

MASHREQ GLOBAL DIGEST

Egypt

February 15 – February 21



This edition of the Market Digest covers recent macroeconomic and financial developments in Egypt, alongside key deals and projects, offering a clear snapshot of the country's evolving economic landscape.

Macroeconomic News

Egypt Grew by 5.3% in H1 FY2025/2026

Egypt's economy delivered strong performance with 5.3% growth in the first half of FY2025/2026, exceeding earlier targets and raising full-year expectations to 5.2%, driven by tourism, Suez Canal revenues, non-oil industry expansion, and rising private investment. Expectations remain positive as IMF projections improve and reforms continue, but the long-term vision is more ambitious: reaching 7.5% annual growth by 2030 while reducing debt-to-GDP to 40%. Achieving this will depend on sustaining export growth, deepening private sector participation, and maintaining fiscal discipline to transform short-term recovery into durable expansion.



Reference: [Ahrum Online](#)

Institutions Upgrade Egypt's 2026 Outlook

Major financial institutions have revised their 2026 outlook for Egypt upward, reflecting stronger foreign-currency inflows and improving macro stability. The Egyptian pound is now expected to trade between EGP 45–49 per dollar, inflation is projected to ease toward 8–11%, and growth forecasts have strengthened alongside rising investment appetite. Analysts also see room for cautious monetary easing as price pressures moderate, pointing to a more stable and coherent macroeconomic environment in 2026.

Reference: [Zawya](#)



Egypt Inflation Eases to 11.9% as Non-Food Pressures Slow

Egypt's annual urban inflation eased to 11.9% in January 2026 from 12.3% in December, driven by a decline in non-food inflation to 18.6%, its lowest since October 2023. Core inflation also fell to 11.2%, signaling moderating underlying pressures. Although food prices rose seasonally ahead of Ramadan, overall inflation trends point to gradual stabilization.



Reference: [Daily News Egypt](#)

Egypt's Foreign Reserves Hit Record \$52.6B

President Abdel Fattah Al-Sisi reviewed banking sector performance with Central Bank Governor Hassan Abdalla as Egypt's net international reserves climbed to a record \$52.6 billion in January 2026, covering about 6.9 months of imports. The rise was supported by stronger remittances, tourism revenues, and foreign investment in government debt, alongside improved net foreign assets in the banking sector. Officials also highlighted a recent sovereign rating upgrade and reaffirmed efforts to control inflation and support financial stability.

Reference: [Daily News Egypt](#)



Egypt to Launch Major Gas Drilling in 2026

Egypt will implement its largest-ever Mediterranean gas drilling program in 2026, beginning with Shell's West Meina field in the North East Amriya area. Initial production is targeted by the end of 2026, with expected output of around 160 million cubic feet of gas per day and 1,900 barrels of condensates. The initiative aims to increase domestic production, cut import costs, and reinforce investor confidence in Egypt's energy sector.

Reference: [Zawya](#)

Egypt Plans Major Tax Reform for FY2026/27

Egypt's cabinet has outlined sweeping tax reforms for FY2026/27 aimed at restoring trust and boosting investment. The package includes a major overhaul of the real estate tax system with simplified filing, higher primary residence exemptions, temporary penalty waivers, and a new digital filing app. It also proposes VAT reforms, expanded electronic payroll taxation, customs tariff adjustments to support domestic industry, and alignment with international tax standards — part of a broader strategy to modernize fiscal policy while encouraging private sector growth.

Reference: [Zawya](#)

Financial News

Financial Inclusion Reaches 77.6% in Egypt

Egypt's financial inclusion rate rose to 77.6% in 2025, with 54.7 million citizens holding active transactional accounts — up 219% since 2016, according to the Central Bank. Growth was driven by bank accounts, mobile wallets, and prepaid cards, with notable gains among women (71.4%) and youth (56.8%). Egypt is now preparing its 2026–2030 Financial Inclusion Strategy to expand digital finance, green funding, SME support, and financial literacy.

Reference: [Daily News Egypt](#)

IFC Commits \$150M to Boost Egypt's Green Finance Sector

The World Bank's IFC signed a \$150 million financing agreement with Banque Misr to support Egypt's green finance sector and reduce carbon emissions. The funds will help expand sustainable lending to micro, small, and medium enterprises (MSMEs) and finance projects in renewable energy, green buildings, energy efficiency, and transport. The initiative aims to boost private sector growth, job creation, and accelerate Egypt's green transition.

Reference: [Zawya](#)

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Egypt Seeks \$590M Loan for Alexandria Metro Expansion

Egypt is pursuing a €500 million (\$590 million) loan from European financial institutions to finance the second phase of the Alexandria Metro project, which will extend 31 km and include 22 stations. The broader metro plan aims to connect Abu Qir in the east to Borg El Arab in the west, with trains operating at speeds of up to 100 km/h. While initial external financing needs were estimated at over \$1 billion, the government is working to reduce costs by expanding local manufacturing and limiting foreign imports.

Reference: [Zawya](#)

Egypt to Launch 'Citizen Bond' via Post Offices

Egypt will introduce a new 'Citizen Bond' for individuals starting February 22, available exclusively through post offices nationwide, as announced by Finance Minister Ahmed Kouchouk. The bond offers a fixed and attractive monthly return over 18 months and can be easily redeemed, providing citizens with a secure and accessible way to invest directly in government securities. The initiative reflects the ministry's efforts to expand savings and investment options while leveraging post offices to ensure nationwide access across all governorates.

Reference: [Zawya](#)

Deals/Projects

Egypt Plans \$4B Refinery Investment

Egypt is advancing six refinery development projects worth over \$4 billion to boost domestic fuel production, increase value-added output, and reduce reliance on imports. The initiative, discussed with the IFC, aligns with broader reforms aimed at improving the oil and gas investment climate, settling dues to exploration and production partners, and attracting financing for refining and mining projects. The government says the strategy supports energy security while strengthening the sector's contribution to GDP.

Reference: [Daily News Egypt](#)



Egypt Signs \$3.38M Deal to Strengthen Emergency Healthcare

Egypt's Ministry of Health signed a \$3.38 million agreement with the World Health Organization and Japan to strengthen emergency medical services. The project will fund critical medical equipment, train healthcare teams, and enhance hospital readiness in key governorates. The initiative aims to improve crisis response capacity and support the sustainability of Egypt's healthcare system.

Reference: [Zawya](#)

Egypt and Kenya Strengthen Strategic Partnership

Egypt and Kenya agreed to deepen strategic cooperation in water security, investment, and regional stability during high-level talks in Kenya. Discussions covered defense, renewable energy, infrastructure, agriculture, and expanding private sector investments. Egypt also proposed a \$100 million financing mechanism to support dam feasibility studies in southern Nile Basin countries while reaffirming its call for cooperative water management.

Reference: [Daily News Egypt](#)

Markets

Market Dashboard

- U.S. stocks closed the week higher after the Supreme Court struck down Trump's global tariffs, easing trade uncertainty and boosting investor sentiment. The S&P 500 rose 1.07%, the Nasdaq gained 1.51%, and the Dow added 0.25%, supported by strong gains in major tech names like Alphabet and Amazon. Despite slower Q4 economic growth and a pickup in December inflation, markets were lifted by expectations of a potential Fed rate cut by June, while investors remain cautious ahead of key earnings and ongoing volatility in AI-related stocks.
- Bitcoin climbed above \$68,000 on Friday as investors looked past Trump-related tariff concerns and reacted positively to improving market sentiment. The move reflects renewed risk appetite in crypto markets, supported by easing macro uncertainty and growing expectations that financial conditions may stabilize, helping digital assets rebound from earlier weakness. However, despite the late-week push higher, the broader weekly performance remains relatively weak.
- Gold posted a strong weekly performance, rising more than 1% on Friday and extending gains as weaker-than-expected U.S. GDP data boosted safe-haven demand. Spot gold climbed to around \$5,104 per ounce, supported by expectations of potential Federal Reserve rate cuts despite sticky inflation readings. The combination of slowing growth, policy uncertainty, and geopolitical risks reinforced gold's appeal, keeping momentum positive through the week.
- Brent crude settled higher at \$71.76 per barrel on Friday, securing a weekly gain of over 5% amid rising geopolitical tensions between the U.S. and Iran and concerns over potential supply disruptions through the Strait of Hormuz. Despite limited impact from U.S. tariff developments, investors increased bullish bets, with call option activity pointing to expectations of higher prices. Falling U.S. crude inventories also supported prices, although surplus supply concerns and potential OPEC+ output increases continue to cap upside risks.
- The U.S. dollar gained nearly 1% this week, its strongest performance since November, supported by firmer inflation data and reduced expectations for near-term Fed rate cuts. Despite a late dip after the Supreme Court tariff ruling, the greenback held its weekly strength.

Indicators	13-Feb-26	20-Feb-26	% Change
S&P 500	6,836.17	6,909.51	1.07%
Bitcoin	68,857.84	68,005.42	-1.24%
Gold	5,043.11	5,104.34	1.21%
Crude Oil	67.75	71.76	5.92%
EUR/USD	1.1868	1.1769	-0.83%

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