In October, the EGX30 index fell by 4.4%, bringing its year-to-date gain to approximately 18.6%, down from 24.1% at end-September. Selling intensified on 25 October, when the EGX30 fell 3.56% and the exchange halted trading for 30 minutes after the EGX100 EWI fell 10.0%. Global equity markets were weak, led lower by emerging markets. The MSCI Emerging Markets Index decreased by 8.1% in October, which leaves its year-to-date gain at roughly 11.6%. In the US, the Dow Jones Industrial Average rose by 1.7%, while the S&P 500 declined by 0.9% and the Nasdaq Composite fell by 5.3%. The divergence reflected a rotation out of AI-related technology after disappointing Big Tech earnings revived doubts about the returns on AI spending, towards defensive and value sectors. On 30 October the Nasdaq fell 2.86%, its worst day since June. The Fed held the target range at 3.75–4.00% on 28 October by a 10–2 vote.

September urban headline inflation, released in October, eased to 13.9% YoY from 14.5% in August. Monthly inflation, however, accelerated to 1.3% from 0.1% in August, driven mainly by a 15.1% rise in vegetable prices. The Egypt PMI was unchanged at 47.2 in October, staying below its long-run average of 48.2. Output and new orders both fell at their fastest rates in four months, with weak demand, eroded purchasing power, supply-chain disruption and the Middle East conflict weighing on activity. Employment slipped back into contraction after two months of job creation, and outstanding business volumes fell for the first time since January. Business confidence dropped to a seven-month low. Input cost inflation reached its highest level since May on higher import, energy and shipping costs and a weaker exchange rate, and firms raised selling prices at the fastest rate since June.

In its October World Economic Outlook, the IMF raised its forecast for Egypt's FY2026/27 real GDP growth to 4.7% from 4.4% in July. It projects average consumer price inflation of 14.8% and a current account deficit of 4.9% of GDP for the year. This follows an estimated real GDP growth of 5.1% in FY2025/26. On 29 October, the CBE surprised the market by raising its overnight deposit and lending rates by 100 bps to 20% and 21%. This ended five consecutive holds and was the first increase since March 2024. Almost all analysts surveyed in the week before had expected rates to be left unchanged.

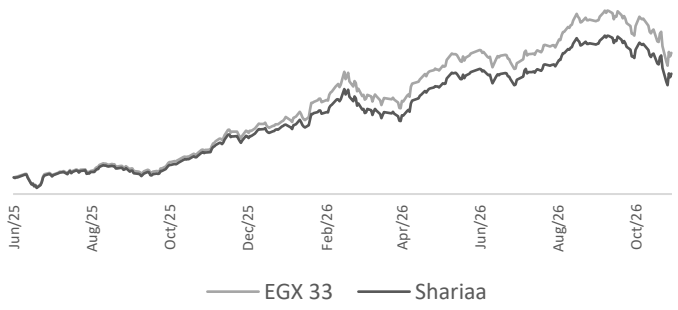
Fund Type	Equity Fund
Fund Manager	AAIM
Launch Date	June 2025
Domicile	Egypt
Fund Currency	EGP
Administrator	Catalyst
Custodian	HDB
Certificate Price*	EGP 162.92
Subscription/Redemption**	Daily
Performance Fee	7% over hurdle rate***
Admin. Fee	0.50%
Custodian Fee	0.30%
Subscription Fee	None
Redemption Fee	None
Min. Investment	10 Certificates

* Price as of 29/10/2026 ** Sub./redemption until 12pm throughout AAIB branches. NAV is published weekly in Al Borsa Newspaper ***Hurdle rate is 1 year T-bills after tax

Performance

Month	2025	Since Inception*
-5.6%	32%	81%

*Inception date is 1 June 2025.



Net International Reserves rose to a record $57.5 billion at end-October, from $57.3 billion at end-September. Non-gold reserves rose $0.8 billion, more than offsetting a $0.6 billion fall in the value of gold. The pound weakened by about 7% in October, with the dollar rising from EGP 52.4 at the start of the month to a record EGP 56.3 on 26 October.

Higher oil prices increased dollar demand for energy imports, and foreign investors withdrew an estimated $3.5 billion from Egyptian Treasury bills during the month, more than four times September's outflow, prompting the CBE's unexpected rate hike. Brent gained 13.6% in October, its fourth consecutive monthly gain, settling at $117.6 a barrel on 30 October, roughly 57% above the $75 per barrel assumed in the FY2026/27 budget. Suez Canal revenues rose 94% YoY to $724 million in October, driven by a 65% increase in transiting vessels, according to the head of the Suez Canal Authority Osama Rabie. Rabie also raised the authority's 2026 revenue target to $6.6 billion from $6.2 billion, and set targets of $7.6 billion for 2027, $10.3 billion for 2029 and $12 billion for 2030. The recovery has been supported by rerouted regional trade and large European carriers resuming services through the Red Sea.

Overall, record reserves, strong remittances and recovering Suez traffic continue to support Egypt's external position, but the weaker pound is now the main source of pressure. Oil well above the budget assumption, a widening trade deficit and foreign investors cutting exposure to local debt have all added to pressure on the pound, driving it to record lows and raising the risk of renewed inflation.

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