Issued: 17 August 2026

WEEKLY INVESTOR RESEARCH

Ashmore

Risk assets resilient despite soft data and steeper curves

By Gustavo Medeiros and Ben Underhill

- US retail sales, CPI and PPI came in softer, reducing Fed hike expectations.
- Five reasons for the steeper UST yield curve.
- Geopolitics remains key risk to low volatility.
- Chinese economic data continues to soften.
- Korean government announced its first deregulation package to boost investment.
- Fitch reaffirmed Vietnam's 'BB+' rating with a stable outlook.
- Argentina's YPF submitted a USD 51bn capex plan alongside other oil majors
- Colombia declared a national disaster after a magnitude 7.4 earthquake.
- Nigeria approved a new framework seeking up to USD 50bn of investment into oil and gas.
- Saudi Arabia, Türkiye and Pakistan sign a Joint Defence Agreement.

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Last Week Performance and Comments

EM Debt	Yield	Change (bp)	Spread	5 day Change
GBI-EM GD	6.21%	2	–	0.0%
GBI-EM FX Spot	–	–	–	0.0%
ELMI+	5.38%	10	–	0.2%
EMBI GD	7.15%	2	245 bps	0.0%
EMBI GD ex-default	7.27%	2	190 bps	0.0%
EMBI GD IG	5.85%	1	103 bps	0.1%
EMBI GD HY	8.55%	3	395 bps	0.0%
EMBI HY ex-default	8.55%	3	268 bps	0.0%
CEMBI BD	6.67%	1	213 bps	0.1%
CEMBI BD IG	5.74%	1	121 bps	0.1%
CEMBI BD HY	7.95%	0	339 bps	0.2%

EM Equity*	PE 1yr BF	5 day Change
MSCI EM	10.1	2.7%
MSCI EM ex-China	10.0	4.2%
MSCI EMEA	10.5	-0.6%
MSCI Latam	9.4	-3.0%
MSCI EM Asia	10.4	3.3%
MSCI China	10.5	-3.1%
MSCI India	20.1	-0.7%
MSCI EM Growth	11.3	2.6%
MSCI EM Value	9.1	2.7%
MSCI EM Small Cap	13.2	2.2%
MSCI Frontier	11.4	-0.1%

Comments

- EM local currency bonds were flat on the week.
- EM USD sovereign bonds were also flat, with spreads tightening as USTs widened.
- EM equities rose 2.7%, with Korea and Taiwan outperforming.

Global Debt	Yield	Change (bp)	Spread	5 day Change
2yr UST	4.17%	-2	–	0.1%
5yr UST	4.37%	1	–	0.1%
10yr UST	4.69%	5	–	-0.1%
30yr UST	5.26%	6	-	-0.7%
10yr Germany	3.20%	7	-	-0.9%
10yr Japan	2.87%	9	-	-1.0%
Global Agg.***	3.98%	3	28bps	-0.1%
US Agg. IG***	5.42%	4	74bps	-0.1%
EU Agg. IG***	3.71%	5	66bps	-0.4%
US Corp HY***	7.20%	2	266bps	0.1%
EU Corp HY***	6.31%	-1	279bps	0.2%

Global Backdrop*	PE 1yr BF	5 day Change
MSCI ACWI	17.3	0.7%
MSCI World (DM)	19.0	0.5%
S&P 500	20.1	0.4%
VIX Fut.**	15.6	-8.4%
DXY Index**	99.7	0.1%
EUR*	1.16	0.1%
JPY*	159.3	1.0%
CRY Index**	391.4	2.8%
Brent**	88.5	5.9%
Gold**	4,376	0.8%
Bitcoin**	62,847	-3.2%

Comments

- UST curve continued its steepening trend.
- US stocks rose 0.4%, with tech continuing to recover.
- Brent crude rose 6%, but remained below USD 90 per barrel.

Source & Notations: See end of document.

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Global Macro

US economic activity surprised to the downside in July, with retail sales contracting 0.6% mom. Consensus estimates were for 0.2% growth. Meanwhile, consumer price index (CPI) inflation printed at 3.4% yoy with core CPI at 2.5%, down from 2.6% in June. If it wasn't for the closure of the Strait of Hormuz, and the pass-through of higher energy prices to transport and logistics costs (as well as other more minor pass-through effects), core CPI inflation would have been at target. Producer price index (PPI) inflation was also below expectations, flat mom and 4.7% higher yoy from 5.5% in June.

Accordingly, the US 'Fed speak' stance moved a tad more dovish, according to a Bloomberg large language model, albeit it remains at the most hawkish levels since 2017-2019 and late-2021 early 2022. Yet, the backdrop remains very different. Inflation swaps for the next 12 months are still below 2%, which is very different than 2022 when it reached 4%. The Fed hiked in 2017-2019 amid a similar combination of hawkish communication, anchored inflation expectations and downside inflation surprises. However, that was partly due to a desire to move away from the zero interest rate lower bound, with negative real interest rates. Overall, we believe the softer data should continue to anchor the front end of the curve as the odds of a September hike recede further.

Despite the benign data and marginal softening of Fed hawkishness, rates did not catch a bid. Long-end yields are still widening with the 30-year yield again over 5.25%.

In our view, there are five reasons why:

1. Poor US fiscal dynamics. Tariff refunds and OBBBA tax refunds led to a deterioration In June and July fiscal balances.
2. More issuance from high-quality corporate companies, particularly hyperscalers.
3. A hit on Fed credibility as Chair Kevin Warsh criticised much of the current Fed stance without proposing clear alternatives.
4. The price of refined oil products climbing back to a five-year high as the Strait of Hormuz remains practically closed.
5. Positioning as fast money sells long bonds.

Developments in Iran, and Kevin Warsh's speech at Jackson Hole on 28 August could be pivotal in determining whether the long end will keep widening or find some respite. We are cautiously optimistic that weaker data will eventually anchor long-end yield levels, despite fiscal concerns and challenging supply dynamics.

Despite wider rates, EM ex-China recorded a second consecutive week of inflows, totalling USD 3.7bn. Foreign investors added exposure mainly via Taiwan (USD 3.7bn) and Korea (USD 2.0bn), while selling USD 2.3bn in Brazil. The flows support our view that, following July's technically driven sell-off, there is ample of value in EM equities again.

Fundamentals remain solid for ongoing AI infrastructure expansion. Despite persistent concerns over off-balance sheet debt, the discussion has shifting away from whether AI spending is sustainable and towards how long the current expansion can continue. The Ramp index, which measures AI adoption by companies, has risen by 19.7% to 55%, the fastest pace since H2 2023. More importantly, token usage by AI agents is accelerating faster than usage by humans.

Further evidence of strong compute demand comes from both GPU and memory prices, both of which remain highly elevated despite fears of increased competition. Last week, the largest neocloud company reported exceptional growth, surpassing already bullish expectations. This helps explain MSCI EM's 12-month blended forward earnings-per-share (EPS) growth continues to rise, now slightly above 70% in yoy terms as per Fig 1, driven by Taiwan and Korea. Higher earnings and lower prices after the July correction (which is yet to be retraced) explains why MSCI EM now trades at only 10x earnings, more than 2.5 standard deviations below its mean. MSCI Korea now trades at 5.1× 12-month forward earnings, approximately three standard deviations below its historical mean and its lowest levels since 2008 when Bloomberg started compiling earnings data.

Global Macro (continued)

Fig 1: **MSCI EM 12-month blended forward EPS**

Sources: Bloomberg, Ashmore. Data as at 14 August 2026.

Geopolitics: Geopolitics remains the main risk to the current low volatility market environment. US Treasury Secretary Scott Bessent vowed to impose "unprecedented" economic isolation measures against Iran next week. Sanctions have historically failed to bring about regime change or shifts in policy, and we suspect this time will be no different. The impasse in the Strait of Hormuz remains unresolved. Iran attacked two ADNOC vessels in the Strait, which the UAE condemned as "acts of piracy". Meanwhile, Lebanon experienced its deadliest day of fighting in months on Sunday, when Israel struck a senior Hezbollah commander. The conflict appears to be at a stalemate. Iran seems unlikely to allow ships to sail freely through the Strait unless sanctions are eased and frozen assets are released.

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EM Asia

Economic data

China borrowing subdued, India CPI within target range.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
China	Money Supply M2 (YoY)	Jul	7.7%	7.9%	8.0%	New loans contracted for second time this year, with M2 growth at a 16-month low on weak private credit demand.
	Money Supply M1 (YoY)	Jul	4.0%	3.9%	4.0%	
	Money Supply M0 (YoY)	Jul	11.6%	–	11.8%	
India	CPI (YoY)	Jul	4.5%	4.4%	4.4%	
	Trade Balance (USD)	Jul	-31,980m	-30,500m	-30,428m	Exports at record level, yet FYTD deficit is running a third wider than last year, keeping pressure on the rupee.
	Exports (YoY)	Jul	19.6%	–	15.5%	
	Imports (YoY)	Jul	17.5%	–	31.0%	
	Wholesale Prices (YoY)	Jul	9.8%	10.0%	9.9%	
Malaysia	Industrial Production (YoY)	Jun	6.5%	7.2%	8.5%	
	GDP (YoY)	2Q F	6.0%	5.8%	5.8%	
South Korea	Unemployment rate SA	Jul	2.8%	2.7%	2.7%	
Taiwan	GDP (YoY)	2Q P	12.9%	12.9%	12.9%	Electronics exports up 50% yoy on AI demand.
Thailand	Gross International Reserves (USD)	07-Aug	280.6bn	–	275.4bn	
Vietnam	Domestic Vehicle Sales (YoY)	Jul	-5.0%	–	-5.6%	

Source information is at the end of the document.

Commentary

China: July's activity data released this morning surprised to the downside across the board. Retail sales growth slowed to 0.6% yoy from 1.0% in June, well short of the 1.5% consensus, while industrial production decelerated to 4.5% yoy from 5.3% against expectations of 5.0%. Fixed asset investment excluding rural households contracted 6.7%, deepening from a 5.7% decline and worse than the 6.2% drop expected. The breadth of the miss points to domestic demand losing momentum despite earlier policy support.

Credit data released last week told a similar story. Total social financing rose to RMB 1.4trn in July, but the improvement was carried almost entirely by corporate and government bond issuance. New bank loans contracted by RMB 340bn, the second contraction this year after April's, with both household and corporate borrowing shrinking. The credit impulse declined further to -3.8% of GDP from -3.6% in June, leaving little sign of an organic pickup in private credit demand.

India: India's central government debt-to-GDP ratio was 58.2% for FY26, 2.1 percentage points above the 56.1% target, Minister of State for Finance Pankaj Chaudhary told parliament. The miss is largely a denominator effect from the rebasing of the national accounts to an FY23 base year, rather than a deterioration in the fiscal stance. The underlying consolidation remains intact, with the fiscal deficit narrowing to a provisional 4.4% of GDP from 9.2% in FY21. Reaching the FY27 target of 55.6% will nonetheless require continued deficit reduction combined with strong nominal GDP growth. The new INR 1trn Economic Stabilisation Fund should act as a buffer against external shocks along the way.

South Korea: President Lee Jae-myung's approval rating fell to 44% in early August from 51% in late July, slipping below his 46% disapproval for the first time since taking office, according to Korea Gallup. The deterioration is concentrated in unhappiness with real estate policy, with the unpopular property tax reform plan drawing 45% negative ratings. The approval rating of the ruling Democratic Party fell three points to 41% while the opposition People Power Party rose two points to 25%.

Separately, the government announced its first deregulation package, easing rules in semiconductors, batteries and biotechnology. The measures are expected to unlock around KRW 4.2trn of investment and support the government's megaprojects in chips, physical AI and data centres.

EM Asia (continued)

Thailand: GDP growth slowed to 1.9% yoy in Q2 from 2.8% in Q1, the weakest in three quarters but above the 1.8% consensus. On a seasonally adjusted basis, output contracted 0.2% qoq, a smaller decline than the 0.6% expected. Weak private consumption – weighed down by high household debt and elevated living costs – and softer tourist arrivals dragged on activity, while exports and government support provided partial offsets. The National Economic and Social Development Council nonetheless raised its 2026 export growth forecast to 15% and maintained its target of 32 million tourist arrivals.

Vietnam: Prime Minister Le Minh Hung urged banks to cut lending rates to support growth in a 13 August meeting with the State Bank of Vietnam and commercial banks. He instructed the central bank to keep policy rates supportive and liquidity ample while managing the exchange rate flexibly.

Separately, Fitch reaffirmed Vietnam's 'BB+' rating with a stable outlook, one notch below investment grade, citing strong growth and low public debt of around 33% to 34% of GDP. Fitch flagged rapid credit expansion as the key risk delaying a sovereign upgrade, warning that banking credit could reach around 155% of GDP against a 'BB' median of 52%, alongside a large US trade surplus and low FX reserves.

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Latin America

Economic data

Brazil inflation back inside target band, Colombia inflation downside surprise.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Argentina	National CPI (MoM)	Jul	2.1%	2.0%	1.9%	
	National CPI (YoY)	Jul	33.8%	33.7%	33.5%	
Brazil	FGV CPI IPC-S	07-Aug	-0.1%	–	-0.1%	Back inside target band as fuel eases on Iran de-escalation, bolstering Copom hold.
	IBGE Inflation IPCA (MoM)	Jul	0.1%	0.0%	0.2%	
	IBGE Inflation IPCA (YoY)	Jul	4.4%	4.4%	4.6%	
	Retail Sales (MoM)	Jun	0.5%	0.0%	0.3%	
	Retail Sales (YoY)	Jun	2.9%	2.0%	0.4%	
Colombia	CPI (MoM)	Jul	0.2%	0.3%	0.4%	Downside surprise backs BanRep patience after last month's unexpected hold.
	CPI (YoY)	Jul	6.0%	6.2%	6.1%	
	Consumer Confidence Index	Jul	20.7	–	24.3	
	Retail Sales (YoY)	Jun	14.7%	13.8%	11.7%	
	Manufacturing Production (YoY)	Jun	4.1%	2.1%	-0.4%	
Ecuador	Trade Balance	Jun	194.5m	–	645.3m	
Mexico	Industrial Production NSA (YoY)	Jun	1.7%	0.9%	-0.6%	
	International Reserves Weekly (USD)	07-Aug	257,087m	–	255,498m	
	ANTAD Same-Store Sales (YoY)	Jul	1.0%	–	-1.6%	
Peru	Reference Rate	13-Aug	4.25%	4.25%	4.25%	Held again despite firmer inflation trend.

Source information is at the end of the document.

Commentary

Argentina: Argentina's state-owned energy company YPF has submitted a liquified natural gas (LNG) project to the RIGI large-investment incentive regime with headline investment of USD 51bn over the project's full life, the largest RIGI submission to date. YPF is partnering with Eni and XRG to build two floating liquefaction facilities off Rio Negro, with annual capacity of 12 million tonnes from 2031. Around USD 29bn will be needed before operations begin, with a final investment decision expected in November.

The central bank will allow banks to lend FX deposits to companies without dollar income, capped at 15% of each bank's FX deposits, implying theoretical capacity of around USD 6.5bn. The move could add meaningful FX supply.

On politics, the ruling LLA and PRO parties held a first formal meeting and set up a fortnightly working group, a rapprochement that matters for 2027 alliance building. Economy Minister Luis Caputo ruled out FX problems in 2027 and flagged up to USD 50bn of RIGI investment, while Deputy Economy Minister Daza said she expects at least USD 10bn of further FX purchases before the election. These framings warrant caution given how dependent currency stability remains on intervention.

Chile: The Constitutional Tribunal preserved the core of the government's tax stability regime, upholding contracts that fix the tax framework for 10, 15 or 20 years for projects above USD 50m. It rejected the addition of connected projects and the finance ministry's power to extend capital inflow deadlines and struck down in full the compensation mechanism for investors whose environmental approvals are annulled. The latter removes an unquantified contingent fiscal liability but weakens the incentive to invest before litigation resolves. The outcome amounts to a government win on tax stability and a clearer defeat on permitting.

Latin America (continued)

Colombia: The government declared a national disaster after the magnitude 7.4 earthquake centred on San Jose del Palmar in Choco on 10 August. Asocapitales reported 181 deaths and 1,310 injured as of 11 August, with later reporting indicating a materially higher toll. The initial response covers rescue, aid and rental subsidies, while the US announced USD 15.5m in humanitarian assistance. The declaration is not an economic emergency, however, and funding sources remain undefined.

The fiscal backdrop is tight. The Finance Ministry had used 95.5% of its 2026 domestic borrowing quota by end-July, so rebuild funding may require extraordinary measures despite Finance Minister Miguel Gomez's pledge not to raise taxes. The revised 2027 budget is due by 26 August.

Ecuador: President Daniel Noboa issued Executive Decree 468, redefining the fuel price stabilisation mechanism to slow the pass-through of relief to consumers and preserve treasury liquidity. The new rules set a staggered adjustment band of 0.75% to 1.50%, force the first cut to the 0.75% floor and require a 40% import-price shock to deactivate the mechanism. Since 12 August, Extra and Ecopais petrol and premium diesel each fell by about USD 0.023 per gallon, roughly half the cut the previous scheme would have delivered. The full 1.50% relief will not be reached until November barring an external shock, just ahead of the 29 November local elections.

Venezuela: The interim government and representatives of the 2015 National Assembly announced results from the first round of political dialogue. The two sides agreed to seek the recovery of Venezuelan assets held by the Bank of England to fund relief following the 24 June earthquake. They also agreed to restart the process of renewing the Supreme Tribunal of Justice. However, no date was set for the next round of talks, and the issue of the treatment of political prisoners was left unresolved. The dialogue is taking place under interim President Delcy Rodriguez, who has held office since the US captured Nicolás Maduro in January.

Debt restructuring is reportedly set to begin in late August, with Centerview and Hogan Lovells serving as advisers and no involvement from the International Monetary Fund (IMF). In the energy sector, IMPSA will resume the 2,640MW Tocoma hydroelectric project, BP will reportedly sell a 20% stake in Cocuina-Manakin to Trinidad's NGC. The developments reflect deepening US involvement in the country's reopening.

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Central and Eastern Europe

Economic data

Poland GDP beat, Romanian central bank remains on hold.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Czechia	CPI (MoM)	Jul F	0.6%	0.6%	0.6%	
	CPI (YoY)	Jul F	1.7%	1.7%	1.7%	
	Current Account Monthly (CZK)	Jun	-80.47bn	-44.26bn	-38.31bn	
Poland	CPI (MoM)	Jul F	0.8%	0.8%	0.8%	
	CPI (YoY)	Jul F	3.0%	3.0%	3.0%	
	GDP (YoY)	2Q P	3.8%	3.7%	3.5%	
	Current Account Balance (EUR)	Jun	-2,216m	-924m	-1,071m	
	CPI Core (MoM)	Jul	0.4%	0.4%	0.3%	
	CPI Core (YoY)	Jul	3.1%	3.1%	3.0%	
Romania	Trade Balance (EUR)	Jun	-2,961.3m	–	-2,601.1m	
	Interest Rate Announcement	10-Aug	6.5%	6.5%	6.5%	NBR held EU's highest policy rate awaiting the Q3 disinflation it forecasts as electricity base effects finally kick in.
	CPI (MoM)	Jul	0.6%	0.3%	0.1%	
	CPI (YoY)	Jul	8.2%	8.0%	10.4%	
	Industrial Output (YoY)	Jun	-5.2%	-4.0%	-5.4%	
	GDP (YoY)	2Q A	-0.4%	-1.4%	-1.2%	Milder contraction as EU-funded investment cushions weak consumption.
	Current Account YTD (EUR)	Jun	-14,202m	–	-11,425m	
Russia	GDP (YoY)	2Q A	1.3%	0.9%	-0.2%	Retail spending rebound beat CBR forecast.
	CPI WoW	10-Aug	-0.1%	–	0.0%	Weekly deflation keeps further rate cuts in play after July's move to 14%.
	CPI (MoM)	Jul	0.5%	0.7%	0.9%	
	CPI Core (MoM)	Jul	0.4%	–	0.5%	
	Gold and Forex Reserve	07-Aug	740.0bn	–	720.3bn	
	Current Account Balance	2Q P	21,400m	20,900m	12,654m	

Source information is at the end of the document.

Commentary

Czechia: Minutes from the 6 August meeting of the Czech National Bank showed the board regards the 3.75% policy rate as adequate, having held unanimously with all members comfortable at the current level. The board views credit growth as elevated but not yet a boom, sees core inflation as a continued concern on robust service prices, and judges wage growth to be above desired levels despite doubts over data reliability. Any further 25 basis point (bp) hikes are now more likely in Q4 2026 than in September, and cuts look unlikely.

Hungary: The Tisza government will launch a housing programme worth up to EUR 3bn, funded initially by EUR 550m of EU money channelled through the Hungarian Development Bank (MFB), with developer co-financing and possible later European Investment Bank (EIB) involvement. The programme targets affordable rental and dormitory housing after affordability deteriorated to more than seven years of net earnings per average property.

Tisza also proposed loosening the fiscal debt rule, widening its escape clause to cover three years of weak growth so that the breaching 2026 budget revision, with a deficit around 7% of GDP and debt rising to 76% to 77%, would comply. The 2027 budget would not be covered. Finance Minister Andras Karman signalled a 7.5% of GDP deficit target for 2026, down from an 8.3% run-rate, with EU-fund pre-financing set to add around HUF 2,200bn of spending in August.

Central and Eastern Europe (continued)

Poland: An OGB 5-12 August poll suggested the only viable post-election majority is a Law and Justice (PiS)-led far-right coalition. The ruling Civic Coalition (KO) leads with 33.5%, worth 185 seats, but a KO-Left coalition reaches only 198 of the 231 seats needed. PiS polls 22.3% and would require support from both the Konfederacja and Korona, led by the more radically right-wing Grzegorz Braun, to govern.

Separately, Prime Minister Donald Tusk's government is weighing up a new 24% personal income tax rate between the existing 12% and 32% bands for the 2027 budget, with a likely rise in the PLN 120,000 threshold, as 2.4 million taxpayers now sit in the top bracket. A doubled standard deduction looks unaffordable, and Tusk backed the Finance Minister's savings drive despite the election year.

Romania: The Finance Ministry will cut the standard diesel excise by 20% for 16–31 August under its new anti-price-hike mechanism, triggered automatically after diesel prices measured using Platt's quotations rose more than 34%, while distribution prices rose more than 23%. The fiscal impact is limited and partly offset by a temporary windfall tax.

Separately, Romania's energy regulator ANRE granted a construction permit for the first phase of Dama Solar, a project from Czech developer Rezolv Energy in western Romania. With capacity of more than 1GW, this would be the country's biggest solar project and potentially the largest in the EU. A 520MW tranche has secured a 15-year contract-for-difference guaranteeing a power price of EUR 42/MWh. Operations are expected to begin in 2030.

Central Asia, Middle East & Africa

Economic data

Egypt's CPI inflation picks up for first time since March.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Egypt	Urban CPI (YoY)	Jul	14.9%	–	14.3%	First pickup in four months as food costs hit a 14-month high with fuel effects fading.
	CPI Core (YoY)	Jul	14.7%	–	14.3%	
Qatar	GDP Constant Prices (YoY)	1Q	–	–	2.0%	
Saudi Arabia	CPI (YoY)	Jul	1.8%	–	1.8%	
South Africa	South Africa Unemployment	2Q	33.6%	32.6%	32.7%	Highest since 2022 as job creation stalls with participation rate slipping.
	Manufacturing Prod NSA (YoY)	Jun	-1.7%	-3.7%	-4.4%	
	Manufacturing Prod SA (MoM)	Jun	0.9%	0.2%	1.0%	
Türkiye	Industrial Production (MoM)	Jun	0.1%	–	-3.0%	
	Current Account Balance (USD)	Jun	-4.19bn	-5.00bn	-1.25bn	

Source information is at the end of the document.

Commentary

Gabon: Fitch welcomed Gabon's more realistic 2026 budget revision, which cut projected revenue by nearly 23% to XAF 3.24tn, but warned the country's fiscal position remains weak – noting the deficit has widened to around 6.7% of GDP on still-high capital spending. Gabon's financing mix has shifted towards expensive external commercial borrowing, including a USD 1bn Trafigura loan, a planned USD 1.5bn Eurobond and a USD 920m July private placement yielding about 12.6%, while official disbursements have been cut 96%. Fitch put general government debt at 81% of GDP in 2025 and said the ongoing debt audit will set the baseline for any IMF programme.

Ghana: A Global InfoAnalytics poll conducted in July put President John Mahama's approval rating at 72% against 21% disapproval, with 66% rating government performance positively and 60% saying the country is headed in the right direction. Approval was highest in National Democratic Congress (NDC) strongholds and lowest in the New Patriotic Party (NPP)'s Ashanti and Northeast regions. This is the pollster's first Mahama reading, and a June Institute of Economic Affairs (IEA) survey had put approval lower at 58.9%, down from 68% in December 2025.

Kenya: Central Bank of Kenya Governor Kamau Thugge said an IMF mission is due in Nairobi shortly for delayed Article IV consultations that will also cover Kenya's request for a new fund-supported programme, an indication that talks remain on the table. Kenya sought a new arrangement after its USD 3.6bn programme ended in March 2025 with about USD 850m undisbursed. A deal could be politically difficult before the August 2027 election. In the meantime, the government is targeting a 5.5% of GDP deficit in FY2026/27 and leaning on World Bank support, including a USD 750m loan in June.

Nigeria: President Bola Tinubu approved a new framework seeking up to USD 50bn of investment into deep offshore oil and gas, replacing project-by-project deals with standardised criteria under a 2026 tax-remission order and beginning with the USD 10bn Bonga Southwest project. Projects taking a final investment decision by end-2029 can access production tax credits of USD 3.00 to USD 4.50 per barrel, rising as high as USD 11.50 in some cases.

Separately, the Dangote refinery was Europe's biggest external jet-fuel supplier for a second month in July at over 400,000 tonnes, about 20% of imports, despite a fault that cut processing. The consistency of the volumes suggests its role in European product markets is becoming structural.

Oman: The 725-kilometre Oman-Saudi Arabia highway, which opened in 2021 and completed in 2025, is gaining strategic importance as Strait of Hormuz disruption pushes Gulf trade onto combined sea and road routes. With Omani ports at Sohar, Duqm and Salalah sitting outside the strait, cargo can enter by sea and continue overland into Saudi Arabia across

Central Asia, Middle East & Africa (continued)

the Empty Quarter. Goods crossing at the Ramlet Khelah border rose to USD 830m in March from USD 300m in February. The road is a resilience mechanism rather than a substitute for maritime transport, but its role could persist even after traffic normalises.

Saudi Arabia: Iran-backed Houthis struck the Jazan refinery with two drones on Thursday, reportedly causing negligible damage, the second attack in under a week as the group maintains the naval blockade it imposed on Saudi Arabia in July. More oil tankers are bypassing the Bab el-Mandeb blockade by concealing calls at Yanbu, now a key export route since the Strait of Hormuz closed.

United Arab Emirates: Real estate transactions in Ras Al Khaimah reached AED 2.9bn, or USD 787m, in H1 2026 across sales, mortgages and waivers, according to the Emirates News Agency, with property sales of AED 1.35bn and mortgages of AED 1.16bn. The northern emirate, whose economy has no single sector above 30% of GDP, is transforming into a tourism and premium-living destination. The Wynn Al Marjan Island megaproject, due to open in 2027, is the main driver of the real estate boom.

Ashmore

Developed Markets

Economic data

US economic data softening.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Eurozone	GDP SA (QoQ)	2Q S	0.4%	0.4%	0.4%	
	GDP SA (YoY)	2Q S	1.0%	1.0%	1.0%	
Japan	BoP Current Account Balance (JPY)	Jun	-92.3bn	1,512.0bn	3,968.3bn	Oil import bill swamped AI-led export growth in first monthly deficit since January 2025, as primary income repatriation also fell.
	Money Stock M2 (YoY)	Jul	2.2%	–	2.2%	
	Money Stock M3 (YoY)	Jul	1.4%	–	1.5%	
	PPI (YoY)	Jul	7.2%	7.4%	7.3%	
UK	GDP (QoQ)	2Q P	0.4%	0.4%	0.6%	
	GDP (YoY)	2Q P	1.2%	1.1%	0.9%	
	Industrial Production (YoY)	Jun	-0.2%	0.3%	1.0%	
	Manufacturing Production (MoM)	Jun	-0.5%	-0.1%	-0.2%	
United States	NFIB Small Business Optimism	Jul	99.8	97.5	97.4	
	Existing Home Sales	Jul	4.06m	4.05m	4.13m	
	MBA Mortgage Applications	07-Aug	3.6%	–	-2.9%	
	CPI (MoM)	Jul	0.1%	0.1%	-0.4%	In-line print cut Sept hike odds below 30%, with cooler PPI pointing to fading upstream cost pressure from the oil shock.
	Core CPI (MoM)	Jul	0.2%	0.2%	0.0%	
	CPI (YoY)	Jul	3.4%	3.4%	3.5%	
	Core CPI (YoY)	Jul	2.5%	2.5%	2.6%	
	Federal Budget Balance	Jul	-432.3bn	-346.0bn	-291.1bn	
	Initial Jobless Claims	08-Aug	209k	202k	200k	
	Continuing Claims	01-Aug	1,777k	1,794k	1,799k	
	PPI Final Demand (MoM)	Jul	0.0%	0.2%	-0.1%	
	PPI Ex Food and Energy (MoM)	Jul	0.2%	0.3%	0.4%	
	PPI Final Demand (YoY)	Jul	4.7%	4.9%	5.5%	
	PPI Ex Food and Energy (YoY)	Jul	4.2%	4.1%	4.7%	
	Retail Sales Advance (MoM)	Jul	-0.6%	0.1%	0.2%	Steepest drop in over a year as Prime Day pull-forward and negative real wages bite.
	Retail Sales Ex Auto (MoM)	Jul	-0.3%	0.2%	-0.2%	
	U. of Mich. Sentiment	Aug P	51.0	55.0	55.2	Iran war price squeeze sank expectations.

Source information is at the end of the document.

Commentary

Japan: GDP expanded 0.3% qoq in Q2 2026, below consensus for a steady 0.5% pace, taking annual growth to 1.1% against 2.0% expected and 1.8% previously. Private consumption was flat, missing expectations for a 0.5% rise, while capital expenditure fell 1.2% against a projected 0.4% gain. Domestic demand subtracted 0.2 percentage points from growth, partly offset by a 0.5% contribution from external demand on 0.5% export growth. The data complicate the Bank of Japan's path towards policy normalisation, and the Yen is vulnerable if markets pare back September hike odds, currently above 75%.

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Benchmark Performance

Emerging Markets	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI EM	2.2%	-0.9%	22.7%	36.2%	22.6%	8.4%
MSCI EM ex-China	3.4%	-2.7%	35.0%	54.6%	27.5%	13.0%
MSCI EMEA	4.4%	5.9%	8.3%	16.4%	16.2%	3.1%
MSCI Latam	-4.5%	0.2%	10.7%	32.2%	13.0%	10.0%
MSCI Asia	2.4%	-1.0%	25.0%	37.5%	24.0%	8.8%
MSCI China	-2.0%	6.8%	-9.2%	-6.9%	9.2%	-2.6%
MSCI India	0.2%	2.0%	-8.1%	-5.5%	6.2%	4.5%
MSCI EM Growth	2.3%	-3.1%	20.7%	33.8%	22.5%	6.6%
MSCI EM Value	2.1%	1.4%	24.8%	38.6%	22.5%	10.4%
MSCI EM Small Cap	7.9%	0.6%	13.6%	18.8%	15.8%	7.9%
MSCI Frontier	1.5%	1.9%	12.3%	22.1%	21.3%	8.6%
GBI-EM-GD	1.1%	1.4%	3.0%	7.9%	7.9%	2.7%
GBI-EM China	0.3%	1.4%	6.2%	8.8%	6.5%	3.1%
EM FX spot	0.6%	1.1%	0.2%	2.0%	0.5%	-1.3%
ELMI+ (1-3m NDF)	0.8%	2.2%	3.5%	6.0%	6.6%	2.8%
EMBI GD	1.0%	-0.5%	2.8%	8.3%	10.1%	2.4%
EMBI GD IG	0.9%	-1.2%	0.0%	3.1%	5.1%	-1.0%
EMBI GD HY	1.1%	0.2%	5.6%	13.5%	15.1%	5.9%
CEMBI BD	0.6%	0.1%	2.3%	5.1%	7.8%	2.6%
CEMBI BD IG	0.5%	-0.3%	0.7%	3.4%	6.2%	1.1%
CEMBI BD HY	0.7%	0.7%	4.7%	7.6%	10.3%	4.8%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	3.6%	3.7%	15.4%	23.5%	21.0%	11.3%
MSCI World (DM)	3.8%	4.3%	14.4%	22.0%	20.7%	11.6%
S&P 500	4.0%	3.9%	14.5%	21.8%	21.8%	13.4%
DXY Index**	-0.2%	-1.5%	1.4%	1.4%	-1.2%	1.5%
EUR*	0.3%	1.1%	-2.5%	-2.4%	0.2%	-2.5%
JPY*	1.3%	-1.6%	3.6%	11.3%	7.7%	-10.5%
CRY Index**	1.6%	10.7%	31.0%	32.6%	12.1%	12.5%
Brent**	-1.8%	21.4%	45.5%	32.4%	0.9%	4.6%
Gold**	8.2%	9.2%	1.3%	31.2%	31.9%	19.7%
Bitcoin**	-0.1%	7.2%	-28.3%	-47%	28.9%	6.1%
1-3yr UST	0.3%	0.5%	1.1%	2.9%	4.4%	2.0%
3-5yr UST	0.4%	0.1%	0.0%	2.0%	4.3%	0.7%
7-10yr UST	0.4%	-0.9%	-1.1%	1.5%	3.5%	-1.5%
10yr+ UST	0.3%	-3.7%	-3.3%	-0.5%	0.4%	-6.9%
10yr+ Germany	-0.2%	-3.8%	-1.7%	-3.7%	-1.5%	-9.3%
10yr+ Japan	-0.6%	-2.0%	-9.1%	-13.7%	-9.9%	-8.3%
Global Agg.***	0.5%	0.0%	-0.2%	0.9%	3.8%	-1.8%
US Agg. IG***	0.5%	-0.9%	-0.2%	2.4%	4.4%	-0.2%
EU Agg. IG***	0.1%	-1.3%	-0.1%	0.3%	3.1%	-2.1%
US Corp HY***	0.9%	0.6%	2.6%	5.5%	8.7%	4.3%
EU Corp HY***	0.5%	0.3%	2.1%	3.1%	7.5%	3.2%

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.

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31 July 2026
By Gustavo Medeiros and Ben Underhill

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