

This edition of the Market Digest reviews Egypt's recent macroeconomic and financial developments, providing an overview of key trends shaping the country's economic outlook.

Macroeconomic News

Egypt Inflation Accelerates to 13.4% in February

Egypt's annual urban inflation accelerated to 13.4% in February, up from 11.9% in January, according to the Central Agency for Public Mobilization and Statistics (CAPMAS). On a monthly basis, consumer prices increased 2.8%, with food and beverage prices rising 4.6%, reflecting stronger demand during Ramadan and higher tobacco prices. Although inflation remains well below the 38% peak recorded in September 2023, the renewed acceleration suggests persistent price pressures that could influence upcoming monetary policy decisions, particularly amid rising energy costs linked to regional tensions.

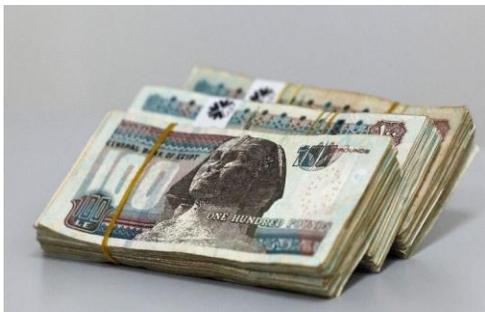


Reference: [Zawya](#)

Egypt Private Investments Jumps 73% Amid Reform Push

Egypt recorded a 73% surge in private sector investments in the previous fiscal year, with growth continuing at 42% in the first quarter of the current fiscal year, reflecting stronger business activity and policy support. Finance Minister Ahmed Kouchouk highlighted ongoing tax reforms aimed at improving the investment climate, including incentives such as VAT reductions on medical equipment, simplified tax systems, and exemptions for certain digital payment services. Authorities also reported EGP 80 billion in additional tax payments from more than 600,000 taxpayers, signaling improved compliance and broader economic formalization.

Reference: [Zawya](#)



Egypt's Trade Deficit Widens to \$4.9B in December

Egypt's trade deficit expanded 12.2% year-on-year to \$4.9 billion in December 2025, as imports grew faster than exports, according to the Central Agency for Public Mobilization and Statistics (CAPMAS). Exports increased 6.8% to \$4.6 billion, driven by higher shipments of garments and fresh fruits, while imports rose 9.6% to \$9.5 billion, mainly due to stronger purchases of natural gas, petroleum products, and wheat. The widening deficit highlights Egypt's continued reliance on energy and food imports despite modest export growth.



Reference: [Egypt Today](#)

Egypt Raises Fuel Prices by Up to 17%

Egypt raised domestic fuel prices by 14% to 17%, citing rising global energy costs and regional disruptions linked to the conflict affecting Middle East oil exports. Diesel prices increased to 20.50 Egyptian pounds per liter, while gasoline prices rose to 20.75 pounds for 80 octane, 22.25 pounds for 92 octane, and 24 pounds for 95 octane. The move follows earlier increases in October and reflects the government's ongoing efforts to reduce energy subsidies as part of economic reforms supported by the International Monetary Fund under its multi-billion-dollar financing program.

Reference: [Reuters](#)



Egypt Caps Unsubsidized Bread Prices to Contain Inflation

Egypt introduced price ceilings on unsubsidized bread sold in private bakeries to protect consumers from rising inflation following fuel price increases and higher wheat costs. The government capped an 80-gram loaf at 2 Egyptian pounds, aiming to stabilize prices of a key staple in a country heavily reliant on bread consumption. While the move may temporarily limit inflationary pressure on households, analysts warn that price controls could strain bakeries' margins and potentially affect bread quality if input costs continue rising.

Reference: [Reuters](#)



Egypt Seeks Faster Disbursement of €4B EU Support

Egypt urged the European Union to accelerate the release of the €4 billion second tranche of its financial support package, citing economic pressures from rising energy and food prices and higher shipping costs amid escalating regional tensions. The funding is part of a €7.4 billion EU assistance program agreed in 2024, designed to help Egypt manage external shocks and support fiscal stability. The request highlights Egypt's efforts to secure external financing and cushion its economy against geopolitical disruptions affecting trade, energy, and inflation.

Reference: [Ahrum](#)



Egypt Passenger Car Imports Rise 11.4% in 2025

Egypt's passenger car and auto parts imports increased 11.4% year-on-year to \$3.9 billion in 2025, according to data from the Central Agency for Public Mobilization and Statistics (CAPMAS). Passenger car imports alone rose 11.5% to \$2.9 billion, while auto parts imports climbed 18.4% to nearly \$989.6 million, reflecting stronger demand in the automotive sector. Meanwhile, the Automotive Market Information Council (AMIC) reported that auto sales surged about 39% year-on-year in January 2026, reaching 14,100 vehicles.

Reference: [Zawya](#)

Financial News

War Triggers Capital Outflows and Currency Pressure in Egypt

Egypt's economy is facing pressure as the war triggered portfolio outflows estimated between \$5 billion and \$8 billion, pushing the Egyptian pound to above 52 per dollar from around 47 before. Rising energy prices and supply disruptions are also increasing fiscal pressures, with analysts warning Egypt's energy import bill could rise by \$1–\$2.4 billion this fiscal year. While strong buffers — including \$53 billion in foreign reserves and \$29.5 billion in net foreign assets — may help absorb short-term shocks, the conflict could weaken exports, tourism, and Suez Canal revenues if it persists.



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

Egypt Attracts \$400M in Annual Entrepreneurship Investments

Egypt attracts around \$400 million annually in entrepreneurship and startup investments, reflecting the country's growing innovation ecosystem. Government officials highlighted efforts to strengthen the startup environment through policy coordination, regulatory reforms, and financing support, including initiatives led by NI Capital and regulatory simplification programs such as the Erada initiative. Authorities view entrepreneurship as a key driver of economic competitiveness, job creation, and private-sector growth.

Reference: [Zawya](#)

Projects

Egypt Grants Golden Licenses to \$1.2B Investment Projects

Egypt awarded golden licenses to eight local and foreign investment projects worth about \$1.2 billion, spanning sectors including energy, manufacturing, logistics, transport, and food production. The licenses allow investors to establish and operate projects through a single fast-track approval process, aimed at reducing bureaucracy and accelerating investment. Key projects include a car factory in Sixth of October City, a Swiss-operated dry port, a soda ash plant in Matrouh, and a wind power station, collectively supporting job creation and strengthening Egypt's ambitions to become a regional hub for industry and logistics.

Reference: [Egyptian Gazette](#)

Egypt Gets \$1.2M EIB Grant for Wastewater Treatment Upgrades

Egypt approved a \$1.2 million grant from the European Investment Bank to support consultancy services for expanding wastewater treatment plants in Alexandria and Damietta. The project will increase the capacity of the Hanoville plant in Alexandria and upgrade facilities in Kafr El-Battikh and Zarqa, helping improve sanitation infrastructure, public health, and investment in the water sector.

Reference: [Zawya](#)

Markets

Market Dashboard

- U.S. equities declined for a third consecutive week as investors reassessed the outlook for economic growth and monetary policy. The S&P 500 fell 1.6%, leaving it about 5% below its recent peak, while the Dow Jones Industrial Average dropped roughly 2% and the Nasdaq Composite lost 1.3%. The pullback reflects growing concerns that geopolitical tensions and rising energy prices could keep inflation elevated, reducing the likelihood of near-term interest-rate cuts by the Federal Reserve. At the same time, weaker economic indicators—including slower U.S. growth and softer consumer sentiment—have increased fears of a slowdown, prompting investors to shift toward more defensive positioning and weigh the potential impact on corporate earnings and equity valuations.
- Bitcoin briefly surged above \$70,000, showing resilience even as markets reassessed the outlook for U.S. monetary policy. Demand for cryptocurrencies remained strong as investors sought alternative assets amid volatility in traditional markets. The rally also reflects continued speculative momentum and institutional interest in digital assets such as Ethereum, even as broader financial markets face pressure from inflation risks and policy uncertainty.
- Gold declined for a second consecutive week, falling almost 3% as a stronger U.S. dollar and reduced expectations for near-term interest-rate cuts pressured bullion prices. Spot gold slipped to \$5,019 per ounce, as rising geopolitical tensions and inflation risks reinforced expectations that the Federal Reserve will keep monetary policy restrictive for longer. Higher interest rates tend to weigh on gold by increasing the opportunity cost of holding non-yielding assets, while the stronger dollar further dampened demand for the metal.
- Brent crude climbed to about \$103 per barrel, while West Texas Intermediate crude rose to nearly \$99, driven by continued disruptions in the Strait of Hormuz following the Iran conflict. The closure of the key shipping route—responsible for roughly a fifth of global oil trade—has intensified concerns over supply shortages and pushed prices higher. Although coordinated releases from strategic reserves by the International Energy Agency and the U.S. aim to ease market tightness, energy markets remain highly sensitive to geopolitical developments and potential damage to regional oil infrastructure.
- The U.S. Dollar Index rose to around 100.35, reaching its highest level since November and marking a second consecutive weekly gain as investors sought safety amid escalating Middle East tensions. The move pushed the Euro lower, while expectations that the Federal Reserve could maintain restrictive monetary policy supported demand for the U.S. currency.

Indicators	6-Mar-26	13-Mar-26	% Change
S&P 500	6,740.02	6,632.19	-1.60%
Bitcoin	68,136.49	70,968.27	4.16%
Gold	5,171.12	5,019.25	-2.94%
Crude Oil	92.69	103.14	11.27%
EUR/USD	1.1608	1.1423	-1.59%