



Financial Markets Snapshot

Issue 30
 June 2026

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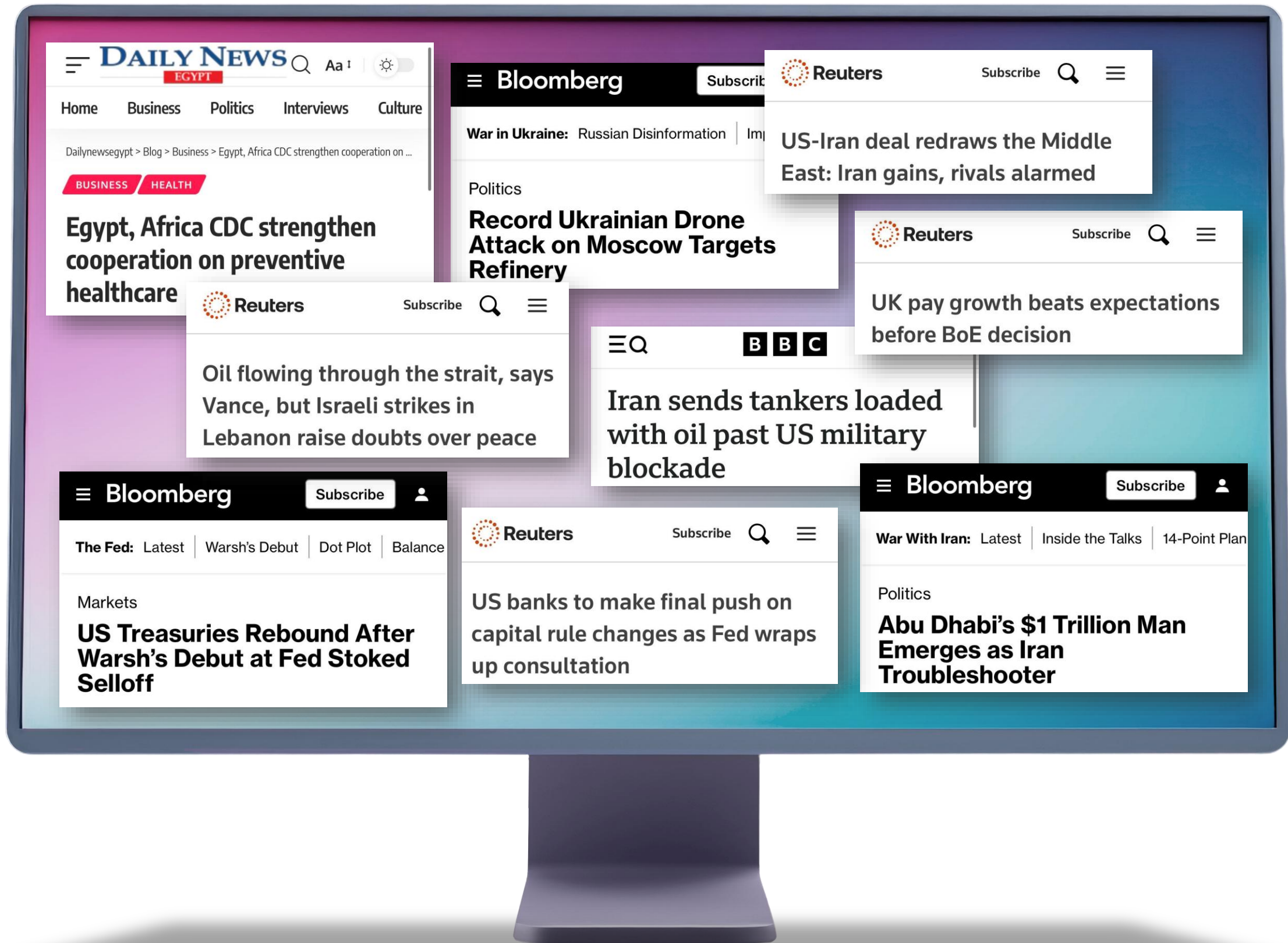
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About The Report

- 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, particularly energy commodities, witnessed mixed movements over the past month, with oil, natural gas and gold going down, while the other key commodities remained stable or increased slightly.
- Global inflation has been picking up over the past month, with inflationary pressures persisting in most major economies. As a result, some global Central banks started to raise rates like EU while others follow a cautious and data-dependent approach.
- Global equity markets continued to record broadly positive performance over the past month, supported by resilient investor sentiment and sustained corporate earnings despite ongoing geopolitical and economic uncertainties.
- Sovereign bond markets showed mixed movements over the past month as investors continued to assess inflation dynamics and the outlook for monetary policy easing across major economies

Emerging Markets



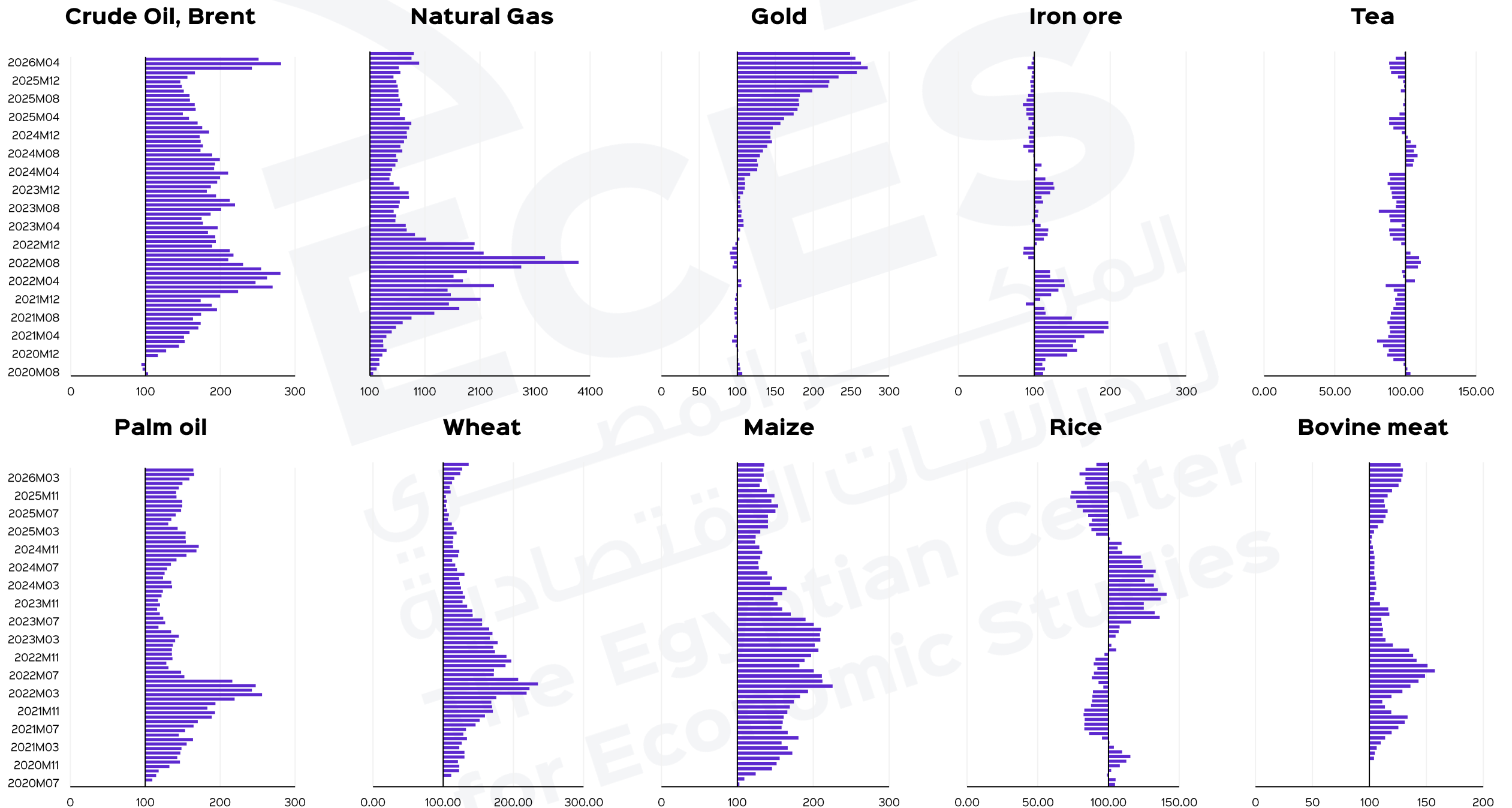
- Inflation trends across emerging markets continued to show broad upward pressure over the past month, with most economies recording higher inflation rates amid persistent food and energy price pressures.
- Monetary policy across emerging markets remained broadly cautious over the past month, as most Central banks, except South Africa, maintained policy rates unchanged amid persistent inflationary pressures.
- Emerging markets currencies showed mixed performance against the US Dollar over the past month, reflecting divergent domestic conditions and shifting investor sentiment amid ongoing global uncertainty.
- Emerging markets equities showed broadly weaker performance over the past month, as investor sentiment remained pressured by ongoing geopolitical tensions, global economic uncertainty, and cautious risk appetite.
- Sovereign bond yields edged higher across most Emerging markets amid persistent inflation concerns and evolving monetary policy expectations. Sovereign risk perceptions improved modestly across most markets, reflecting relatively stable investor sentiment.

Egyptian Local Market



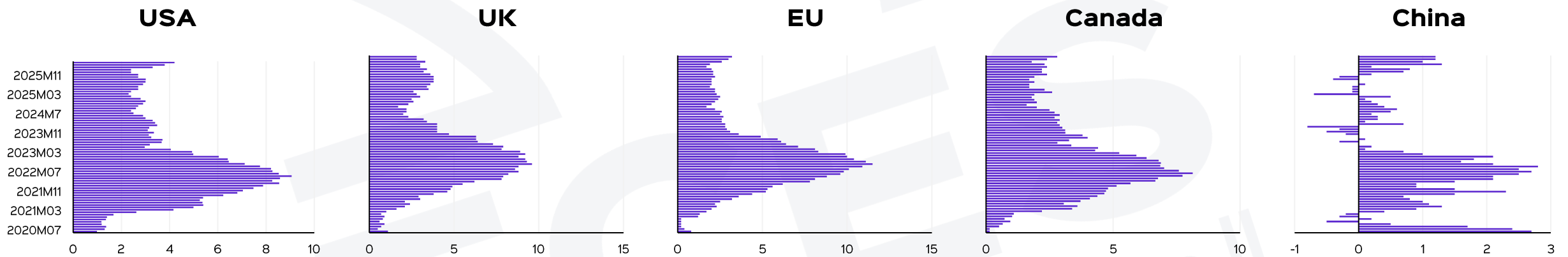
- Egypt 10-year government bond yield increased further over the past month, driven by continued increase in total external debt and elevated upcoming debt service obligations. While CDSs stay stable and contained further as US-Iran deal evolves.
- Despite continued external pressures, Egypt macroeconomic indicators showed broadly stable performance and economic activity stayed on track, while monetary policy continued to reflect a cautious stance amid evolving inflation dynamics.
- Despite ongoing geopolitical tensions, the recent US–Iran diplomatic progress and gradual market adaptation to the regional environment supported a mixed but generally improving performance in Egypt’s external sector indicators, alongside stronger remittance inflows and rising net foreign assets in the banking system.

Commodity markets, particularly energy commodities, witnessed mixed movements over the past month, with oil, natural gas and gold going down, while the other key commodities remained stable or increased slightly. Energy prices softened, as crude oil prices declined from previous highs, while natural gas prices also remained under downward pressure, thanks to US-Iran agreement. Agricultural commodities showed varied performance, with wheat prices recording the most notable increase, while rice and tea prices edged up only slightly. Meanwhile, gold prices retreated, reflecting easing safe-haven demand and expectations that the US Federal Reserve will maintain a relatively tight monetary stance.

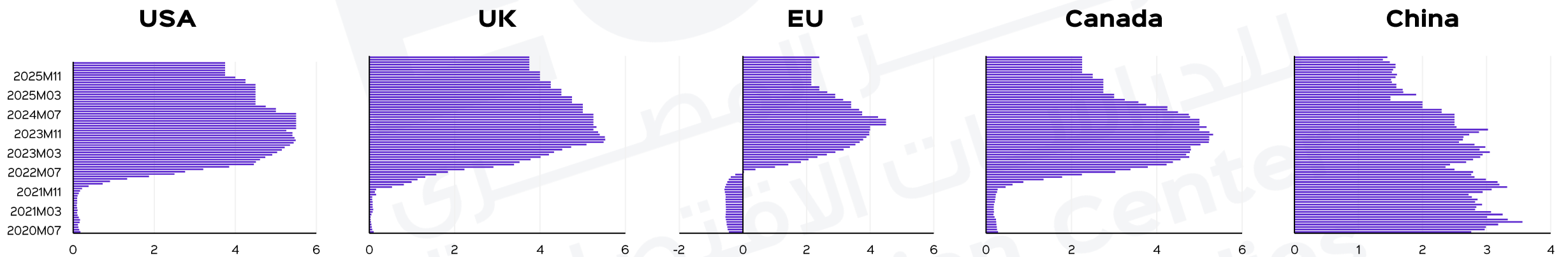


Global inflation has been picking up over the past month, with inflationary pressures persisting in most major economies. As a result, some global Central banks started to raise rates like EU while others follow a cautious and data-dependent approach. Inflation rates increased in the US and the Eurozone, while remaining broadly stable in the UK and China, reflecting divergent price dynamics across major economies. In response, policy rates remained unchanged in most markets, although the European Central Bank raised interest rates, signaling continued concerns over inflationary pressures. Meanwhile, currency markets reflected a stronger US Dollar, given the tighter stance followed by the US Fed.

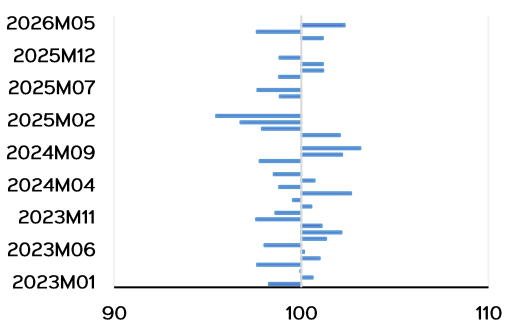
Inflation Rate



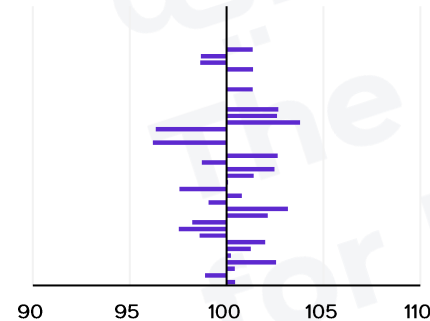
Policy Rate



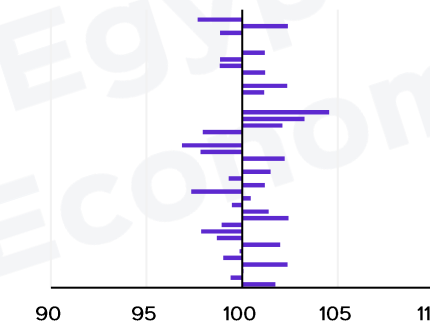
LCU / USD



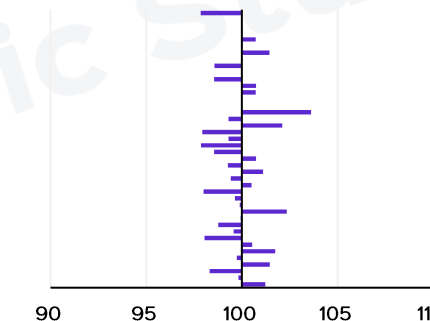
UK Pound



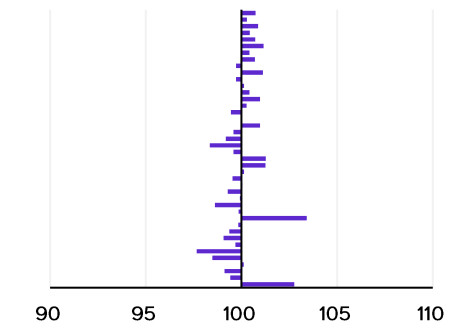
Euro



Canadian Dollar



Chinese Yuan



Commodity Markets
Main Rates

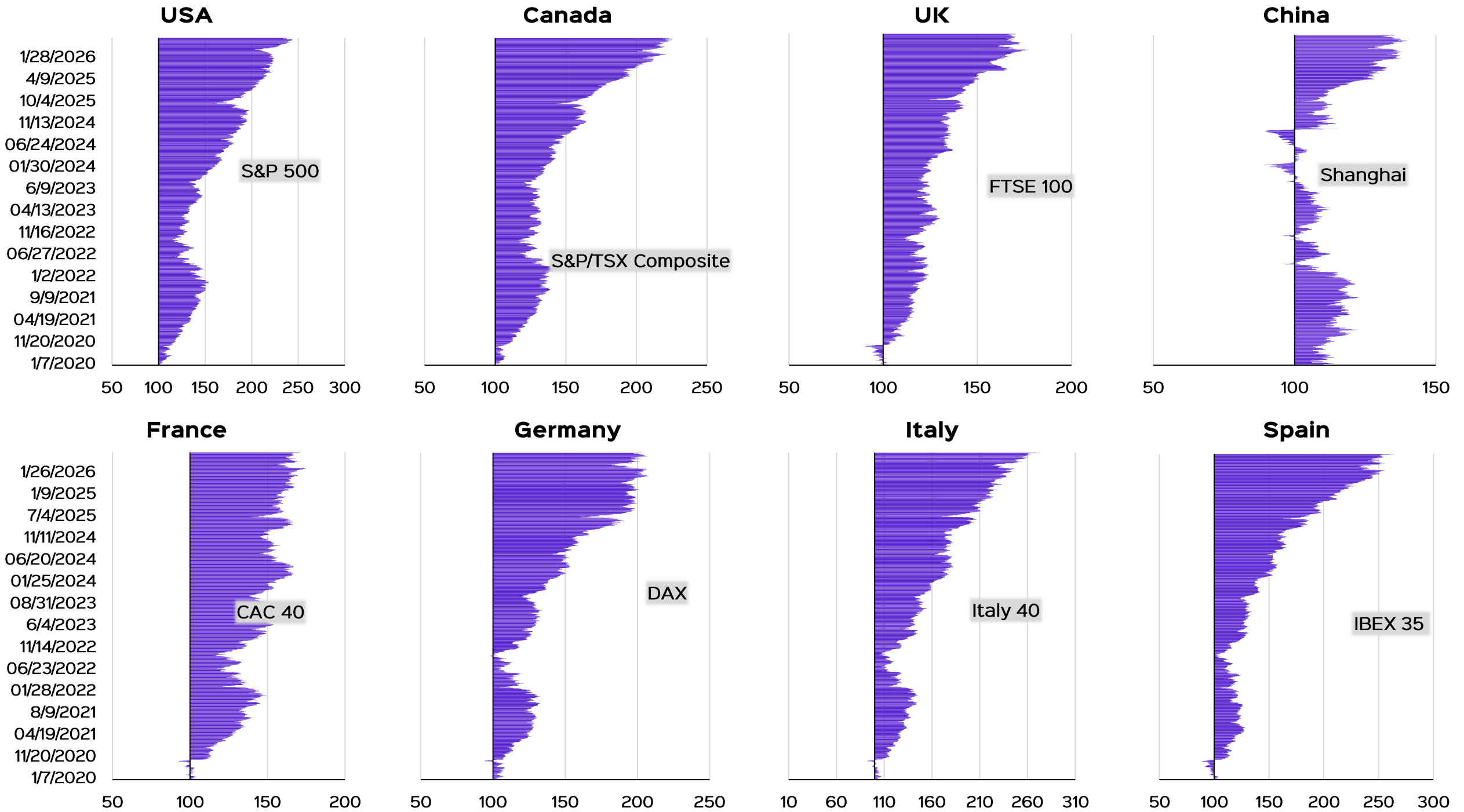
Stock Market
Bond Market

Global equity markets continued to record broadly positive performance over the past month, supported by resilient investor sentiment and sustained corporate earnings despite ongoing geopolitical and economic uncertainties. While performance varied across regions, most major markets maintained their upward momentum. US, Canadian, and Italian equities continued to move higher, reflecting solid market fundamentals and investor confidence, while European markets recorded relatively modest gains. In contrast, Chinese equities edged slightly lower, reflecting continued concerns over domestic economic conditions and weaker market sentiment.

Commodity Markets

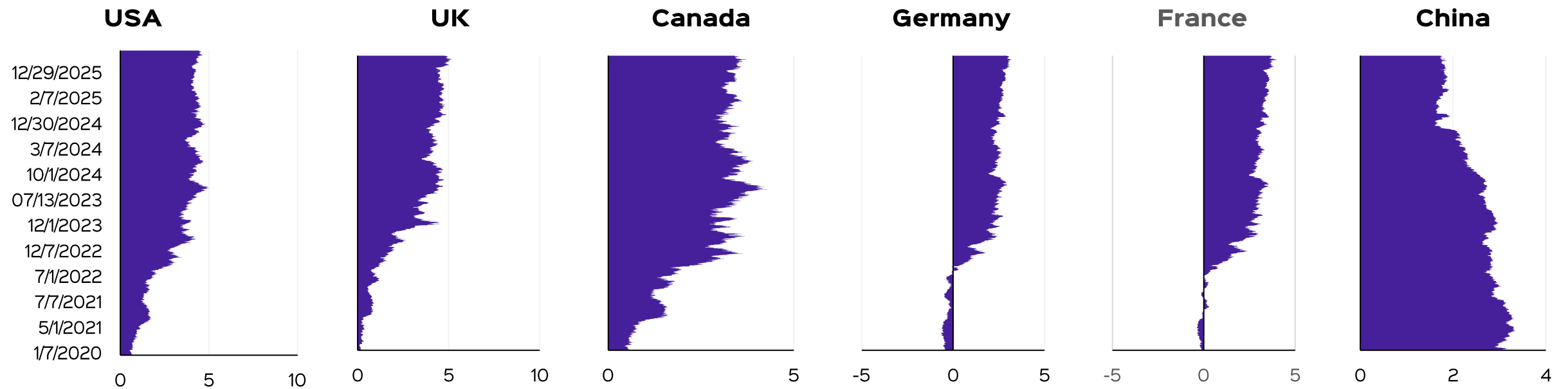
Stock Market

Bond Market

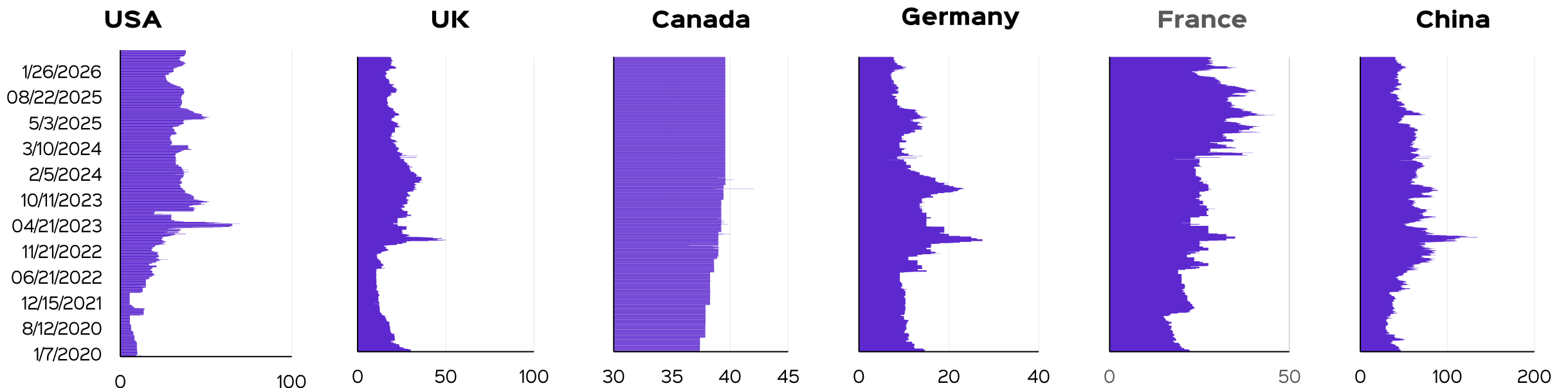


Sovereign bond markets showed mixed movements over the past month as investors continued to assess inflation dynamics and the outlook for monetary policy easing across major economies. At the same time, sovereign risk perceptions remained broadly stable despite slight changes in selected markets. Ten-year government bond yields remained elevated across most major economies, although the US recorded a slight decline, reflecting easing market expectations regarding future interest rate pressures. Meanwhile, credit default swaps (CDSs) edged higher in the US, pointing to a modest increase in perceived sovereign risk, while CDS movements across other major economies remained relatively stable or recorded slight declines.

10-Year Bond Yield



5-Year CDS



Commodity Markets
Main Rates
Stock Market
Bond Market

Inflation trends across emerging markets continued to show broad upward pressure over the past month, with most economies recording higher inflation rates amid persistent food and energy price pressures, resilient domestic demand, and ongoing global uncertainty. Inflation accelerated across the majority of the selected emerging markets, highlighting the continued challenge of containing price pressures despite relatively tight monetary conditions in several economies. Meanwhile, inflation data for the UAE has remained unavailable since January 2026 due to delays in official data publishing.

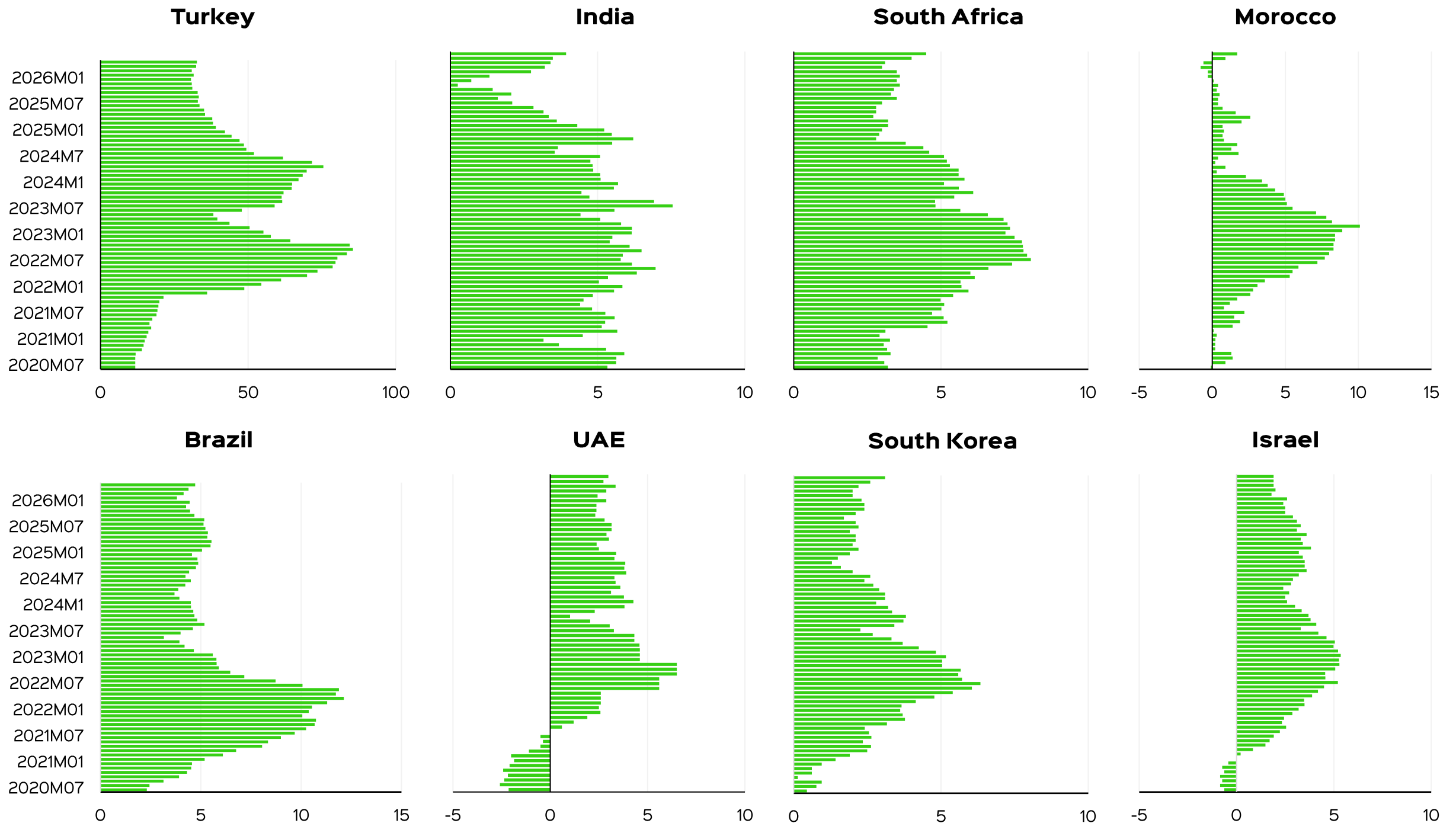
Inflation Rate

Policy Rate

LUC/UBS

Stock Market

Bond Market



Monetary policy across emerging markets remained broadly cautious over the past month, as most Central banks, except South Africa, maintained policy rates unchanged amid persistent inflationary pressures and continued uncertainty surrounding global financial conditions. Policy rates remained stable across Turkey, India, Morocco, South Korea, the UAE, and Brazil, reflecting a continued wait-and-see approach by monetary authorities despite elevated inflation in several economies. Meanwhile, South Africa was the only major market among the selected economies to record a policy rate increase, signaling a tighter monetary stance aimed at containing persistent inflationary pressures and supporting price stability.

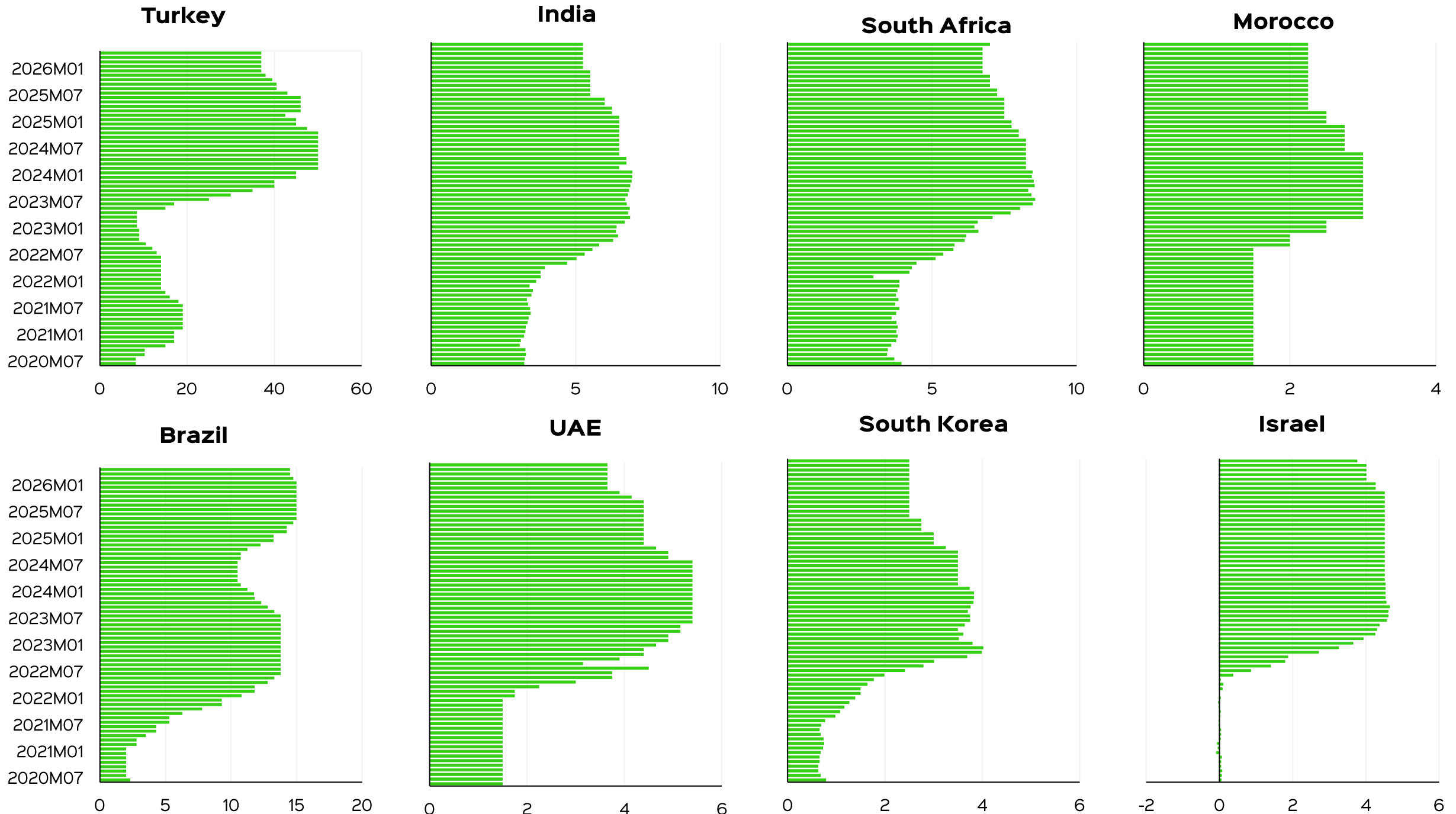
Inflation Rate

Policy Rate

LUC/UDC

Stock Market

Bond Market



Emerging markets currencies showed mixed performance against the US Dollar over the past month, reflecting divergent domestic conditions and shifting investor sentiment amid ongoing global uncertainty. The Turkish Lira, Brazilian Real, and Moroccan Dirham weakened against the US Dollar, reflecting continued domestic and external pressures. In contrast, the Indian Rupee, South African Rand, and South Korean Won strengthened slightly, supported by improving market sentiment and country-specific factors. Meanwhile, the UAE Dirham remained broadly stable given its peg to the US Dollar. Overall, currency movements across emerging markets remained uneven.

Inflation Rate

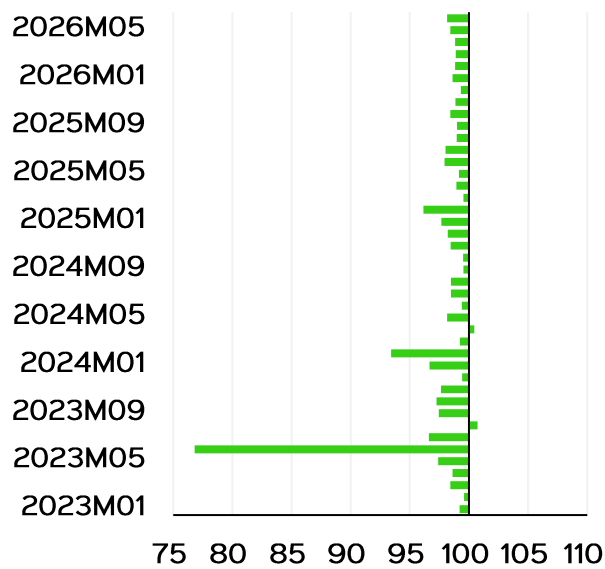
Policy Rate

LUC/USD

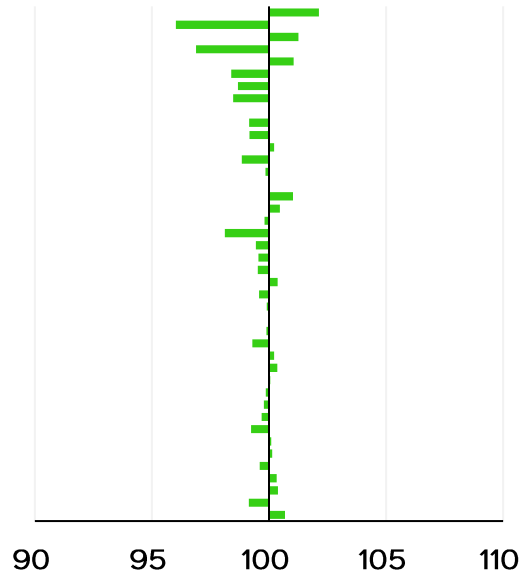
Stock Market

Bond Market

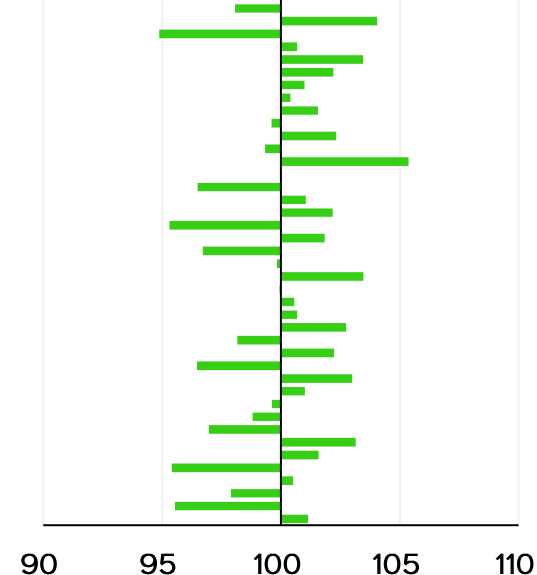
Turkish Lira



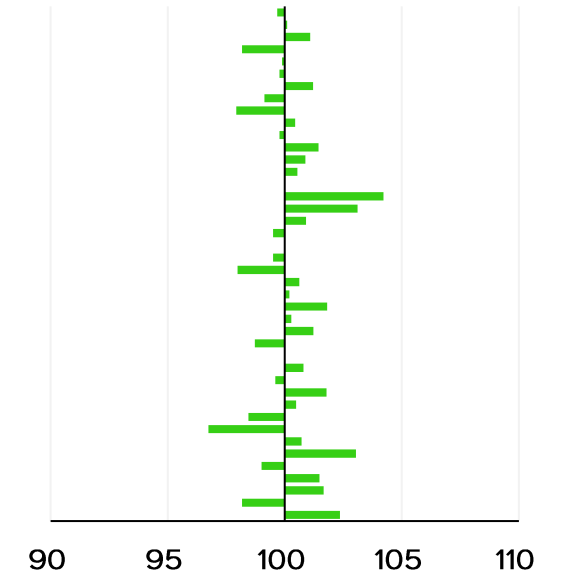
Indian Rupee



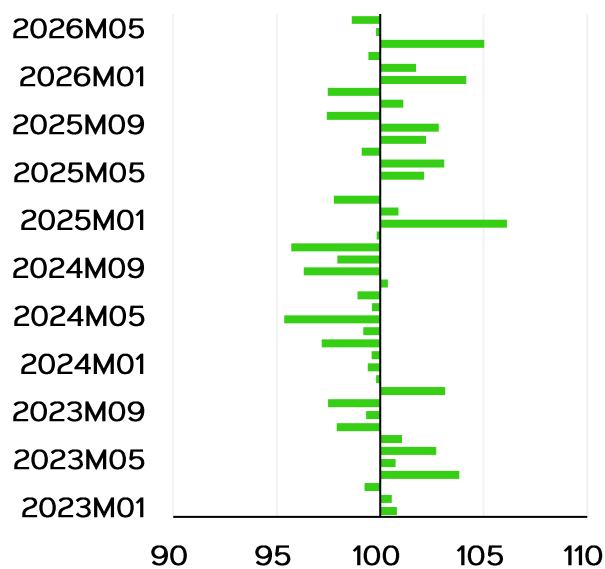
South African Rand



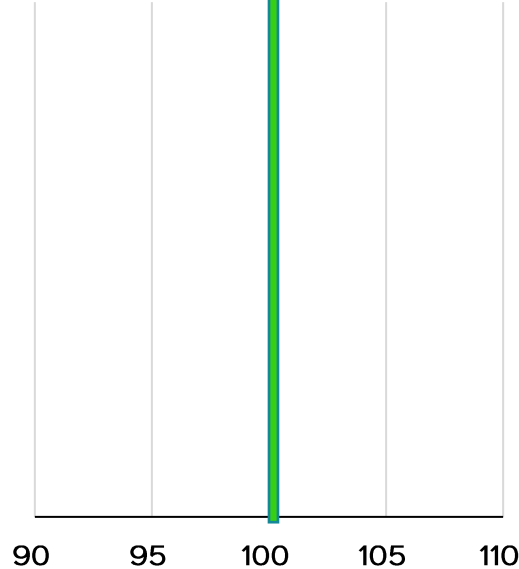
Moroccan Dirham



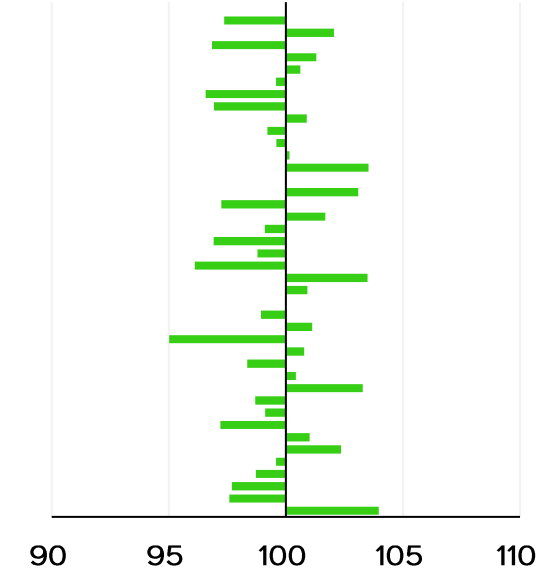
Brazilian Real



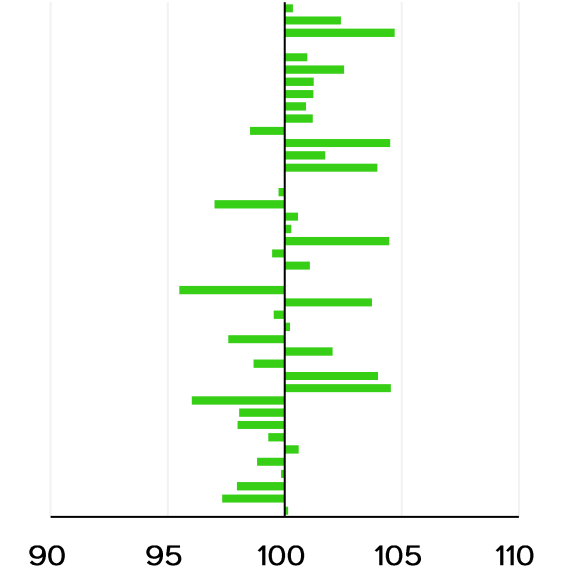
UAE Dirham



Korean Won

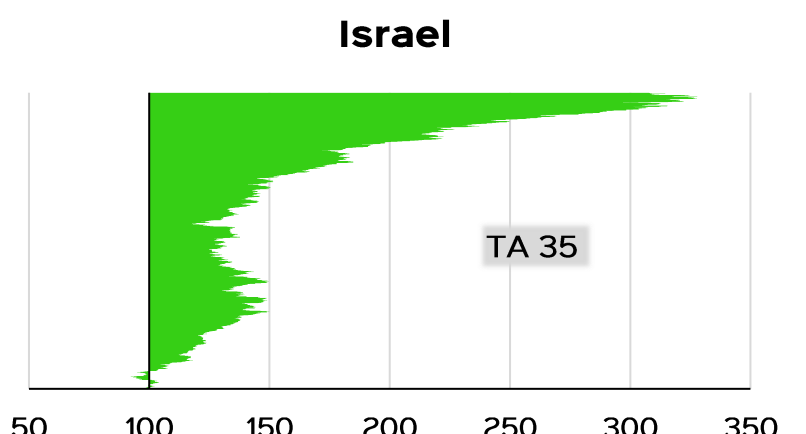
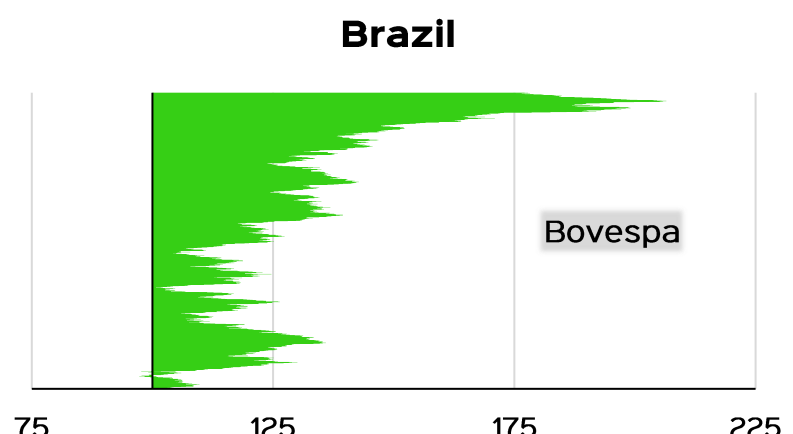
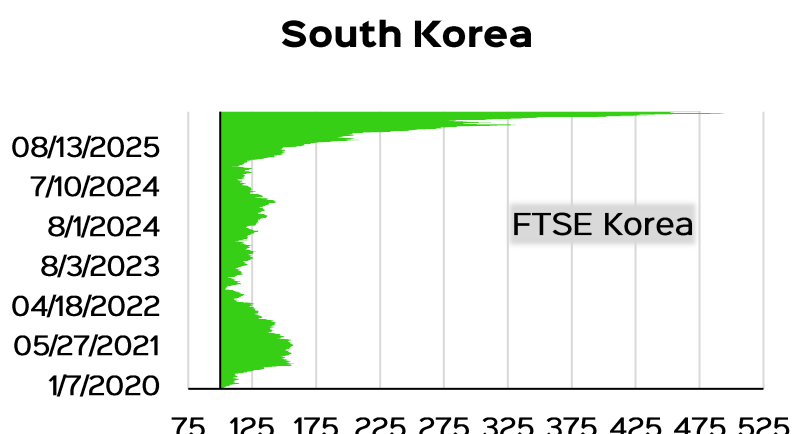
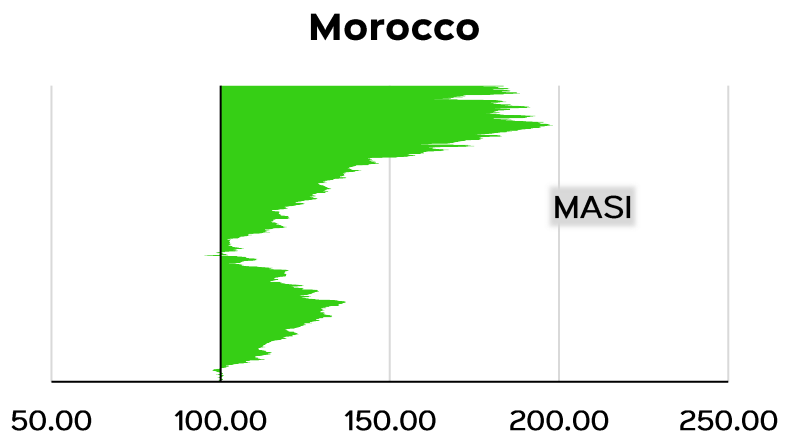
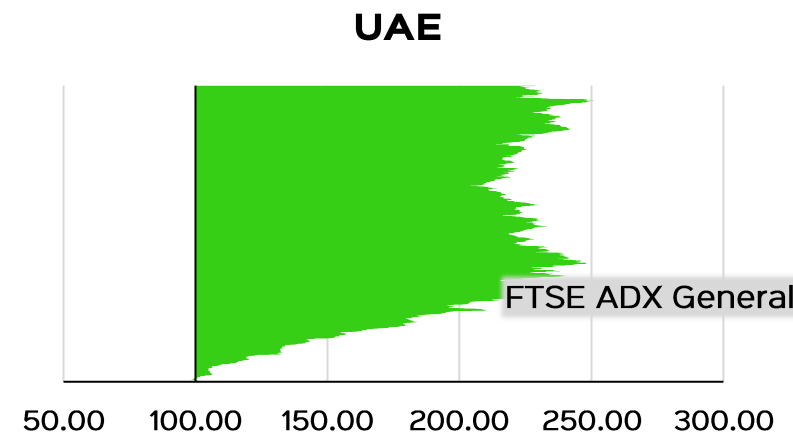
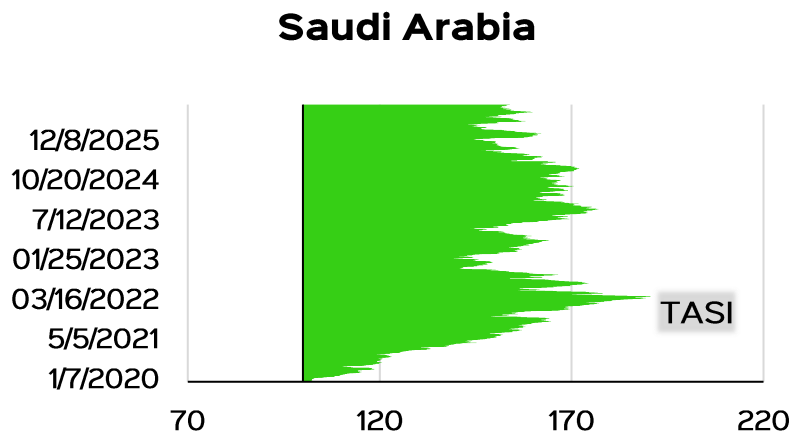
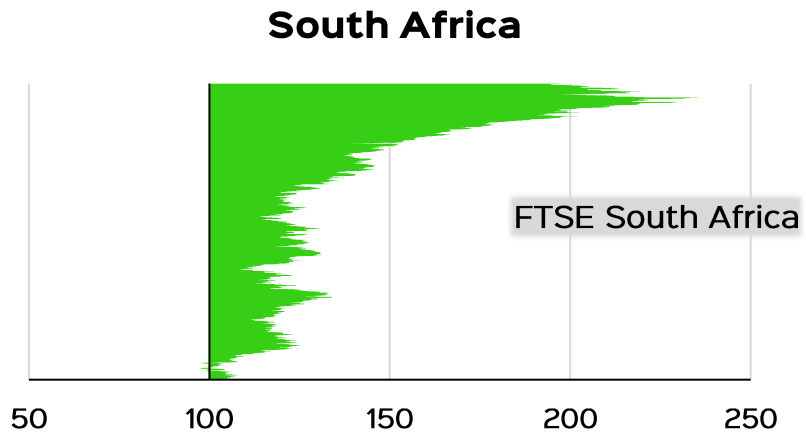
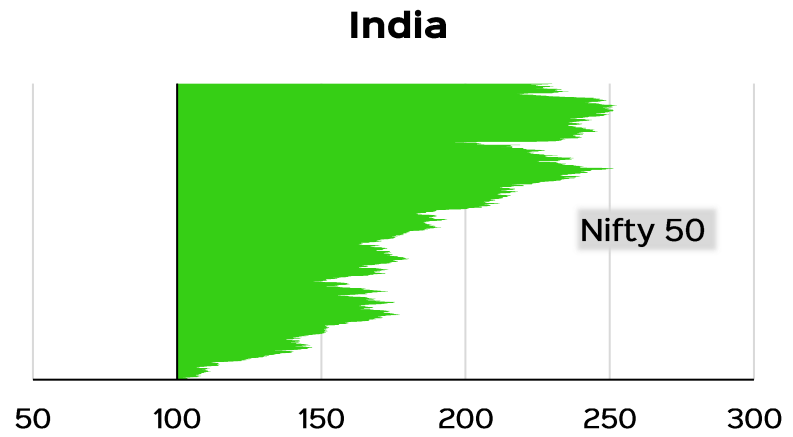
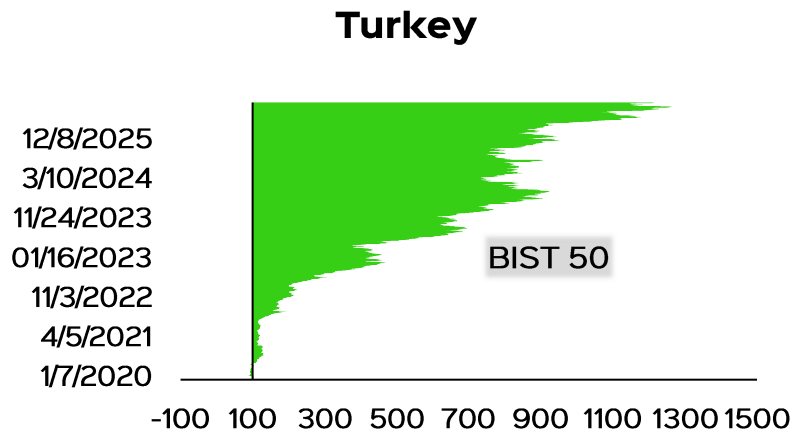


Israeli New Shekel



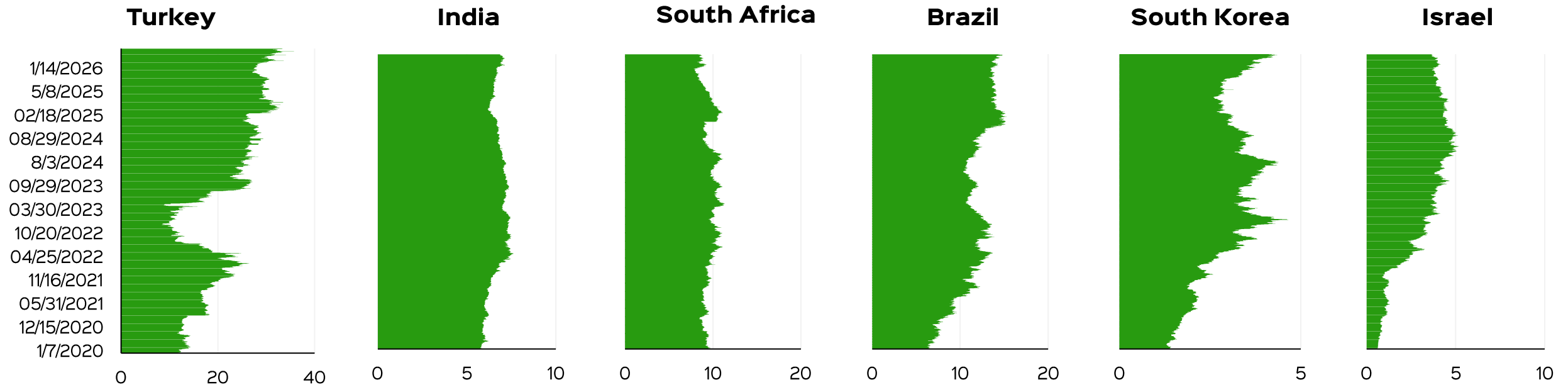
Emerging markets equities showed broadly weaker performance over the past month, as investor sentiment remained pressured by ongoing geopolitical tensions, global economic uncertainty, and cautious risk appetite. Equity markets in India, South Africa, Saudi Arabia, the UAE, Morocco, and Brazil witnessed slight declines, reflecting weaker investor sentiment and continued external headwinds. In contrast, Turkish and South Korean equities moved higher, supported by stronger domestic market dynamics and relatively resilient investor confidence. Overall, performance across emerging markets remained uneven, highlighting divergent economic conditions and country-specific drivers.

Inflation Rate
Policy Rate
LUC/USD
Stock Market
Bond Market

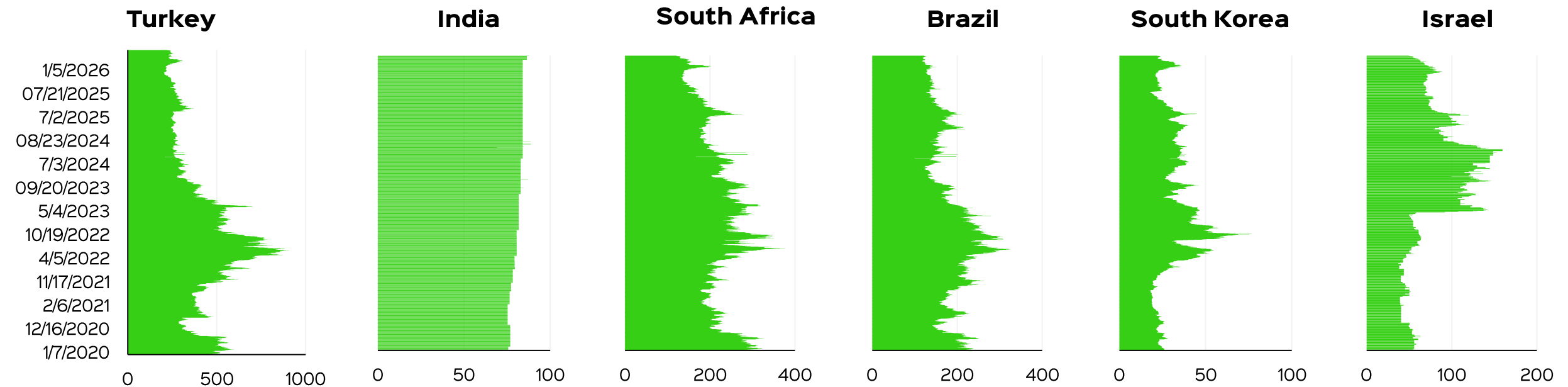


Sovereign bond yields edged higher across most Emerging markets amid persistent inflation concerns and evolving monetary policy expectations. At the same time, sovereign risk perceptions improved modestly across most markets, reflecting relatively stable investor sentiment. Ten-year government bond yields recorded slight increases across the selected emerging economies, indicating continued caution regarding inflation and financing conditions. Meanwhile, credit default swaps (CDSs) declined across most markets, including Turkey, South Africa, Brazil, and South Korea, pointing to lower perceived sovereign risk and improving confidence in emerging market debt despite challenging external conditions.

10-Year Bond Yield



5-Year CDS



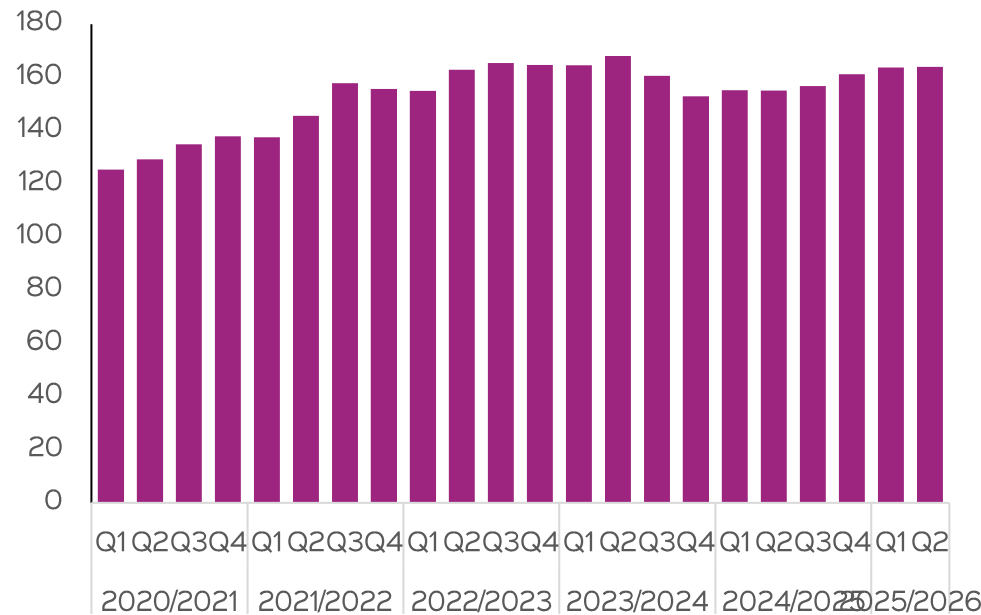
Inflation Rate
Policy Rate
LUC/USD
Stock Market
Bond Market

Egypt 10-year government bond yield increased further over the past month, driven by continued increase in total external debt and elevated upcoming debt service obligations. While CDSs stay stable and contained further as US-Iran deal evolves. Total external debt and external debt service requirements continued to increase, highlighting ongoing financing challenges and higher repayment commitments. At the same time, Egypt 10-year government bond yield moved higher, indicating increased financing costs. Meanwhile, Egypt 5-year credit default swaps (CDSs) declined, suggesting an improvement in perceived sovereign risk and stronger investor confidence despite the challenging external environment.

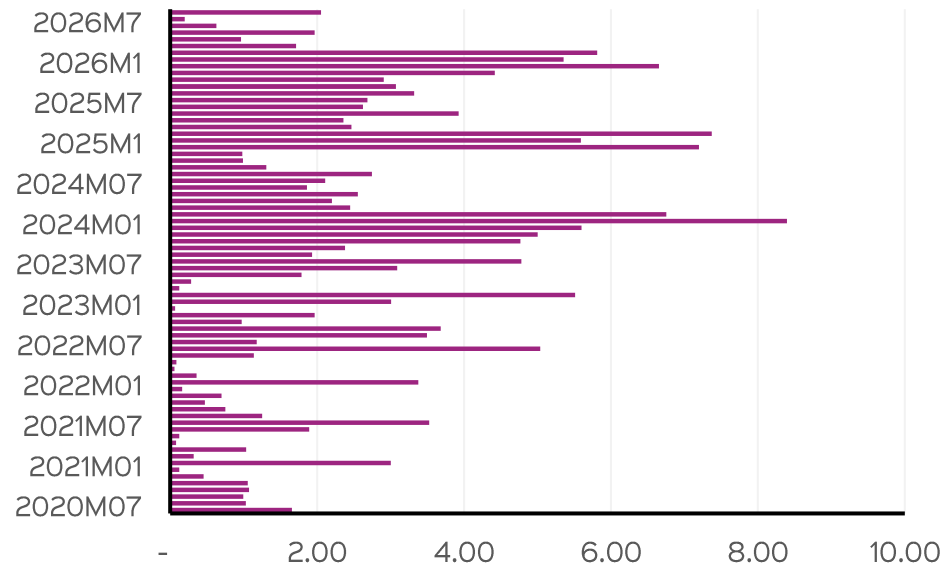
External Position

Local Developments

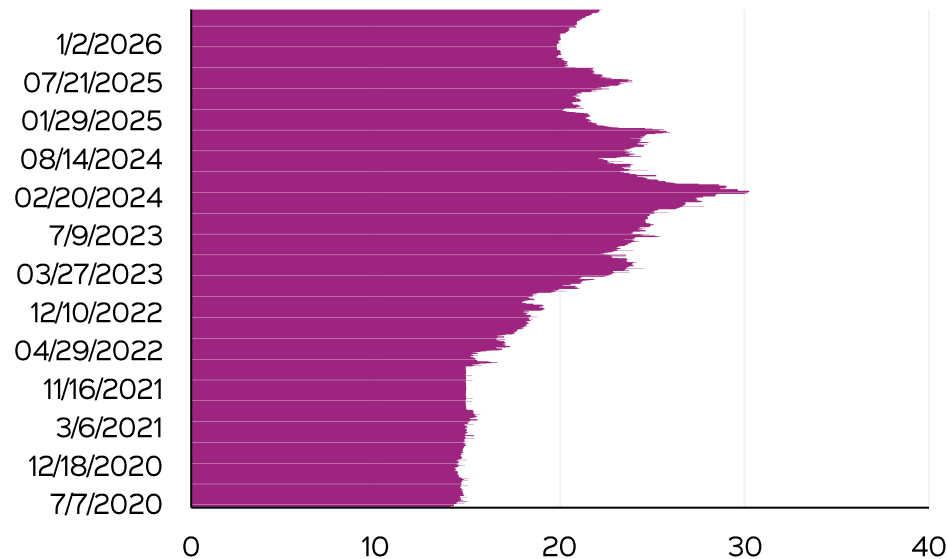
Total External Debt (bn \$)*



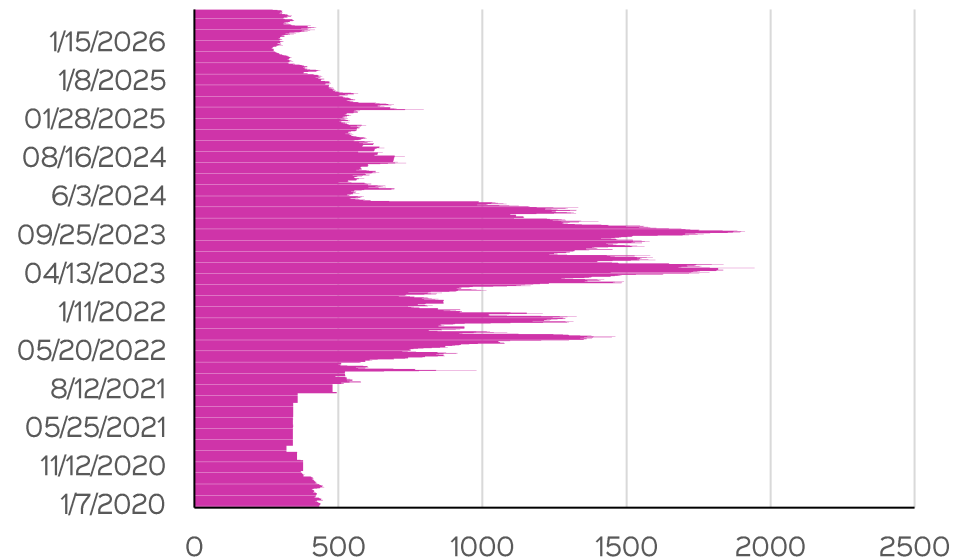
External Debt Service (bn \$)*



Egypt 10-Year Bond Yield



5Y CDS, Egypt



S&P Global Ratings

B Stable

Fitch Ratings

B Stable

MOODY'S INVESTORS SERVICE

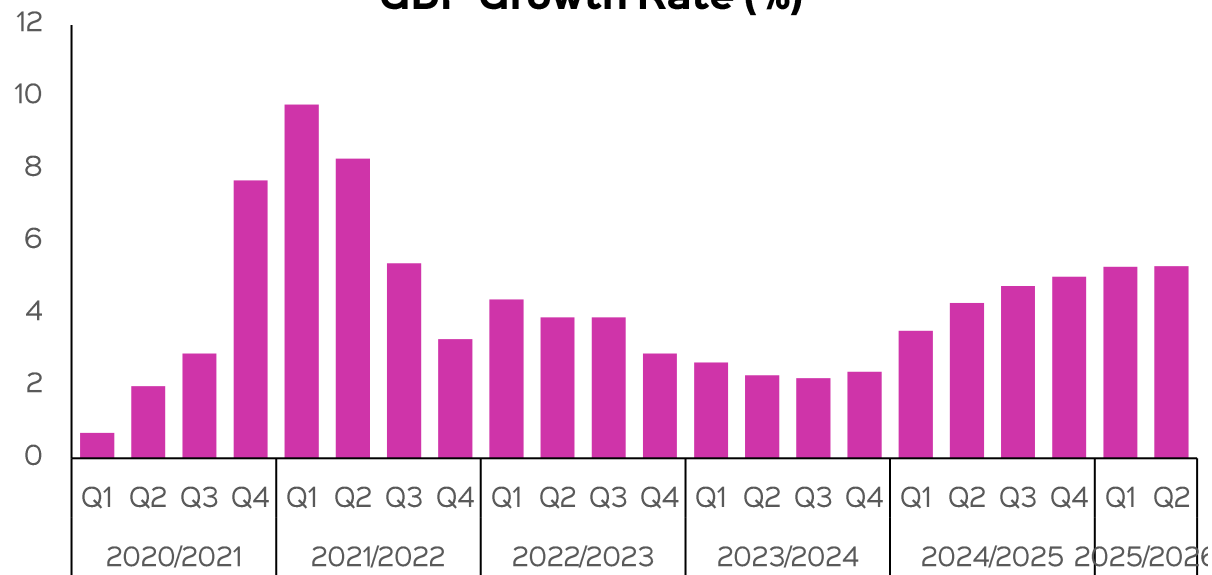
Caa1 Positive

Despite continued external pressures and ongoing geopolitical tensions, Egypt macroeconomic indicators showed broadly stable performance and economic activity stayed on track, while monetary policy continued to reflect a cautious stance amid evolving inflation dynamics. Inflation recorded a slight decline, suggesting limited easing in price pressures while remaining at relatively elevated levels. Meanwhile, the growth rate of money supply increased, pointing to improving domestic liquidity conditions, while the Central bank kept policy rates unchanged, maintaining a cautious and balanced monetary stance amid persistent inflationary and external risks.

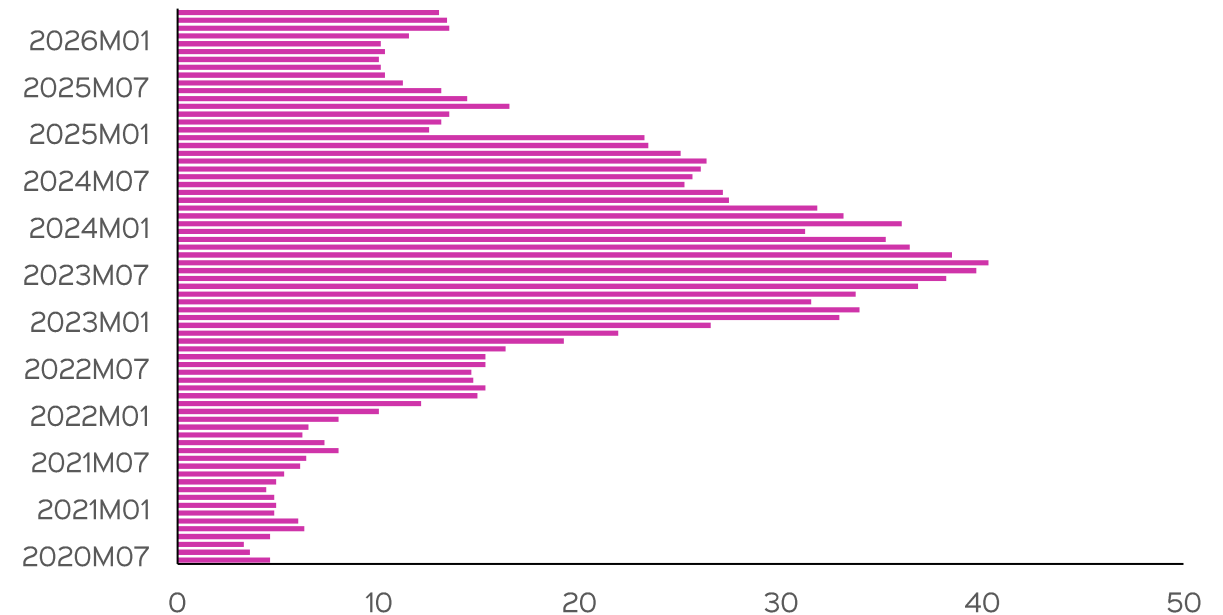
External Position

Local Developments

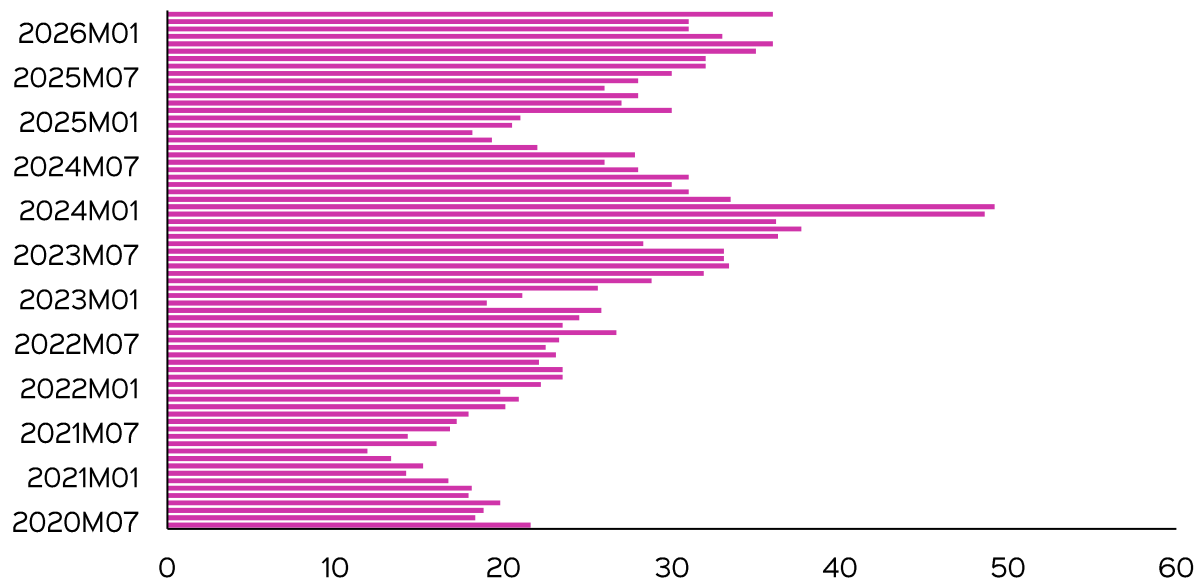
GDP Growth Rate (%)*



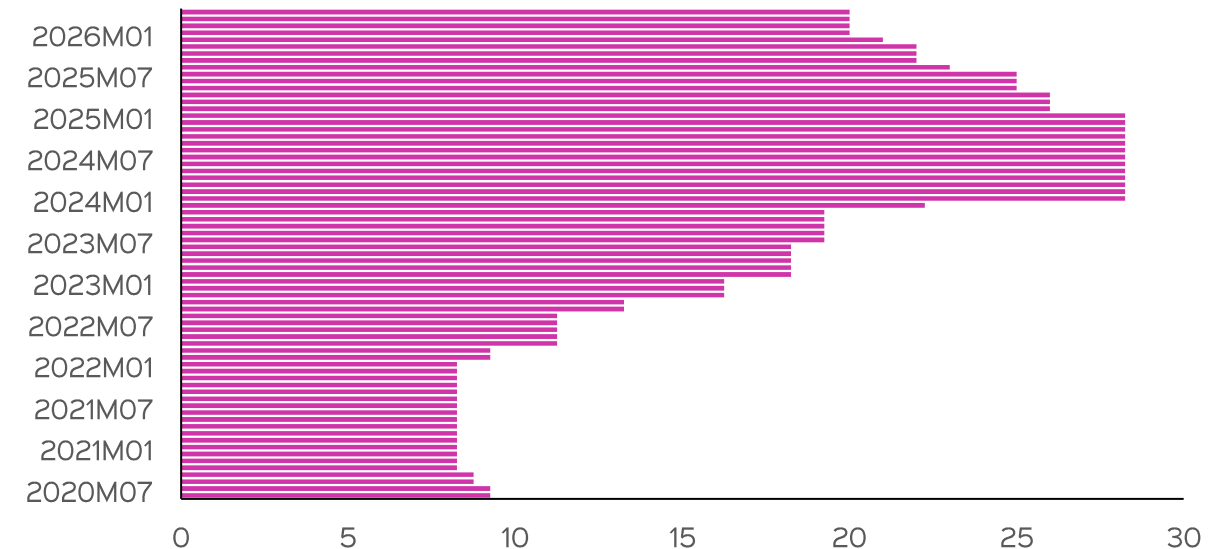
Inflation Rate (%)



Growth Rate of Money Supply (M1)*



Policy Rate (%)

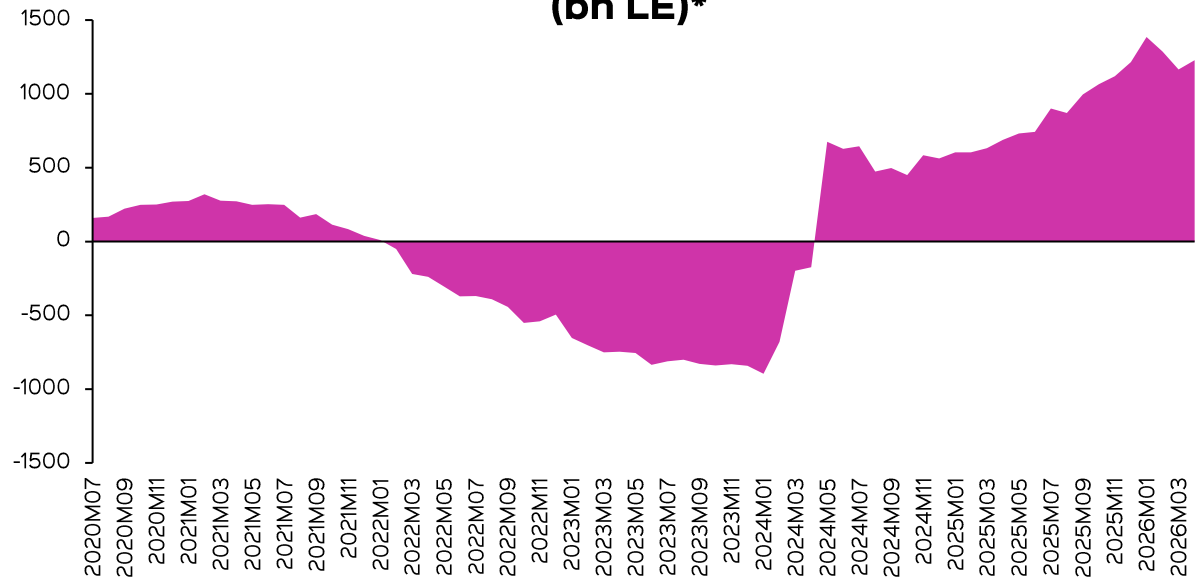


Despite ongoing geopolitical tensions, the recent US–Iran diplomatic progress and gradual market adaptation to the regional environment supported a mixed but generally improving performance in Egypt’s external sector indicators, alongside stronger remittance inflows and rising net foreign assets in the banking system. While financial markets reflected some normalization in capital flows. Net foreign assets of the banking system increased, indicating improved foreign currency liquidity and stronger external positions. At the same time, the Egyptian Pound appreciated against the US Dollar as regional tensions eased and pressures in the foreign exchange market moderated. Meanwhile, net international reserves recorded a slight increase, while remittances continued to rise during the third quarter, providing additional support to external balances.

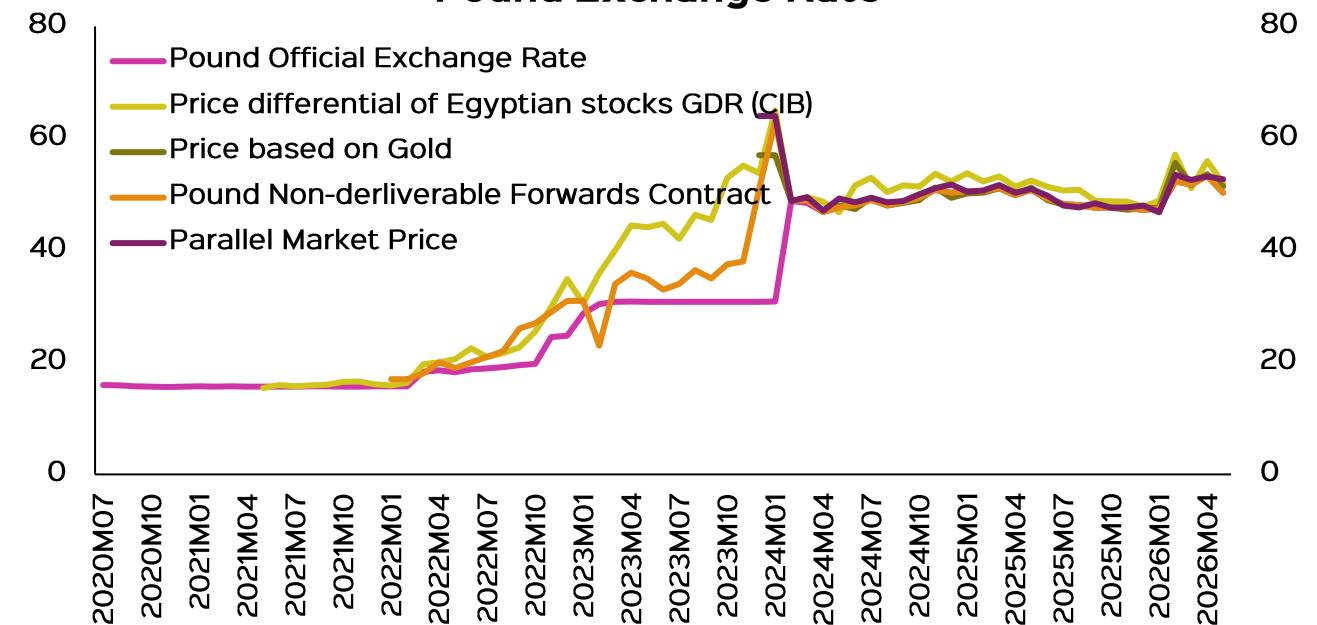
External Position

Local Developments

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



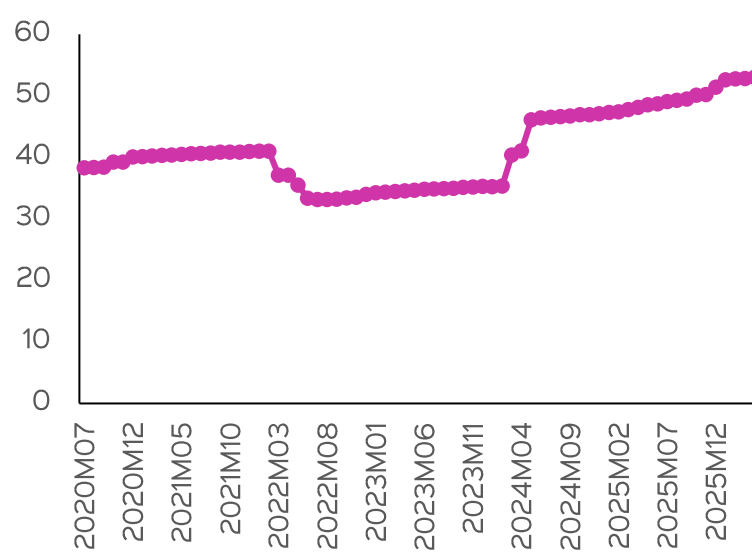
Pound Exchange Rate



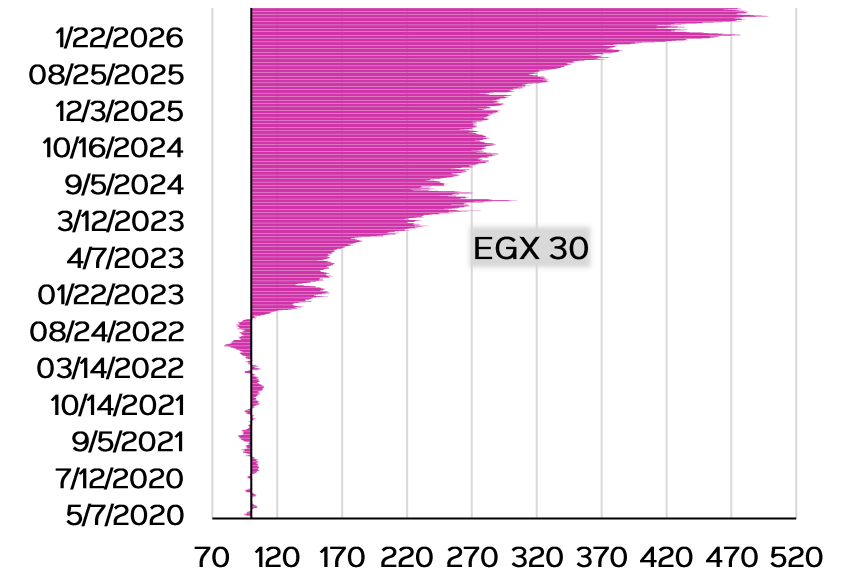
Remittances of Egyptians working abroad (bn \$)



Net International Reserves



Egypt



Sources

Global Markets



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

Emerging Markets



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

Egyptian Local Market



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

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Annex 1: Methodology

Global Markets



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

Emerging Markets



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

Egyptian Local Market



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

Annex 2: Terminology

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

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




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