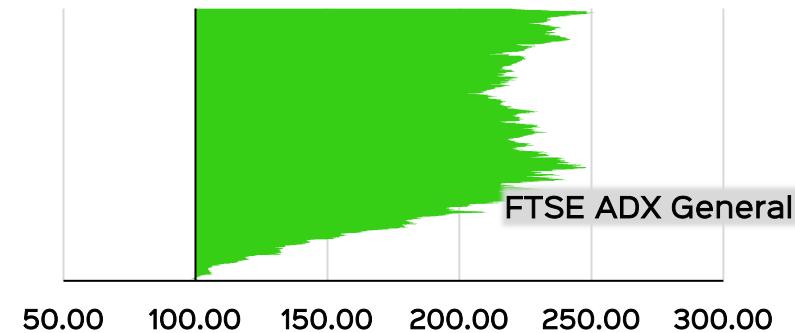


Saudi Arabia

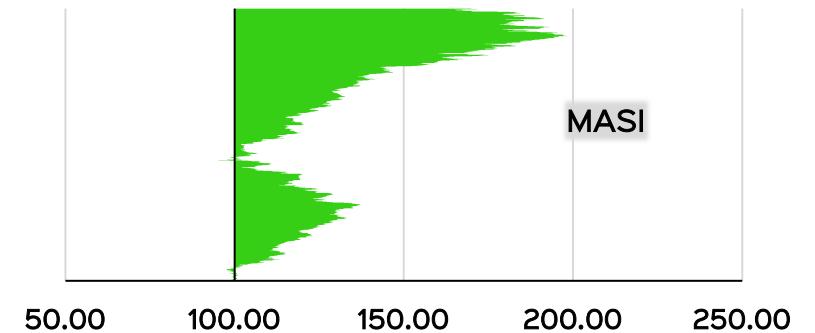
1/6/2025
08/22/2024
10/24/2023
12/22/2022
02/21/2022
04/25/2021
1/7/2020



UAE

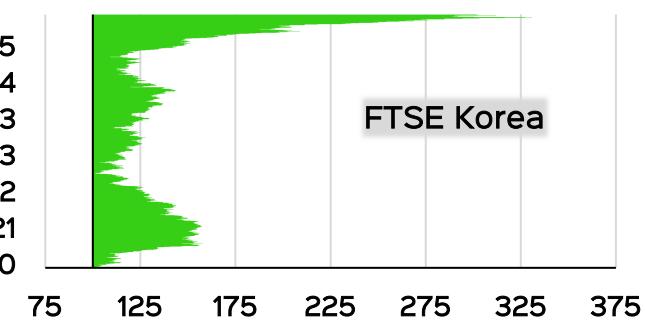


Morocco

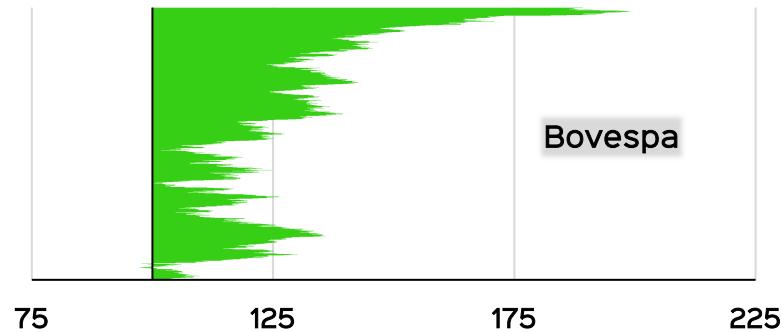


South Korea

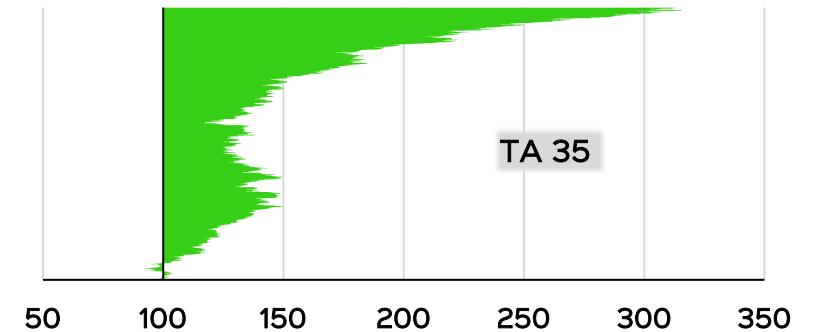
6/6/2025
8/12/2024
7/12/2023
1/2/2023
03/25/2022
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1/7/2020



Brazil

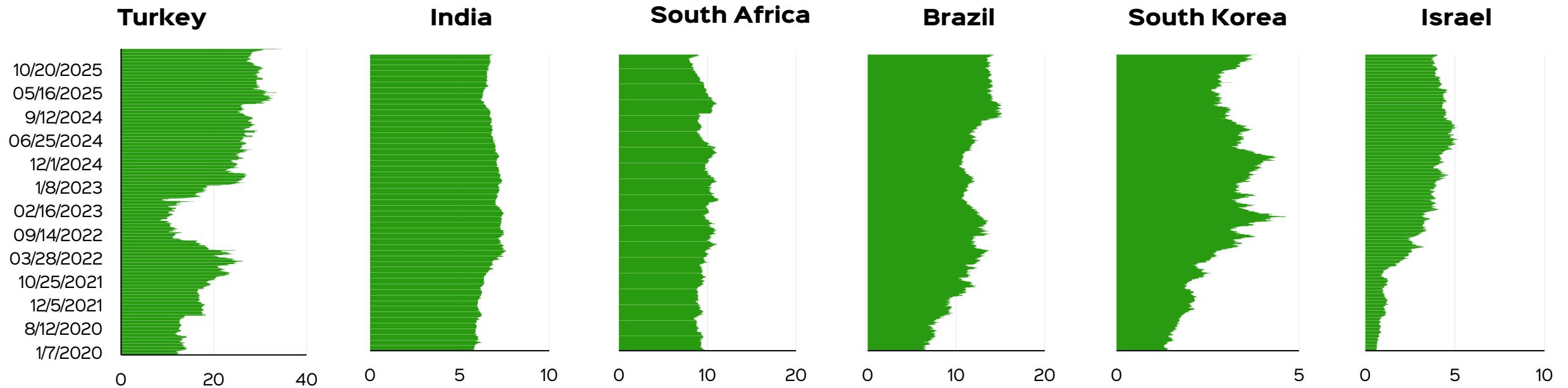


Israel

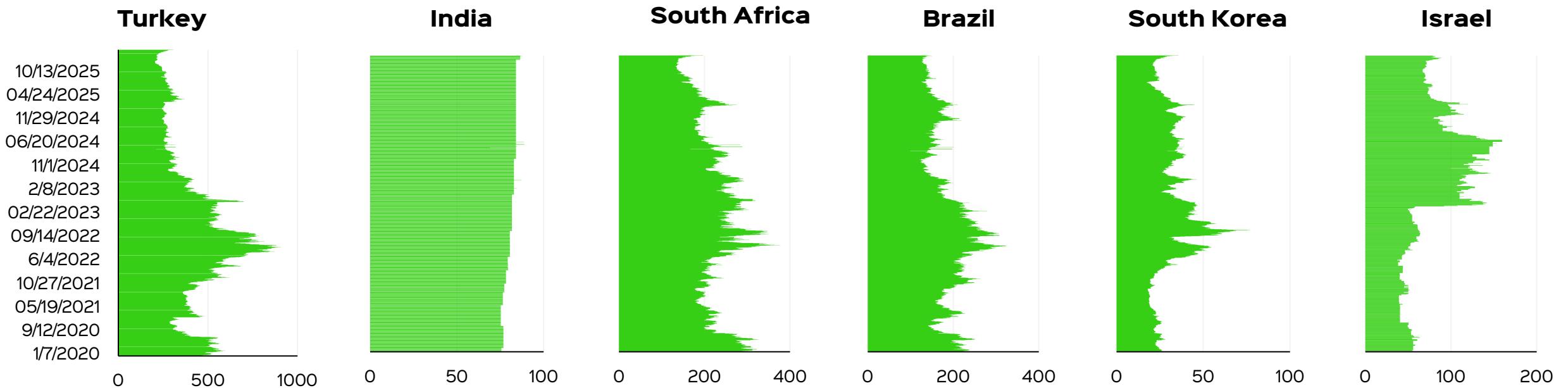


Ten-year government bond yields across most emerging markets rose over the past month, reflecting renewed investor caution and evolving monetary policy expectations. Yields in Turkey, India, Israel, South Africa, South Korea, and Brazil increased, signaling higher borrowing costs amid domestic and external uncertainties. At the same time, credit default swaps (CDSs) also rose across all these markets, indicating heightened perceived sovereign risk and more cautious investor sentiment. Overall, emerging market debt markets experienced broad-based upward pressure, balancing domestic fundamentals with sensitivity to global financial and geopolitical risks.

10-Year Bond Yield



5-Year CDS



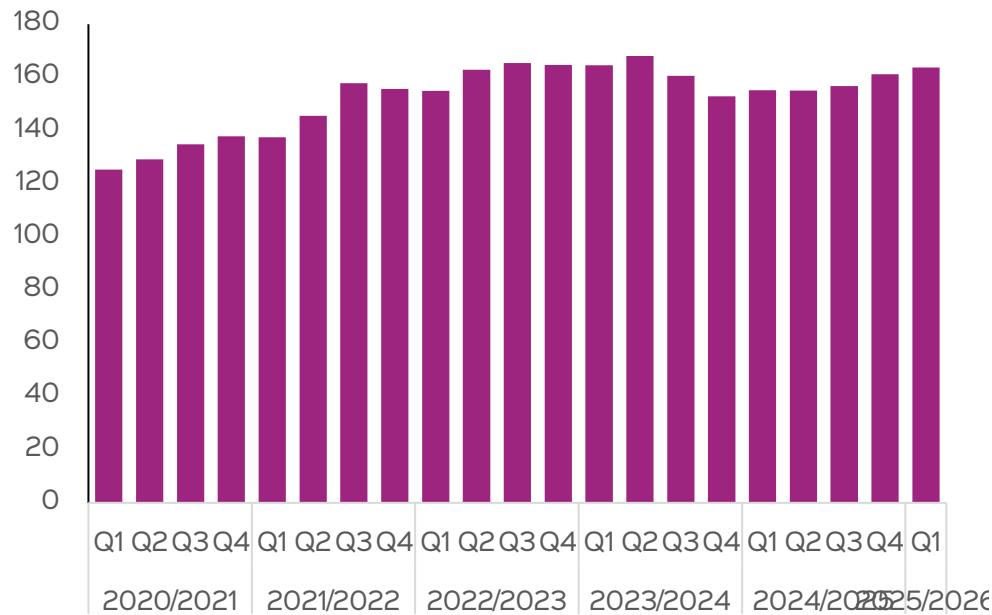
Inflation Rate
Policy Rate
LUC/USD
Stock Market
Bond Market

Egypt 10-year government bond yield has increase due to continued growth in total external debt and high upcoming debt service obligations, reflecting modest market repricing amid cautious investor sentiment. CDSs have also spiked reflecting increased investors risk perception. External debt levels and debt service requirements remained elevated due to new borrowing needs and higher financing costs. Meanwhile, credit default swaps (CDSs) increased, indicating heightened perceived risk despite gradual improvements in domestic financial conditions. Overall, Egypt debt markets demonstrated short-term resilience while navigating elevated external obligations, highlighting ongoing challenges for long-term debt sustainability.

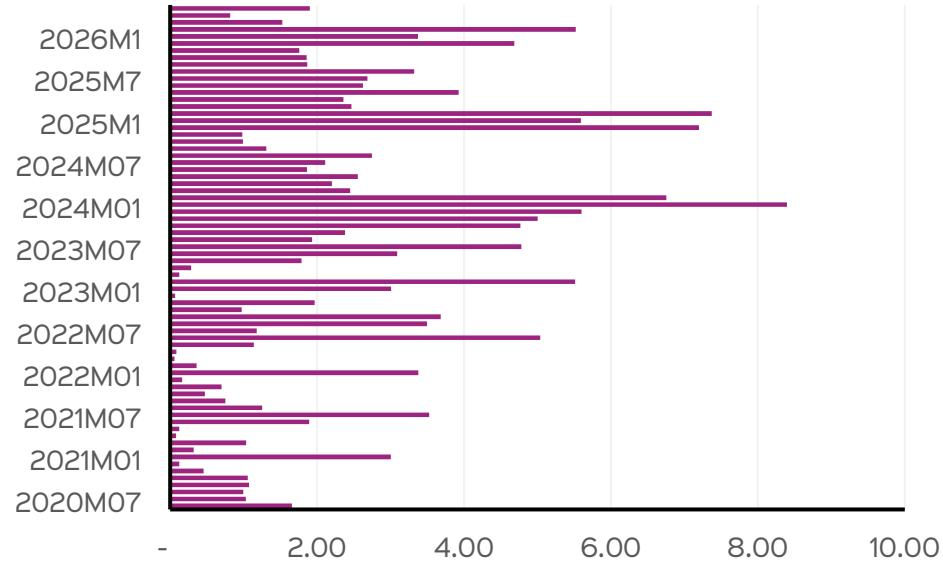
External Position

Local Developments

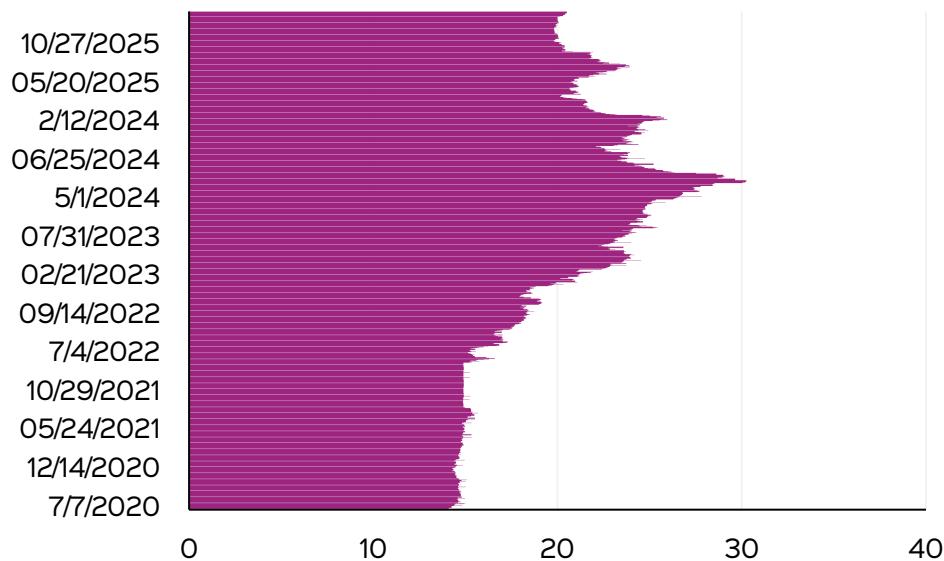
Total External Debt (bn \$)*



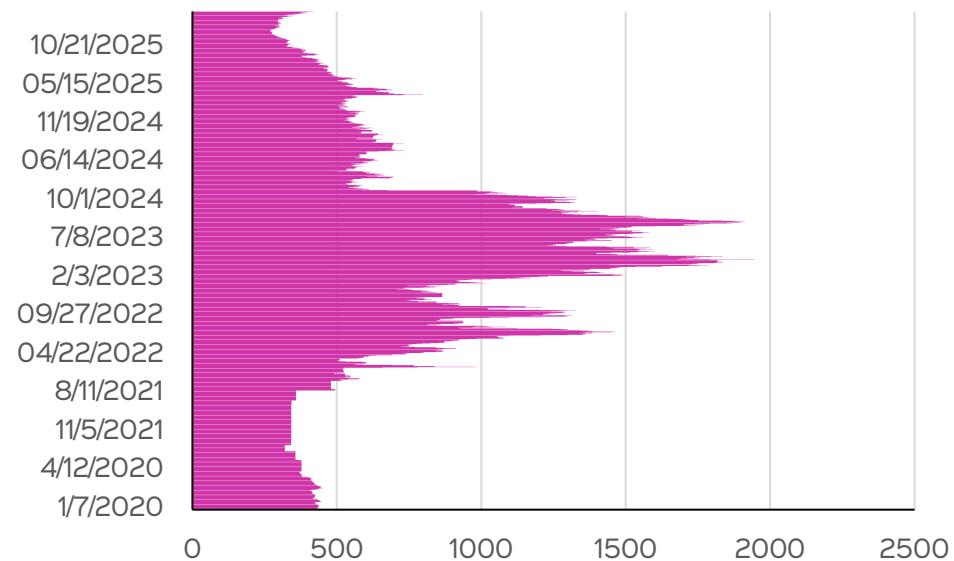
External Debt Service (bn \$)*



Egypt 10-Year Bond Yield



5Y CDS, Egypt



S&P Global Ratings
B Positive

Fitch Ratings
B Stable

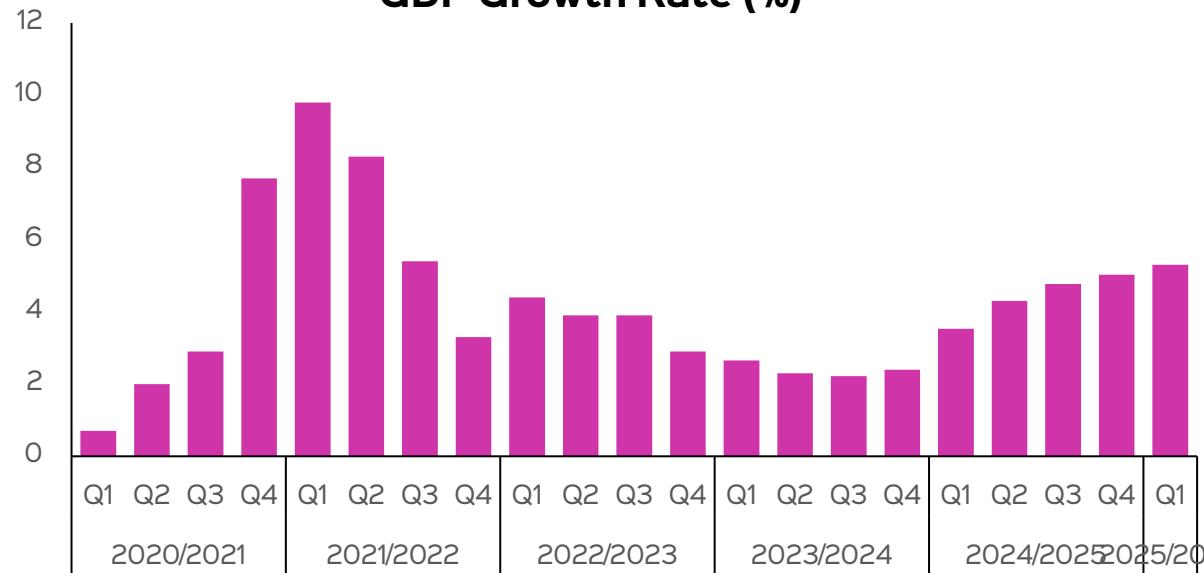
MOODY'S INVESTORS SERVICE
Caa1 Positive

After the ongoing recovery trajectory of the economy over the past few months, Egypt macroeconomic indicators started witnessed a pushback as a result of the Middle East war and its implications on energy prices and inflation. 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 declined, pointing to slightly tighter domestic liquidity conditions. Overall, stable GDP growth, rising inflation, and continued monetary easing indicate a gradual recovery, albeit with ongoing sensitivity to both domestic and external risks.

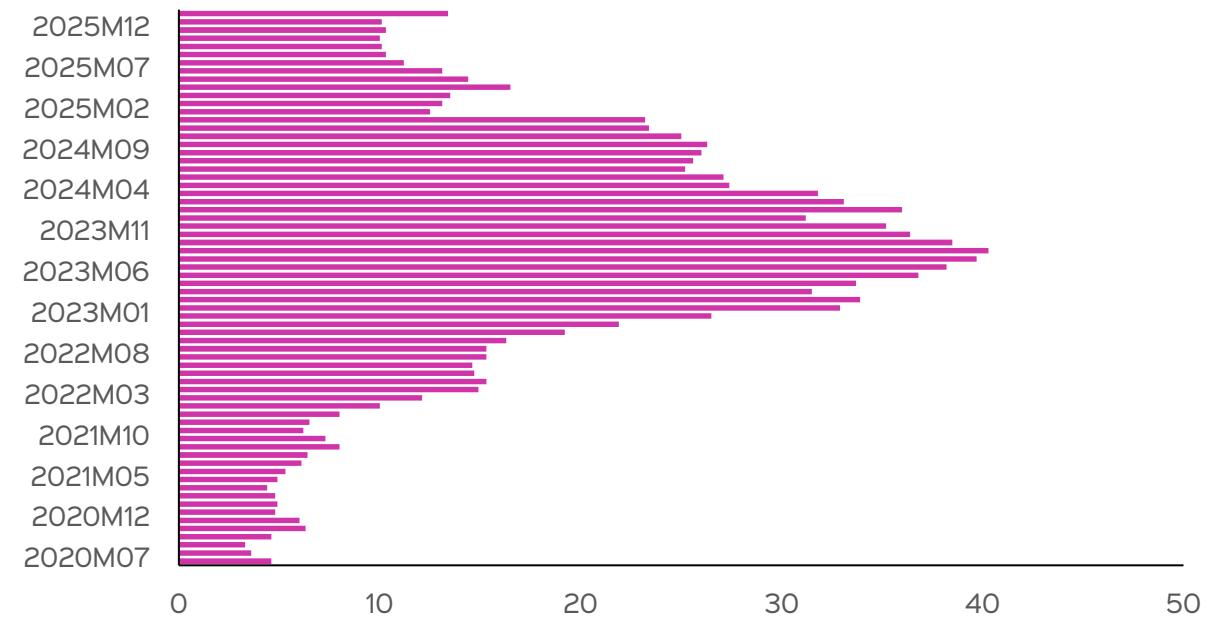
External Position

Local Developments

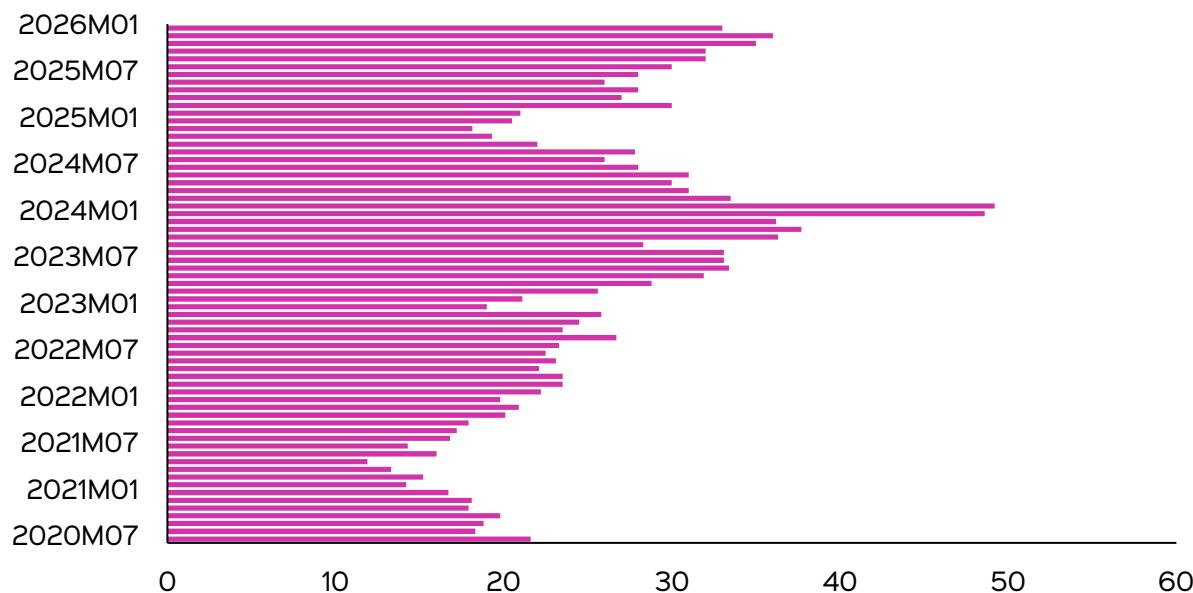
GDP Growth Rate (%)*



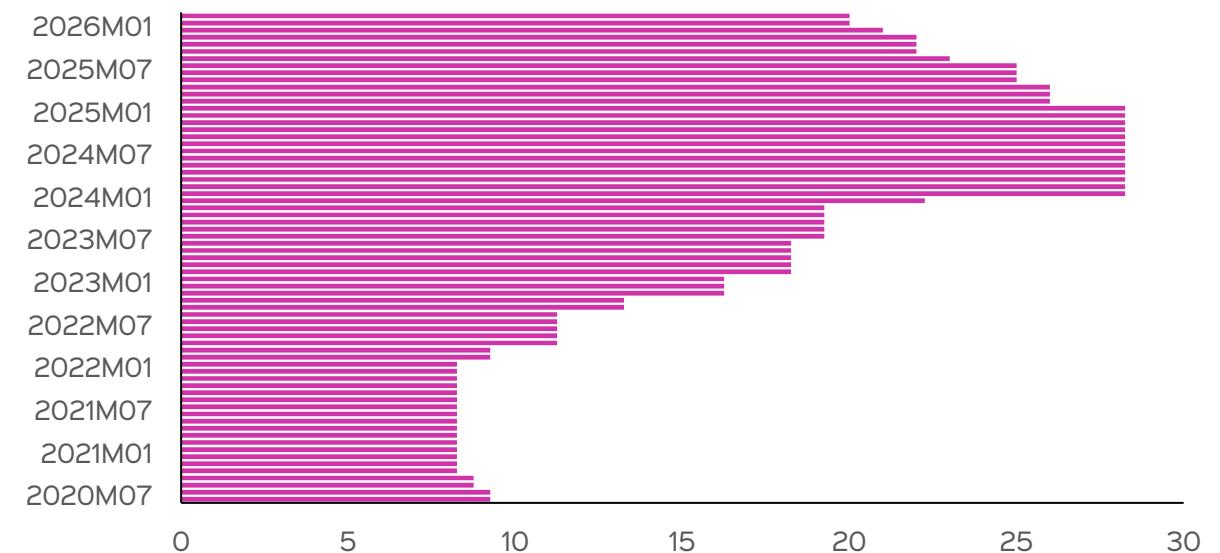
Inflation Rate (%)



Growth Rate of Money Supply (M1)*



Policy Rate (%)

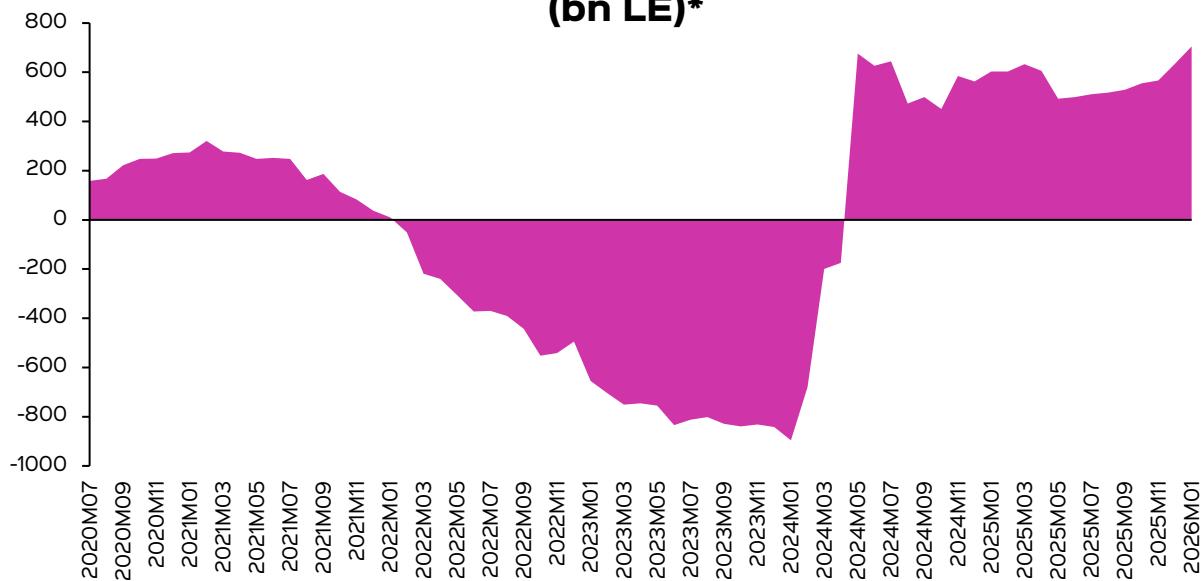


The Middle East war has resulted into the recent exit of hot money portfolios, which have reflected into a higher exchange rate across the market as well as a sharp correction in the stock market. Yet still the overall picture is within control subject to quick conclusion of the war. Central bank foreign reserves remained stable and remittances from Egyptians working abroad remained robust, contributing to overall external stability, at a time where hot money is exiting the market. The official exchange rate showed some fluctuations, reflecting changing market conditions, while the Egyptian Pound remained broadly supported and within acceptable limits. Meanwhile, the EGX 30 index declined, pressured by weaker investor sentiment and a less favorable external environment.

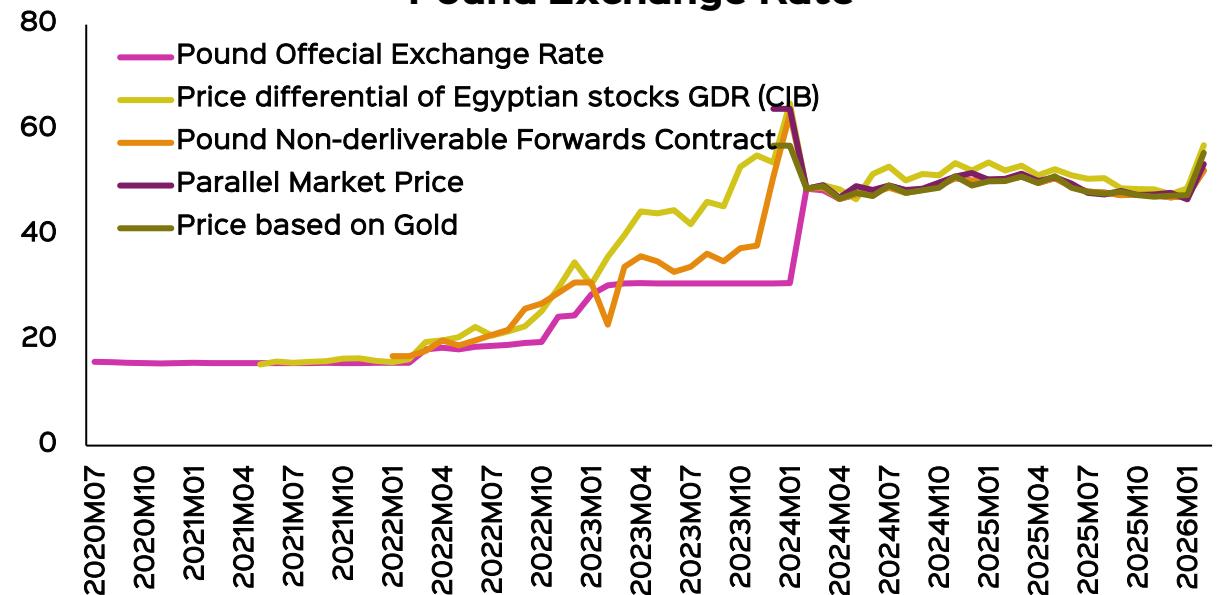
External Position

Local Developments

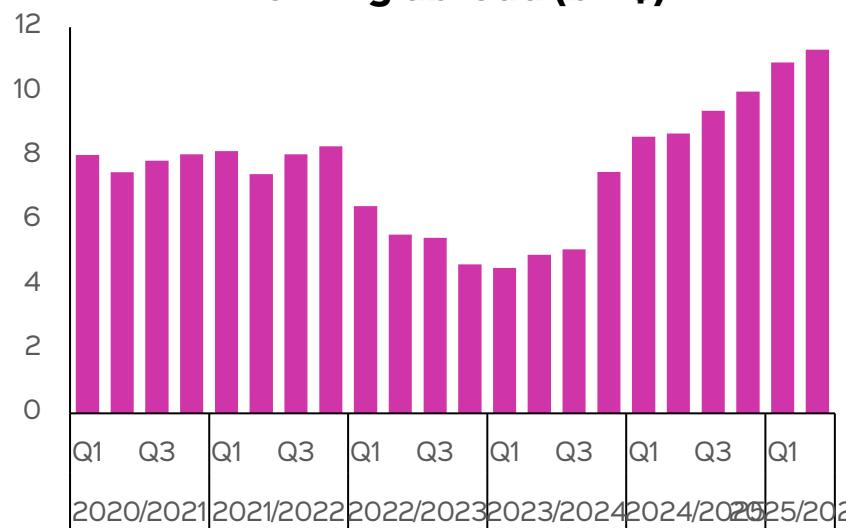
Net Foreign Assets of the Banking System (bn LE)*



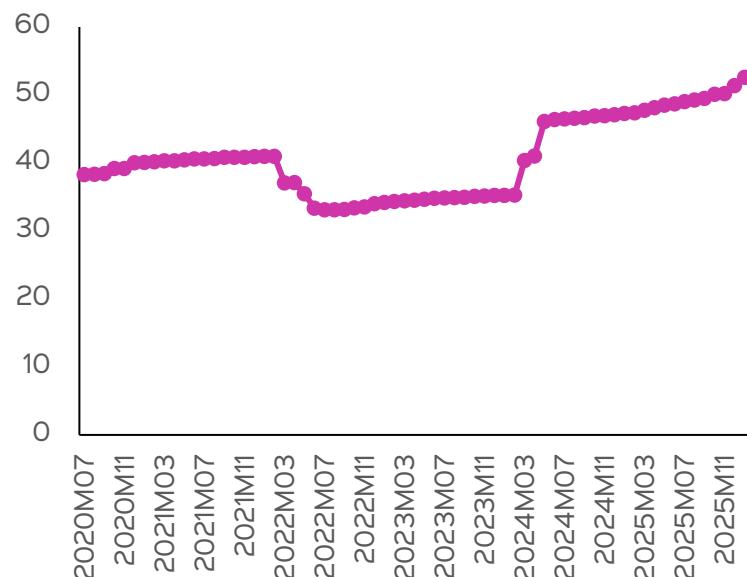
Pound Exchange Rate



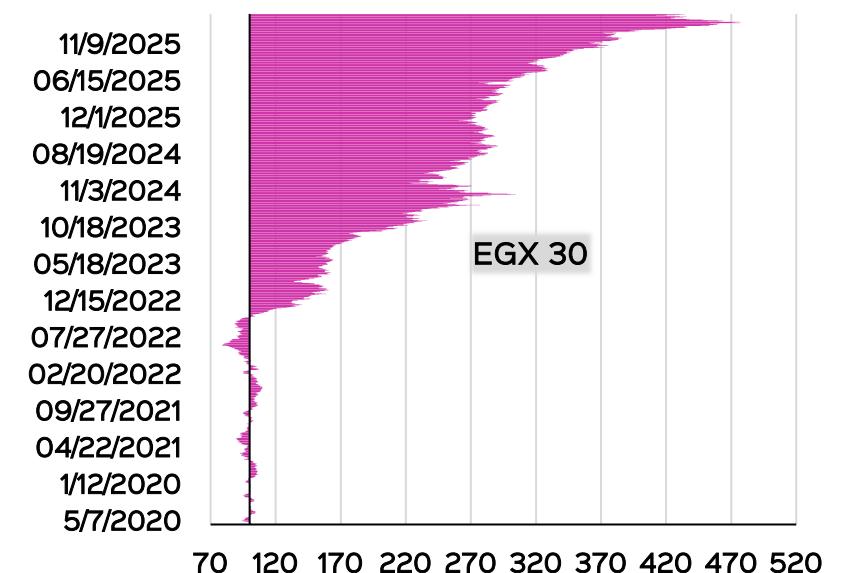
Remittances of Egyptians working abroad (bn \$)



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.

