

# MASHREQ GLOBAL DIGEST

## Egypt

May 3 – May 9



This edition of the Market Digest highlights Egypt's latest macroeconomic and financial developments, alongside recent deals and key trends influencing the country's economic outlook.

### Macroeconomic News

#### Egypt's GDP Growth Reaches 5% in Q1 2026

Egypt's preliminary GDP growth accelerated to 5% in the January–March 2026 quarter, compared to 4.8% during the same period last year, according to the planning ministry. The result also exceeded earlier expectations of 4.6%, despite pressure from higher global oil prices and supply chain disruptions caused by the Iran war. The stronger-than-expected growth signals resilience in the Egyptian economy as the country continues navigating regional geopolitical tensions and ongoing economic reforms.

Reference: [Reuters](#)



#### Egypt's Inflation Slows to 14.9% in April

Egypt's annual urban inflation rate slowed unexpectedly to 14.9% in April from 15.2% in March, remaining below analyst expectations of 15.9%, according to CAPMAS data. Monthly inflation stood at 1.1%, while food and beverage prices declined 0.7% month-on-month but were still up 6.7% annually. Inflation has fallen significantly from its 38% peak in September 2023, supported by Egypt's \$8 billion IMF financial support package, although rising energy costs and natural gas price hikes may put renewed pressure on inflation in the coming months.

Reference: [Reuters](#), [Bloomberg](#)



#### Egypt's Net Foreign Assets Drop by \$6.07B in March

Egypt's net foreign assets fell sharply by \$6.07 billion in March to \$21.34 billion, marking the first full month after the Iran war. The decline was driven by soaring energy import costs, weaker tourism revenues, and billions of dollars in foreign portfolio outflows as investors reacted to rising regional tensions. Commercial banks' foreign assets dropped by around \$3.59 billion, while central bank assets also declined by \$697 million, highlighting growing pressure on Egypt's external financial position.

Reference: [Zawya](#)



#### Egypt Raises Gas Prices for Industries Amid Energy Pressure

Egypt has increased natural gas prices for energy-intensive industries starting May 2026, as the country struggles with soaring global energy costs and rising import bills. Under a new government decree, gas prices rose by around \$2 on average, reaching \$14 per million British thermal units for cement factories and \$7.75 for sectors like steel, fertilizers, and petrochemicals, and between \$6.50 and \$6.75 for other industrial activities. The move comes after Egypt already raised domestic fuel prices by up to 17% in March as part of reforms linked to its \$8 billion IMF program aimed at reducing subsidies.

Reference: [Reuters](#)



#### Egypt's Trade Deficit Surges 87.5% to \$5.1B in February

Egypt's trade deficit surged 87.5% year-on-year to \$5.1 billion in February 2026 as exports declined 11.6% to \$4.2 billion, weighed down by lower fertilizer, plastics, potato, and crude oil exports. Meanwhile, imports climbed 24.7% to \$9.3 billion, driven by higher purchases of natural gas, wheat, iron and steel materials, and copper, reflecting mounting pressure on the country's external trade balance.

Reference: [Zawya](#)



#### Egypt Targets \$99B in Non-Oil Exports by 2030

Egypt aims to increase non-oil exports to \$99 billion by 2030 as part of a strategy focused on boosting local manufacturing, expanding high value-added industries, and improving trade competitiveness. The government also launched a new digital platform to automate environmental verification and conformity assessment services, aiming to streamline trade procedures, support exporters, and strengthen the global credibility of Egyptian products.

Reference: [Zawya](#)

#### World Bank Approves \$1B Financing Package for Egypt

The World Bank approved a \$1 billion financing package for Egypt, including a \$200 million UK-backed guarantee, to support private sector job creation, strengthen macroeconomic stability, and advance the country's green transition. The program backs reforms aimed at improving investment conditions, enhancing public finance sustainability, and expanding social protection amid ongoing economic pressures.

Reference: [Ahrām Online](#)



#### Egypt Targets Wheat Self-Sufficiency by 2028

Egypt aims to achieve self-sufficiency in wheat for its subsidized bread program by 2028, one year later than originally planned. The country needs around 8.6 million metric tons of wheat annually and plans to purchase 5 million tons locally this season. Government wheat procurement has already risen 17% year-on-year to 1.39 million tons so far this season.

Reference: [Zawya](#)

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### Egypt Auto Sales Rise 3.2% in March on Price Hike Fears

Auto sales in Egypt rose 3.2% month-on-month to 17,800 vehicles in March 2026, driven by stronger consumer demand amid expectations of future price increases linked to regional tensions and economic changes.

Reference: [Zawya](#)

## Financial News

### Egypt Plans \$500M Samurai Bond Issuance to Diversify Funding

Egypt is preparing to issue around \$500 million in Samurai bonds in Japan as part of efforts to diversify funding sources and reduce borrowing costs. The issuance, expected later this month or by early June, could help refinance nearly \$420 million in debt maturing next fiscal year and smooth repayments ahead of additional maturities in 2028/29. If completed, this would mark Egypt's third Samurai bond sale following similar \$500 million issuances in 2022 and 2023.

Reference: [Zawya](#)

### Egypt Prepares IPOs for 8 State-Owned Companies on EGX

Egypt is preparing the IPOs of 8 state-owned companies on the Egyptian Exchange as part of a broader plan to list around 20 public sector firms. The government is also considering temporarily listing two textile trading companies and plans to list 10 petroleum-sector firms, as it seeks to expand private sector participation and optimize state-owned assets.

Reference: [Zawya](#), [Zawya](#)



## Projects

### Egypt Opens First Phase of \$4.5B Monorail Project

Egypt launched the first phase of its \$4.5 billion high-speed monorail project connecting Cairo to the New Administrative Capital, marking a major infrastructure milestone. The newly opened 16-stop line links eastern Cairo to the desert capital and will operate daily from 6 a.m. to 6 p.m. Built by a consortium, the project is part of Egypt's broader efforts to modernize transport infrastructure and support urban expansion around the new capital.

Reference: [Bloomberg](#)

### Egypt SAF Facility Targets 200,000 Tons Annual Output by 2027

Green Sky Capital finalized financing for a major sustainable aviation fuel (SAF) facility in Egypt's Suez Canal Economic Zone, positioning it among the region's first large-scale SAF projects. The Ain Sokhna facility, expected to begin operations by end-2027, will produce up to 200,000 tons annually of biofuels including SAF, bio propane, and bio naphtha. Backed by regional investors and partners including Shell, the project supports aviation decarbonization efforts and strengthens Egypt's role in the regional energy transition and green fuels market.

Reference: [Zawya](#), [Bloomberg](#)

## Markets

### Market Dashboard

- U.S. markets extended their rally this week, with the S&P 500 and Nasdaq recording their sixth consecutive weekly gains amid strong AI-driven momentum, resilient economic data, and upbeat corporate earnings. On Friday, the S&P 500 rose 0.84% to 7,398.93, the Nasdaq jumped 1.71% to 26,247.08, and the Dow Jones edged up 0.02% to 49,609.16. Investor optimism around corporate earnings and AI demand pushed indexes to fresh record highs.
- Cryptocurrency markets showed mixed performance this week as investors reacted to strong U.S. jobs data and ongoing geopolitical tensions in the Middle East. Bitcoin traded above the \$80,000 level, rising more than 2.5% week-on-week, while Ethereum slipped on a weekly basis and remained near \$2,300. Market sentiment was supported by optimism around potential progress in U.S.-Iran talks, helping major cryptocurrencies remain relatively stable despite broader market uncertainty.
- Gold recorded weekly gains as easing fears around the Iran conflict and expectations of future U.S. interest rate cuts supported prices. Spot gold rose 2.2% this week to around \$4,715 per ounce, while U.S. gold futures settled near \$4,731. The weaker U.S. dollar and softer oil prices also helped support gold, although stronger-than-expected U.S. jobs data limited gains by reinforcing expectations that the Federal Reserve could keep interest rates elevated for longer.
- Oil prices remained highly volatile this week as renewed clashes between the U.S. and Iran increased concerns over supply disruptions in the Strait of Hormuz. Brent crude settled at \$101.29 per barrel and WTI at \$95.42, after both benchmarks briefly surged as much as 3% during Friday's session. However, despite the rebound, both Brent and WTI still recorded weekly declines of more than 6% as hopes for a potential ceasefire and easing geopolitical tensions weighed on the market.
- The U.S. dollar weakened for a second consecutive week as investors grew cautiously optimistic about a potential resolution to the U.S.-Iran conflict. The dollar index fell 0.3% this week to around 97.9, nearing pre-war levels, while improving risk appetite supported currencies such as the euro, pound, Australian dollar, and New Zealand dollar. Despite stronger-than-expected U.S. jobs data reinforcing expectations that the Federal Reserve will keep interest rates unchanged, easing geopolitical fears continued to pressure the dollar.

Indicators	1-May-26	8-May-26	% Change
S&P 500	7,230.12	7,398.93	2.33%
Bitcoin	78,179.00	80,186.77	2.57%
Gold	4,614.95	4,714.89	2.17%
Crude Oil	108.17	101.29	-6.36%
EUR/USD	1.1729	1.1790	0.52%

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