Issued: 14 September 2026

WEEKLY INVESTOR RESEARCH

Ashmore

AI safety and surging energy prices trigger risk-off mood

By Gustavo Medeiros and Ben Underhill

- US CPI inflation printed slightly hotter than expected, but details were benign.
- An interest rate hike is widely expected at this week's FOMC meeting.
- Middle East energy export flows look increasingly precarious.
- OpenAI and Anthropic are ramping up noise around safety concerns.
- South Korea began preparatory steps for a possible troop deployment to the Strait of Hormuz.
- Brazil's IPCA inflation fell 0.32% mom in August, its biggest monthly drop since August 2022.
- Peru set to join the US-led Shield of the Americas initiative.
- Dangote Industries' 700,000 bpd Lamu (Kenya) oil refinery to begin construction this month.
- UAE and Germany announced 29 business agreements worth more than EUR 9.4bn.

Contents	Page

Last Week Performance and Comments

EM Debt	Yield	Change (bp)	Spread	5 day Change
GBI-EM GD	6.43%	10	–	-0.6%
GBI-EM FX Spot	–	–	–	-0.2%
ELMI+	5.40%	-9	–	-0.1%
EMBI GD	7.22%	6	286 bps	-0.9%
EMBI GD ex-default	6.52%	15	215 bps	-0.9%
EMBI GD IG	5.91%	8	153 bps	-0.9%
EMBI GD HY	8.63%	4	428 bps	-0.8%
EMBI HY ex-default	7.06%	21	271 bps	-0.8%
CEMBI BD	6.33%	9	208 bps	-0.5%
CEMBI BD IG	5.71%	9	117 bps	-0.6%
CEMBI BD HY	7.58%	13	338 bps	-0.2%

EM Equity*	PE 1yr BF	5 day Change
MSCI EM	9.8	-0.2%
MSCI EM ex-China	9.7	0.5%
MSCI EMEA	10.7	0.1%
MSCI Latam	9.9	0.0%
MSCI EM Asia	9.9	-0.5%
MSCI China	10.2	-2.9%
MSCI India	19.3	-2.8%
MSCI EM Growth	10.9	-0.1%
MSCI EM Value	8.8	-0.4%
MSCI EM Small Cap	13.9	-1.2%
MSCI Frontier	10.9	-2.4%

Comments

- EM local currency bonds fell 0.6%, driven by wider rates and weaker FX.
- EM USD sovereign bonds fell 0.9%, driven by wider US rates.
- EM equities fell 0.2% but rose 0.5% ex China.

Global Debt	Yield	Change (bp)	Spread	5 day Change
2yr UST	4.61%	25	–	-0.4%
5yr UST	4.77%	22	–	-0.9%
10yr UST	4.96%	18	–	-1.3%
30yr UST	5.36%	11	–	-1.6%
10yr Germany	3.51%	13	–	-1.7%
10yr Japan	3.00%	7	–	-1.0%
Global Agg.***	4.27%	18	30 bps	-0.8%
US Agg. IG***	5.74%	20	73 bps	-1.0%
EU Agg. IG***	4.15%	24	64 bps	-1.1%
US Corp HY***	7.62%	25	265 bps	-0.6%
EU Corp HY***	6.71%	22	286 bps	-0.6%

Global Backdrop*	PE 1yr BF	5 day Change
MSCI ACWI	16.4	-0.9%
MSCI World (DM)	18.1	-1.0%
S&P 500	19.2	-1.1%
VIX Fut.**	17.2%	0.9%
DXY Index**	99.4	0.2%
EUR*	1.156	-0.6%
JPY*	154.3	0.1%
CRY Index**	423.1	1.5%
Brent**	106.8	10.1%
Gold**	4,330	-1.9%
Bitcoin**	77,421	-1.7%

Comments

- UST curve bear-flattened, with 2-year yields moving 25bps wider.
- US stocks fell 1.1%, with higher energy prices dampening sentiment.
- Brent prices rose 10% to USD 107 per barrel.

Source & Notations: See end of document.

Ashmore

Global Macro

US consumer price index (CPI) inflation printed just slightly hotter than expected last week, with core CPI rising 0.3% mom against 0.2% expected. In yoy terms, core inflation fell to 2.4%, the lowest in 66 months. The rise in monthly core inflation was entirely due to a one-off increase in 'communication services', which rose 5% on the month – an idiosyncrasy mostly related to service and pricing structure changes at AT&T. Headline inflation remained at 3.4%, with energy inflation rising and core services, core goods and food inflation, trending lower.

While the inflation data on its own does not look particularly hawkish, markets continue to price a 90% probability of the Federal Open Market Committee (FOMC) announcing a rate hike this week. The pricing reflects the narrative that with long-end yields beginning to look dis-anchored and US Federal Reserve (Fed) Chair Kevin Warsh's credibility somewhat on the line, a hike is now likely to maintain stability in bond markets as well as prove Warsh's willingness to do more than just 'talk tough' on inflation. This is particularly true after US employment data has firmed in recent weeks, further assuaging concerns around AI-driven disruption.

Consensus could be wrong, but we agree with it in this instance. It does seem that the market and Warsh's own hawkish shift in recent speeches have now somewhat boxed him into increasing interest rates this week. And while August's inflation data looks relatively benign, energy prices have risen significantly over the last month. Higher energy prices have not been meaningfully passed through to consumer goods so far in the US, but the risk of this happening is arguably now more elevated given the increasing likelihood of more prolonged energy inflation. The fact US diesel is seeing the largest surge in price – now at record levels in nominal terms – does increase the risk of some pricing pass through to industrial goods given it is such a key industrial cost input.

The energy export situation in the Middle East now looks as precarious as ever, occurring at a critical juncture when global inventories – particularly those outside of China – are rapidly approaching multi-year lows. This instability intensified on Friday, when Saudi Arabia instituted a precautionary shutdown of its East-West oil pipeline following targeted attacks on facilities in the Riyadh and Madinah regions that resulted in several injuries. According to recent data from the International Energy Agency (IEA), Saudi crude supply through the pipeline had already experienced a severe contraction, falling from July levels to a rate of 6 million barrels per day (mbpd) in August, which marks its lowest operational output in more than three decades.

Compounding these supply chain vulnerabilities, diplomatic negotiations regarding maritime transit remain deeply constrained. Tehran has explicitly indicated that any potential deal will not amount to a full reopening of the Strait of Hormuz, asserting that Iran will maintain strict sovereignty over which specific vessels are permitted to cross the strategic waterway. US Energy Secretary Chris Wright stated yesterday that counting on a consensual agreement with Iran today is certainly not a good bet, warning that global energy markets must continue to rely heavily on alternative transit pathways. However, Secretary Wright balanced this warning by estimating that these alternative corridors are currently supplying 10mbpd of crude and oil products through the region. He concluded that when these routes are combined with active bypass pipelines, the industry is back above two-thirds of its previous flows, meaning that while the global energy market is currently tighter than policymakers would like, it is not yet overly tight.

Major headlines have also emerged from the two leading frontier AI labs, OpenAI and Anthropic this week, which are ramping up noise around safety concerns. Open AI CEO Sam Altman said the company won't go public in this year, instead focusing on addressing safety-related concerns around the technology. Anthropic CEO Dario Amodei wrote a post titled 'We Must Pace the Frontier', laying out a strategy to improve AI safety and international coordination. However, both caveated their comments by admitting that it is only safe to slow the frontier to the extent that the US remains well ahead of China – so really, not by much.

US President Donald Trump echoed this sentiment in a response to the news saying, *"We're leading China in AI. We're the most sophisticated country in the world, and frankly, I want to keep it that way because* ***whoever wins AI wins****... And* ***we can put guardrails****... you have a lot of negative forces that are bringing it up that shouldn't be bringing it up."*

The key read through for equities, in our view, is that none of this stops AI adoption. Diffusion of AI through the real economy and inference demand are the most important drivers of compute demand. After several huge jumps in capabilities recently, current AI frontier models are already more than good enough for the rate of adoption to continue to rise enormously even without capabilities dramatically improving – which they will very likely continue to do anyway even if somewhat more gradually.

Ashmore

EM Asia

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Indonesia	Foreign Reserves (USD)	Aug	146.5bn	–	145.3bn	
Thailand	CPI (YoY)	Aug	2.5%	2.4%	2.0%	Back to target range on energy base effect – core barely moved, so no demand signal.
	CPI NSA (MoM)	Aug	0.6%	0.5%	-0.7%	
	CPI Core (YoY)	Aug	1.4%	1.4%	1.3%	
	Gross International Reserves (USD)	4-Sep	284.0bn	–	283.2bn	
Malaysia	Foreign Reserves (USD)	28-Aug	132.0bn	–	132.7bn	
	Industrial Production (YoY)	Jul	4.7%	5.6%	6.5%	
China	Foreign Reserves (USD)	Aug	3,438.33bn	3,427.00bn	3,418.78bn	
	Imports (YoY)	Aug	28.2%	31.0%	27.6%	Imports firm on low base and commodity prices, exports still carrying growth.
	Trade Balance (USD)	Aug	119.09bn	119.10bn	112.34bn	Surplus widening keeps the external engine dominant.
	Exports (YoY)	Aug	25.0%	25.9%	23.9%	
	PPI (YoY)	Aug	3.8%	3.6%	3.5%	Factory-gate deflation easing on commodities/ tech, not pricing power.
	CPI (YoY)	Aug	0.8%	0.8%	0.5%	CPI rebound is pork/oil base effect, core ~1% – not a demand turn.
Philippines	Foreign Reserves (USD)	Aug	104.8bn	–	103.3bn	
	Unemployment Rate	Jul	6.0%	–	4.9%	Jobless jump flags softening labour demand – a warning for consumption.
South Korea	GDP SA (QoQ)	2Q P	0.6%	0.6%	0.6%	
	GDP (YoY)	2Q P	3.7%	3.7%	3.7%	Chip/AI exports underpinning growth; domestic demand still lags.
	Unemployment rate SA	Aug	2.7%	2.8%	2.8%	
Taiwan	CPI (YoY)	Aug	2.0%	2.4%	2.5%	
	Exports (YoY)	Aug	41.0%	34.7%	32.9%	Record on AI/HPC; Concentration makes an AI-capex wobble the key risk.
Kazakhstan	International Reserves (USD)	Aug	70.6bn	–	63.3bn	
Vietnam	Domestic Vehicle Sales (YoY)	Aug	-12.9%	–	-5.0%	Deepening drop: soft domestic demand the weak spot behind strong exports.

Source information is at the end of the document.

Commentary

Pakistan: Defence Minister Khawaja Asif said the Mecca Defence Alliance signed by Pakistan, Saudi Arabia and Türkiye in August could become operational in the event of unprovoked aggression against a member, responding to the latest Houthi attacks on Saudi energy facilities, while noting Riyadh had made no such request. Pakistan also holds a separate mutual defence agreement with Saudi Arabia from September 2025, under which it deployed aircraft to the kingdom in April, and has told Iran that attacks on Saudi Arabia are a red line. The attacks have raised concerns Pakistan could be drawn into the widening Middle East conflict, with troops reportedly deployed near Saudi Arabia's border with Yemen.

EM Asia (continued)

South Korea: South Korea began preparatory steps for a possible troop deployment to the Strait of Hormuz, dispatching a field survey team to assess conditions and review bases, with Al Dhafra Air Base in Abu Dhabi the likely site, and any deployment centred on defensive assets such as P-8 Poseidon aircraft. The government stressed no decision had been taken and that parliamentary approval would be required, but the move suggests Seoul judged a deployment necessary after repeated US requests, and if approved it would be Korea's first US-requested overseas deployment since Iraq in 2003-2008. Separately, Samsung Electronics said it would expand cooperation with ASML to apply next-generation High-NA EUV lithography to DRAM mass production by 2028, potentially an industry first, having imported Korea's first such tool in March.

Ashmore

Latin America

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Chile	Trade Balance (USD)	Aug	1,688m	1,800m	1,990m	
	CPI (YoY) Chained	Aug	4.1%	3.8%	3.5%	
	CPI (MoM)	Aug	0.6%	0.3%	0.1%	
	Overnight Rate Target	8-Sep	4.5%	4.5%	4.5%	Held as CPI re-accelerates above target.
Colombia	CPI (MoM)	Aug	0.4%	0.3%	0.2%	Inflation stuck at 2yr high. Jan fuel-VAT and food keep it sticky, capping easing room.
	CPI (YoY)	Aug	6.2%	6.1%	6.0%	
Brazil	FGV CPI IPC-S	7-Sep	0.5%	–	-0.4%	
	FGV Inflation IGP-DI (MoM)	Aug	0.1%	0.0%	-0.9%	
	IBGE Inflation IPCA (MoM)	Aug	-0.3%	-0.3%	0.1%	Below forecast as the government cut taxes to absorb the oil price spike. This pressure could resurface later.
	IBGE Inflation IPCA (YoY)	Aug	4.2%	4.3%	4.4%	
Mexico	International Reserves Weekly (USD)	4-Sep	258,035m	–	258,564m	
	CPI (MoM)	Aug	0.2%	0.3%	0.0%	
	CPI (YoY)	Aug	3.3%	3.3%	3.1%	
	CPI Core (MoM)	Aug	0.2%	0.2%	0.2%	Core easing keeps Banxico's cutting bias intact despite headline drift.
	Bi-Weekly CPI (YoY)	31-Aug	3.3%	3.4%	3.3%	
	Bi-Weekly CPI	31-Aug	0.1%	0.2%	0.1%	
	Bi-Weekly Core CPI	31-Aug	0.0%	0.1%	0.1%	
	Industrial Production NSA (YoY)	Jul	2.7%	1.8%	1.6%	Firmer output on US/nearshoring pull – a bright spot.
Argentina	National CPI (MoM)	Aug	1.7%	1.7%	2.1%	Monthly pace cooling – stabilisation grinding lower.
	National CPI (YoY)	Aug	33.5%	33.6%	33.8%	
Peru	Reference Rate	10-Sep	4.25%	4.25%	4.25%	

Source information is at the end of the document.

Commentary

Argentina: State-controlled YPF doubled the cap on its tender offer for 2027 and 2029 bonds to USD 1.0bn after a USD 1.2bn global placement due 2035 at a 7.85% yield, prioritising the 2027 notes and significantly cutting the concentration of FX debt payments in mid-2027. The government is also negotiating around USD 1.0bn in bank loans backed by CAF and Fonplata guarantees, which would lift IFI-backed bank financing to USD 4.2bn this year on top of USD 3.2bn secured through the World Bank and the Inter-American Development Bank (IDB), an approach that avoids buying dollars from the central bank (BCRA). Separately, the BCRA reported external commercial debt stands at USD 48.8bn, of which some USD 13.7bn is excess debt from 2021–2023, down nearly USD 10bn from a USD 23.4bn peak, with Vice President Vladimir Werning framing the decline as a hidden gain in net reserves.

Brazil: IPCA inflation fell 0.32% mom in August, its biggest monthly deflation since August 2022 and the first of 2026, taking the 12-month rate to 4.22% yoy from 4.44%, further below the 4.50% tolerance ceiling, led by lower housing, transport and food prices. With services inflation slowing sharply and the rate below 4.50% for two straight months, the data reinforce the case for another 25 basis points (bps) Selic cut to 13.75% at the Copom's 15-16 September meeting.

Latin America (continued)

Chile: US lithium producer Albemarle reached a three-year collective bargaining agreement with a union representing around 540 workers, averting a strike that could have disrupted processing, after workers had rejected its final offer and approved a strike before the company sought government mediation. Most members work at the Antofagasta plant that processes brine from the Salar de Atacama, and the deal removes the immediate risk to finished lithium output, consistent with our expectation that recovering prices would let both sides settle without a lengthy stoppage.

Colombia: The government authorised the securitisation of up to 10% of future local tax revenue for up to 30 years to fund earthquake reconstruction through Decree 1382, one of 11 decrees issued on 9 September. This excludes those flows from debt indicators and, alongside relaxed debt controls and the suspension of Law 617 spending limits through 2027, raises subnational default and credit risks, in our view. Separately, President Abelardo de la Espriella logged 51.8% approval against 43.2% disapproval in AtlasIntel's August survey, skewed towards higher-income and religious voters amid deep polarisation, while Democratic Center senator Christian Garces floated deferring COP 150trn in 2027 debt service, later clarifying he meant restructuring rather than default.

Mexico: The Treasury's 2027 budget proposal projects spending of MXN 10.6trn and a public sector deficit of 3.9% of GDP, a smaller consolidation than the 2026 target of 4.1% and below the 3.5% flagged in April, with debt seen rising to 55.0% of GDP. We read this as a less ambitious path on broadly credible assumptions. It forecasts growth of at least 2.0% and 3.0% inflation for 2027, targets a record 15.9% of GDP in tax collection via Income Tax Law changes without a full reform ahead of the midterms, and cuts capital investment 12.3%, a fall driven mainly by a reclassification of PEMEX support that includes an MXN 81.1bn injection to help the firm meet amortisations. Congress is due to pass the Revenues Law by 20 October and the expenditures bill by 15 November, where we expect no adjustments.

Panama: Moody's analyst Jaime Reusche warned that the future of the Cobre Panama copper mine will be decisive for Panama's fiscal profile and investment-grade rating, noting that a failure to reopen could trigger arbitration costing the state up to 19pps of GDP, while a restart could lift royalties well above their prior 0.3% to 0.4% of GDP.

Peru: President Keiko Fujimori confirmed that Peru is joining the US-led Shield of the Americas initiative after meeting US Secretary of State Marco Rubio, saying it would give the country better access to tools and intelligence to combat transnational organised crime and domestic insecurity. Fujimori thanked the US and noted the USNS Comfort hospital ship is expected on the northern coast in early 2027. Rubio, on a South American tour also taking in Colombia and Ecuador, said the US would support Peru against organised crime in what he called a "new era" in relations. The move is positive and consistent with Fujimori's campaign pledge to deepen ties with Washington amid China's growing regional influence.

Venezuela: Crude oil production held roughly flat at 1.2mbpd in August on OPEC direct-communication figures, up 9.0% yoy but the smallest mom growth in OPEC, with Merey 16 the cheapest crude in the group. Government-opposition talks are due to resume on 15 September to address political rights, including for Maria Corina Machado, and new judicial and electoral authorities by December, while Marco Rubio said he was open to meeting interim President Delcy Rodriguez at the United Nations, and Colombia's GeoPark plans to invest USD 6.8bn to develop the Bare field.

Ashmore

Central and Eastern Europe

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Romania	GDP (YoY)	2Q P	-0.4%	-0.4%	-0.4%	
	Trade Balance (EUR)	Jul	-2,822.1m	–	-2,947.9m	
	CPI (MoM)	Aug	0.2%	0.6%	0.6%	Sharp drop is the electricity-cap base effect. Fuel still rising underneath.
	CPI (YoY)	Aug	6.2%	6.6%	8.2%	
Hungary	Industrial Production WDA (YoY)	Jul	4.7%	3.0%	4.1%	
	CPI (YoY)	Aug	1.3%	1.4%	1.2%	
	CPI (MoM)	Aug	0.2%	0.2%	-0.1%	
Czech Republic	Industrial Output NSA (YoY)	Jul	0.0%	0.5%	7.0%	Flatlined after strong prior data. Soft German demand.
	CPI (MoM)	Aug F	0.3%	0.3%	0.3%	
	CPI (YoY)	Aug F	1.9%	1.9%	1.9%	
Poland	Poland Base Rate Announcement	9-Sep	3.8%	3.8%	3.8%	NBP cautious on sticky core and fiscal loosening.

Source information is at the end of the document.

Commentary

Azerbaijan: American negotiators used the promise of expanding Armenia's access to NVIDIA's advanced AI chips as an incentive for reaching a preliminary Armenia-Azerbaijan peace agreement, the *Wall Street Journal* reported, in what it called chip diplomacy centred on Armenia's Firebird project. The Firebird AI Factory in Hrazdan was launched on 8 August and is set to expand to more than 100,000 NVIDIA Blackwell and Vera Rubin GPUs and over 400 megawatts once its third phase is completed by the end of 2027, illustrating how technology and export permits are becoming US foreign policy tools.

Hungary: The government will provide direct monthly support to diesel consumers until the end of the year, Prime Minister Péter Magyar said, set at HUF 5,000 per month or HUF 20,000 in total from October, tied to one fill-up per month and the gap to the earlier HUF 615 per litre price cap, for one diesel vehicle per owner under 150 horsepower. The measure will affect almost 1 million people at a fiscal cost of around HUF 20bn, with farmers also receiving a full refund of the diesel excise tax. Separately, the Monetary Council cut the policy rate unanimously by 25bps to 5.50% in August, giving no clear guidance on the cycle, while several members noted that the ongoing review of the medium-term inflation target could affect future decisions.

Poland: Monetary Policy Council Chair Adam Glapiński said the council held rates this week on an uncertain macro backdrop and would likely keep them flat through year-end and to about mid-2027, remaining data dependent and ready to hike if inflation rose durably, while attributing August's rise in CPI inflation to 3.4% yoy to fuel prices. Glapiński said cuts were now unrealistic after the Middle East escalation but could return if inflation fell, called the budget deficit massive with no consolidation in the 2027 draft, and noted gold holdings had risen to 648 tonnes towards a 700-tonne target. Separately, Statistics Poland estimated Polish GDP lost PLN 490.1bn over 2022-25 from Russia's invasion of Ukraine, split across households, companies and the general government, with defence spending PLN 154.2bn higher than at 2022 levels.

Romania: Romania plans to reach around 10GW of combined solar and wind capacity by 2030, up from almost 7.7GW currently, Energy Ministry State Secretary Cristian Busoi said, stressing that the expansion must be matched by battery investment given rising market volatility and intermittent generation. The ministry is preparing new investment programmes and has already launched storage schemes for public institutions and private developers, with Busoi arguing that clearer rules and dedicated funding will unlock capacity. Total installed generation capacity is close to 20.6GW excluding the shut nuclear plant, led by hydro at 6.7GW and solar at 4.4GW.

Central and Eastern Europe (continued)

Türkiye: Istanbul mayor Ekrem Imamoglu was sentenced to two years and one month in prison and a political ban over comments about former Tuzla mayor Sadi Yazici, in a case that had earlier produced two acquittals before an appeals court sent it back. The ruling is not final and can be appealed, but if upheld the ban would take effect and he would be dismissed as mayor, with the council choosing a successor, so the decision opens another route to remove him without immediate effect. Separately, Russia is reported to be lifting curbs on fertiliser exports to Türkiye to offset supplies lost to the Iran war and the Hormuz closure, which we assess could ease the next round of cost transmission into food inflation, running at 33.8% yoy in August.

Ukraine: British tobacco firm Imperial Brands suspended production at its Kyiv factory after it was hit in a Russian drone attack, with no casualties and no timeline for resumption. A British American Tobacco plant in Pryluky was also struck earlier in the week. Russia continued to hit civilian infrastructure, including shopping centres, passenger trains, Black Sea merchant vessels and a filling station, while two people were killed in a strike on a Dnipro sunflower oil facility operated by US firm Bunge, one of many Russian strikes on US assets in Ukraine this year alongside Coca-Cola, Philip Morris, Mondelez, Cargill and PepsiCo.

Ashmore

Central Asia, Middle East & Africa

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Saudi Arabia	GDP Constant Prices (YoY)	2Q F	-4.7%	–	-4.8%	Oil-sector drag.
South Africa	GDP (YoY)	2Q	0.9%	1.2%	1.9%	Growth halved on falling mining volumes due to logistics constraint and Hormuz shock.
	Current Account as a % GDP	2Q	-2.6%	-1.3%	2.3%	
	Current Account Balance (ZAR)	2Q	-205bn	-101bn	182bn	Swung to deficit as imports surged.
	Manufacturing Prod NSA (YoY)	Jul	1.1%	-2.0%	-1.8%	
	Manufacturing Prod SA (MoM)	Jul	2.2%	0.2%	0.8%	
Egypt	Urban CPI (YoY)	Aug	14.5%	–	14.9%	
	CPI Core (YoY)	Aug	14.9%	–	14.7%	Core still elevated: underlying pressure unbroken.
Türkiye	Industrial Production (MoM)	Jul	-1.0%	–	0.2%	
	Industrial Production (YoY)	Jul	-0.3%	–	-1.3%	
	One-Week Repo Rate	10-Sep	37.0%	37.0%	37.0%	CBRT guarding a fragile disinflation.
	Current Account Balance (USD)	Jul	0.04bn	0.70bn	-4.33bn	CA swung to balance on tourism/softer energy bill.

Source information is at the end of the document.

Commentary

Angola: Fuel subsidy spending could rise to around 2.48% of GDP by December 2026, well above the 0.9% budgeted, as higher oil prices lift costs, Finance Minister Vera Daves de Sousa said, though she stressed prudence and prioritised debt servicing, using USD 1.2bn of a USD 4bn Eurobond to buy back 2028 and 2029 maturities. She said full subsidy removal was not yet socially responsible given weak public transport and social protection, and we assess the oil windfall should let the government absorb the higher bill while still narrowing the fiscal deficit to 2.8% of GDP in 2026. Separately, TotalEnergies announced a USD 10bn five-year investment plan, a new Block 17 discovery adding 6,000 bpd and entry into two Lower Congo Basin exploration blocks, which we think could help slow the structural decline in oil production.

Ghana: The central government budget recorded a cash deficit of GHS 9.0bn, or 0.6% of GDP, in January to July, far below the programmed GHS 46.9bn, with the outperformance driven by expenditure under-execution rather than revenue strength as spending came in 16.4% below target and the primary balance posted a GHS 15.2bn surplus. Restraint was broad-based across capital spending, interest and goods and services, while arrears clearance ran well behind plan, indicating much of the gain reflects delayed spending, and the smaller deficit sharply reduced financing needs.

Kenya: Dangote Industries plans to break ground on its 700,000-barrel-per-day Lamu oil refinery on 30 September, one of Kenya's largest private investments at an expected USD 16bn over about three years. The Lamu refinery is modelled on its Nigerian plant and intended to serve the East African market and cut reliance on imported refined products, with regional governments offered minority stakes. Dangote is also considering a gas-fired power plant of up to 1,000MW to supply the refinery and feed surplus power into the grid, with gas initially from Tanzania and Mozambique.

Kuwait: Kuwait is exploring links to Saudi and UAE pipeline networks to reduce its dependence on the Strait of Hormuz, with Kuwait Petroleum Corporation in talks about routing crude through their systems after a report that Saudi Arabia may expand its East-West pipeline by up to 2mbpd. The discussions have gained urgency because Kuwait has no major export route bypassing the strait, repeatedly disrupted since the Iran war began on 28 February, with Saudi Arabia's line to Yanbu the most immediate option and the UAE's Fujairah pipelines a second, though rerouting economics are challenging. The move also supports Kuwait Petroleum Corporation's aim of lifting production capacity to 4mbpd by 2035.

Ashmore

Central Asia, Middle East & Africa (continued)

Morocco: Some 7,288 candidates will contest the 395 seats in the House of Representatives on 23 September, with women accounting for 36.5% of candidates and 227 incumbent MPs seeking re-election, in a campaign running from 10 to 22 September in which 27 parties compete for more than 15.8 million registered voters. With youth mobilisation a key challenge and campaign issues centred on purchasing power, employment and services, we expect the ruling RNI, PAM and Istiqlal to be the main contenders for first place, most likely producing another coalition government.

Nigeria: Peter Obi said he would retain President Tinubu's FX rate policy if elected in 2027 while prioritising productivity to strengthen the Naira, endorsing the June 2023 float that analysts widely view as one of the administration's more successful reforms despite the sharp devaluation it caused. The government has reportedly agreed a secret ceasefire, in effect since June, with the Boko Haram faction led by Bakura Doro, linked to the release of 360 abducted civilians and allegedly an NGN 5bn ransom, though it denies engaging in such deals and the truce excludes the still-active Islamic State West Africa Province. Separately, the Dangote Refinery posted USD 13.91bn in first-half revenue ahead of its planned People's IPO, with Renaissance Capital estimating post-listing equity value at USD 57.11bn to USD 65.44bn and the company planning USD 14.3bn to double capacity to 1.4mbpd by 2029.

Saudi Arabia: Crude oil production excluding condensate fell 4.0% mom to 7.12mbpd in August after a strong July, on OPEC direct-communication data, though a footnote again showed the kingdom supplying 7.12mbpd while producing a much lower 6.24mbpd. Saudi Aramco rethought its export strategy after the Houthis entered the conflict in July and declared a Red Sea blockade, raising pressure on Yanbu, while the Arab Light price fell a further 1.5% mom to USD 87 per barrel before rebounding in September.

South Africa: Transnet returned to profitability in FY2025/26 with a net profit of ZAR 4.6bn against a prior-year loss, its first profit in four years, as rail volumes and container throughput rose. The result was boosted by a ZAR 12.5bn gain on the Durban Gateway Terminal transaction, and debt remains high at ZAR 150.7bn. The company also remains dependent on state support. It plans ZAR 68.4bn of investment to target 250Mt of annual rail freight by 2030, a 49% increase, while accelerating private participation, with ICTSI investing around ZAR 11bn at Durban Container Terminal Pier 2 and 41 routes across six corridors allocated to prospective operators.

United Arab Emirates: The UAE and Germany announced 29 business agreements worth more than EUR 9.4bn, alongside a planned EUR 40bn UAE investment package for Germany, during President Sheikh Mohamed bin Zayed Al Nahyan's visit, targeting industry, AI, digital infrastructure and energy, with EUR 10bn earmarked for Bavaria, new data centres of about 1GW, and deeper cooperation across LNG, renewables and hydrogen involving ADNOC and Masdar. The two sides also agreed to expand AI and technology cooperation and to create a UAE-German Investment Council, building on UAE investments in Germany of about EUR 34bn and non-oil trade of USD 15.5bn in 2025.

Ashmore

Developed Markets

Economic data

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Eurozone	GDP SA (QoQ)	2Q T	0.6%	0.4%	0.4%	Resilience from defence/infra + AI services, not the consumer.
	GDP SA (YoY)	2Q T	1.2%	1.0%	1.0%	
	ECB Deposit Facility Rate	10-Sep	2.5%	2.5%	2.3%	Hawkish hike on energy overshoot. 2027-28 inflation revised up – bar to easing has risen.
	ECB Main Refinancing Rate	10-Sep	2.7%	2.7%	2.4%	
	ECB Marginal Lending Facility	10-Sep	2.9%	2.9%	2.7%	
Japan	GDP Annualised SA (QoQ)	2Q F	1.4%	1.8%	1.1%	Revised up despite oil drag, supportive of BoJ normalisation.
	GDP SA (QoQ)	2Q F	0.4%	0.4%	0.3%	
	GDP Deflator (YoY)	2Q F	2.6%	2.6%	2.6%	
	BoP Current Account Balance (JPY)	Jul	2,988.9bn	2,849.5bn	-92.3bn	
	PPI (YoY)	Aug	7.6%	7.4%	7.7%	Oil-driven import pass-through tilts BoJ hawkish.
UK	Industrial Production (MoM)	Jul	0.2%	-0.2%	-0.2%	
	Industrial Production (YoY)	Jul	0.6%	0.2%	-0.2%	
	Manufacturing Production (MoM)	Jul	0.9%	0.2%	-0.5%	Rebound eases fears the industrial cycle was rolling over.
United States	NFIB Small Business Optimism	Aug	98.7	99.3	99.8	
	MBA Mortgage Applications	4-Sep	-2.7%	–	0.8%	
	Initial Jobless Claims	5-Sep	206k	205k	207k	Labour market tight, removes the offset that could justify Fed's patience.
	Continuing Claims	29-Aug	1,774k	1,780k	1,775k	
	PPI Final Demand (MoM)	Aug	0.4%	0.4%	0.1%	
	PPI Ex Food and Energy (MoM)	Aug	0.2%	0.3%	0.3%	
	PPI Final Demand (YoY)	Aug	5.4%	5.3%	4.8%	Pipeline pressure building. Lifts odds core moves higher again.
	PPI Ex Food and Energy (YoY)	Aug	4.6%	4.6%	4.3%	
	Existing Home Sales	Aug	3.98m	3.98m	4.06m	Rate lock-in keeps housing frozen.
	Wholesale Inventories (MoM)	Jul F	1.3%	1.3%	1.3%	
	CPI (MoM)	Aug	0.4%	0.4%	0.1%	Energy/gasoline drove the beat, not demand.
	Core CPI (MoM)	Aug	0.3%	0.2%	0.2%	Core hot on non-housing services; supercore back to 3%, disinflation stalling.
	CPI (YoY)	Aug	3.4%	3.4%	3.4%	
	Core CPI (YoY)	Aug	2.4%	2.4%	2.5%	
	U. of Mich. Sentiment	Sep P	47.8	51.0	51.7	
	Federal Budget Balance (USD)	Aug	-166.8bn	-211.1bn	-344.8bn	A payback from July due to business days effect.

Source information is at the end of the document.

Commentary

Sweden: The general election is the tightest in its history, hinging on the complete counting in the coming days of late-arriving ballots and votes from overseas. Exit polls indicated the centre-left bloc was on course to reclaim power but that lead evaporated within hours, leaving wide open a scenario in which the centre-right coalition nudges ahead, like in

Developed Markets (continued)

2022, but with the far-right long shut out joining a government for the first time. The difference between the ruling bloc led by Prime Minister Ulf Kristersson and the opposition forces headed by Social Democrat Magdalena Andersson was one seat after 87% of votes had been counted. All party leaders said the result was too close to call on election night. Turnout was also down from the last election, at about 80%.

Ashmore

Benchmark Performance

Emerging Markets	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI EM	0.2%	0.4%	24.3%	33.9%	23.4%	8.2%
MSCI EM ex-China	1.2%	-0.6%	37.9%	55.1%	28.5%	12.9%
MSCI EMEA	0.7%	8.5%	11.0%	20.8%	18.1%	3.3%
MSCI Latam	3.6%	7.9%	19.2%	32.8%	16.4%	12.4%
MSCI Asia	-0.3%	-0.3%	25.8%	34.0%	24.6%	8.3%
MSCI China	-3.6%	4.7%	-11.0%	-13.7%	9.2%	-3.3%
MSCI India	-3.1%	-1.8%	-11.5%	-9.2%	3.5%	2.2%
MSCI EM Growth	-0.5%	-2.6%	21.4%	29.6%	23.3%	6.1%
MSCI EM Value	0.9%	3.6%	27.4%	38.6%	23.4%	10.4%
MSCI EM Small Cap	-1.1%	1.0%	14.0%	15.8%	14.6%	7.4%
MSCI Frontier	-0.9%	3.3%	13.8%	21.6%	22.7%	8.6%
GBI-EM-GD	0.1%	1.3%	2.8%	6.5%	8.3%	2.4%
GBI-EM China	0.3%	2.0%	6.8%	9.3%	7.1%	3.0%
EM FX spot	0.3%	1.5%	0.6%	1.9%	1.1%	-1.4%
ELMI+ (1-3m NDF)	0.5%	3.5%	4.7%	6.6%	7.1%	2.8%
EMBI GD	-0.8%	-1.4%	1.9%	5.2%	9.9%	2.0%
EMBI GD IG	-1.0%	-2.3%	-1.2%	0.1%	5.0%	-1.4%
EMBI GD HY	-0.7%	-0.5%	4.9%	10.4%	14.9%	5.4%
CEMBI BD	-0.5%	-0.4%	1.8%	3.3%	7.7%	2.4%
CEMBI BD IG	-0.7%	-1.0%	0.0%	1.2%	6.0%	0.8%
CEMBI BD HY	-0.2%	0.6%	4.6%	6.3%	10.2%	4.6%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	-0.5%	2.3%	13.8%	19.2%	20.5%	10.9%
MSCI World (DM)	-0.6%	2.5%	12.5%	17.5%	20.1%	11.2%
S&P 500	-0.3%	2.3%	12.8%	17.6%	21.1%	13.0%
DXY Index**	0.0%	-1.8%	1.1%	1.9%	-1.9%	1.4%
EUR*	-0.6%	0.9%	-2.6%	-3.3%	1.0%	-2.2%
JPY*	3.5%	4.9%	-0.3%	-7.3%	-5.7%	-10.1%
CRY Index**	3.0%	19.6%	41.6%	40.2%	13.4%	13.8%
Brent**	18.0%	46.4%	75.4%	59.4%	4.4%	7.7%
Gold**	-2.3%	7.6%	0.2%	17.7%	31.4%	19.1%
Bitcoin**	-1.5%	32.6%	-11.5%	-33%	42.7%	10.7%
1-3yr UST	-0.4%	0.0%	0.6%	1.8%	4.2%	1.9%
3-5yr UST	-1.0%	-1.2%	-1.3%	-0.4%	3.8%	0.4%
7-10yr UST	-1.5%	-2.8%	-2.9%	-2.6%	3.0%	-1.8%
10yr+ UST	-1.7%	-4.8%	-4.4%	-5.4%	0.4%	-7.1%
10yr+ Germany	-1.8%	-6.7%	-4.7%	-7.1%	-2.4%	-9.4%
10yr+ Japan	0.5%	-2.4%	-9.5%	-13.3%	-9.5%	-8.3%
Global Agg.***	-0.6%	-0.7%	-0.9%	-0.9%	3.8%	-1.9%
US Agg. IG***	-1.1%	-2.0%	-1.4%	-0.7%	4.0%	-0.5%
EU Agg. IG***	-1.2%	-3.1%	-1.8%	-1.7%	2.4%	-2.3%
US Corp HY***	-0.7%	0.1%	2.0%	3.5%	8.3%	3.9%
EU Corp HY***	-0.9%	-0.6%	1.3%	2.2%	6.9%	3.0%

Source and notations for all tables in this document: Source: Bloomberg, JP Morgan, Barclays, Merrill Lynch, Chicago Board Options Exchange, Thomson Reuters, MSCI. As at latest data available on publication date. *EMBI GD and EMBI GD HY Yield/Spread ex-default yields and spreads calculated by Ashmore. Defaulted EMBI securities includes: Ethiopia, Ghana, Lebanon, Sri Lanka, and Venezuela. **Price only. Does not include carry. ***Global Indices from Bloomberg. Price to Earnings: 12 months blended-forward. **Index Definitions:** VIX Index: Chicago Board Options Exchange SPX Volatility Index. DXY Index: The Dollar Index. CRY Index: Thomson Reuters/CoreCommodity CRM Commodity Index. Figures for more than one year are annualised other than in the case of currencies, commodities and the VIX, DXY and CRY which are shown as percentage change.

Explore Further Insights

Emerging View

Generating impact and returns through EM public debt markets

4 September 2026
By Gustavo Medeiros, Ben Underhill and Simon Cooke

Global sustainability funding needs are overwhelmingly concentrated in emerging markets, yet impact capital still skews to developed markets. The September Emerging View sets out why EM public debt is the most scalable way to close the gap.

Find out more →

Subscribe to our Insights

At Ashmore we want to keep you well informed and engaged on both the local and global macro events shaping our investments in emerging markets. By subscribing, you get notified as soon as we publish our content. **Find out more →**

Head office

Ashmore Investment Management Limited, 16 Palace Street, London, SW1E 5JD T: +44 (0)20 3077 6000

Local offices

Bogota
T: +57 601 589 9000

Dublin
T: +353 1588 1300

Jakarta
T: +6221 2953 9000

Lima
T: +511 391 0396

Mexico
T: +52 55 4065 8898

Mumbai
T: +9122 6269 0000

New York
T: +1 212 661 0061

Riyadh
T: +966 11 483 9100

Singapore
T: +65 6580 8288

Tokyo
T: +81 03 4571 1601

Qatar
T: +974 5588 9857

Fund prices
www.ashmoregroup.com
Bloomberg
FT.com
Reuters
S&P
Lipper

www.ashmoregroup.com @AshmoreEM