WEEKLY REPORT · 2026-W26

Macroeconomic & Sovereign Risk

Weekly risk snapshot · 5 axes · 5 verticals

WEEK-OVER-WEEK

▲ +3 pts WoW

FIVE-AXIS HEATMAP

Sovereign Credit & Default	6/10	▲ +1
FX & Currency	7/10	·
Sanctions & Capital Flows	8/10	▲ +1
Central Bank Policy	7/10	▼ -1
Trade & BoP	6/10	·

SCAN INSIDE

5 industry verticals · disruption events · 60–90 day outlook

INDUSTRY VERTICAL · 1/5

Sovereign Credit & Debt

SCORE	LABEL	WEEK-OVER-WEEK
6/10	HIGH	▲ +1 WoW

COMMERCIAL BRIEF

Moody's has revised Gabon's outlook to negative, citing rising debt risk—a signal of widening spreads for sub-Saharan frontier credits. Bangladesh has approached the IMF for a fresh loan while the World Bank simultaneously extends a $450 million banking-reform facility, indicating overlapping multilateral engagement. Brazil is planning its largest-ever panda bond issuance to diversify sovereign funding into CNY markets, a

OPERATIONAL SIGNALS

- Moody's cuts Gabon's sovereign outlook to 'negative' on rising debt-service risk (headlines 49, 52).
- Bangladesh approaches IMF for new loan programme; World Bank parallel $450m banking-reform facility approved (headlines 28, 30).
- Brazil plans record CNY-denominated panda bond issuance to diversify sovereign funding (headline 24).
- China markets record €5 billion sovereign Eurobond, signalling EUR-denominated reserve diversification (headline 35).

HEADLINE THIS CYCLE

Moody's cuts Gabon's outlook to 'negative' on rising debt risk - Reuters

news.google.com

INDUSTRY VERTICAL · 2/5

FX & Currency Markets

SCORE	LABEL	WEEK-OVER-WEEK
7 /10	HIGH	no change

COMMERCIAL BRIEF

The Korean won has breached the 1,540 level against the dollar for a second consecutive session—the weakest reading since the global financial crisis—prompting acute investor caution and domestic retail-sector repricing. Libya's central bank executed a $6 billion foreign-exchange injection to arrest dinar depreciation pressure. The naira's daily exchange-rate reporting reflects persistent NGN volatility. The dollar-yen rate is

OPERATIONAL SIGNALS

- Korean won at post-financial-crisis high vs. USD at 1,540; second consecutive session at that level (headline 7).
- Libya's central bank injects $6 billion to stabilise dinar; largest single FX intervention on record for that sovereign (headline 5).
- USD/JPY momentum stalls as BOJ rate-path signals remain mixed; market upside caution prevails (headline 16).
- Euro softens against yen as weak German data collides with ECB internal divergence and intervention warnings (headline 40).

HEADLINE THIS CYCLE

Won-Dollar Closes in 1,540 Won Range for Second Day... Hits Highest Level Since Financial Crisis Again (Updated) - ?????

news.google.com

INDUSTRY VERTICAL · 3/5

Sanctions & Capital Flows

SCORE
8/10

LABEL
CRITICAL

WEEK-OVER-WEEK
▲ +1 WoW

COMMERCIAL BRIEF

OFAC has issued authorisation for certain Iran crude oil and petroleum product transactions, but EU and OFSI sanctions remain fully operative, creating a tripartite regulatory divergence that imposes complex compliance obligations on energy traders, tanker operators, and correspondent banks. Concurrently, the WSJ reports a crypto exchange serving as a conduit for illicit Iranian capital flows, a vector now directly within OFAC's enforcement

OPERATIONAL SIGNALS

- OFAC partially authorises Iran crude transactions; EU and OFSI sanctions remain fully in force, creating compliance divergence
- US lifts sanctions on seven Russians, two Turkish firms, and two vessels in a targeted SDN rollback (headline 9).
- OFAC designates ISIS operators for crypto-based terror financing; crypto-exchange Iran cash-flow nexus identified (headlines 57, 34).
- ICC judges sue Trump administration to overturn sanctions listings; UK launches new enforcement era for its regime (headlines 58, 60).

HEADLINE THIS CYCLE

OFAC Authorizes Certain Iran Crude Oil and Petroleum Transactions but Questions Remain and EU and UK Sanctions Remain in Force -

news.google.com

INDUSTRY VERTICAL · 4/5

Central Banks & Policy

SCORE
7 /10

LABEL
HIGH

WEEK-OVER-WEEK
▼ -1 WoW

COMMERCIAL BRIEF

The US 2-year Treasury yield is signalling potential Fed rate hike optionality, complicating the consensus rate-cut narrative and tightening financial conditions for EM sovereigns. The BOJ's board member Tamura has explicitly called for rate increases every few months, while a Japanese government blueprint is simultaneously nudging the BOJ toward demand stimulus—clouding the rates path further. Japan's 20-year bond auction recorded its

OPERATIONAL SIGNALS

- US 2-year Treasury yield signals potential Fed rate hike; dollar steady ahead of key inflation data (headlines 3, 14).
- BOJ's Tamura advocates rate hike every few months; government blueprint simultaneously calls for demand stimulus (headlines 20, 31).
- Japan 20-year bond auction weakest since May 2025 rout; fiscal-funding demand risk elevated (headline 27).
- PBOC moves to overnight reverse repo as next policy-shift stage; Fed balance sheet rises to $6.74 trillion (headlines 4, 18).

HEADLINE THIS CYCLE

U.S. Two-Year Treasury Yield Might Signal Fed's Next Move to Be a Hike - WSJ

news.google.com

INDUSTRY VERTICAL · 5/5

Trade Policy & Tariffs

SCORE	LABEL	WEEK-OVER-WEEK
6/10	HIGH	no change

COMMERCIAL BRIEF

The reopening of the Strait of Hormuz is flooding global oil markets with supply, pushing prices back to pre-escalation levels and materially altering the terms of trade for Gulf-dependent sovereigns and commodity-indexed debt. US-Iran talks are making headway, contributing to oil-futures retreat and creating optionality for further OFAC sanction relief on Iranian petroleum—a shift with major BoP implications for Iran and ripple

OPERATIONAL SIGNALS

- Hormuz reopening floods oil markets with supply; prices retreat to pre-escalation levels, reshaping Gulf sovereign BoP (headlines 12,
- US-Iran diplomatic progress advances; OFAC partial Iran crude authorisation signals potential further trade-flow normalisation
- Turkish arms-sale dispute between Trump administration and Congress elevates bilateral trade-sanction linkage risk (headline 45).
- World Bank raises India FY growth forecast to 6.6%; Brazil panda bond signals USD-channel diversification (headlines 53, 24).

HEADLINE THIS CYCLE

Hormuz Reopening Is Quickly Flooding Oil Markets With Supply - Bloomberg

news.google.com

ACTIVE DISRUPTION EVENTS

What we're tracking

Named events visible in this cycle's headlines, classified by vertical.

OFAC Iran Crude Partial Authorisation

ACTIVE VERTICAL: SANCTIONS-CAPITAL-FLOWS

OFAC has authorised certain Iran crude oil and petroleum product transactions, while EU and OFSI sanctions remain fully operative, creating a tripartite compliance divergence that directly affects energy

Korean Won Post-Financial-Crisis Depreciation

ACTIVE VERTICAL: FX-CURRENCY

The Korean won has weakened to the 1,540 per dollar range for a second consecutive session, reaching its softest level since the global financial crisis and prompting heightened caution among institutional FX

BOJ Rate-Path Divergence vs. Government Blueprint

RISING VERTICAL: CENTRAL-BANKS-POLICY

BOJ board member Tamura's public call for rate hikes every few months is in direct tension with a Japanese government policy blueprint urging the central bank to support domestic demand, materially clouding the

Gabon Sovereign Outlook Cut to Negative

ACTIVE VERTICAL: SOVEREIGN-CREDIT

Moody's has revised Gabon's sovereign credit outlook to negative, citing rising debt risk and signalling potential spread widening for sub-Saharan frontier-market credits in the near term.

FORWARD OUTLOOK · 60–90 DAYS

What we're watching

PROBABILISTIC FORECAST

Over the next 60–90 days, the most consequential pressure points are the Federal Reserve's rate-path optionality and the BOJ's policy ambiguity, both of which will drive volatility in USD/JPY, Korean won, and broader EM FX crosses. If the Fed's 2-year yield signal materialises into explicit hawkish forward guidance, EM sovereigns with high external-debt rollover needs—including Bangladesh and sub-Saharan frontier credits such as Gabon—face widening spreads and constrained Eurobond access. The OFAC partial Iran crude authorisation will be closely monitored by EU and UK compliance functions; any broadening of waivers risks secondary-sanctions friction for European energy majors. China's €5 billion Eurobond and Brazil's panda bond issuance mark an accelerating structural shift in sovereign funding away from USD channels, a trend that will attract further CFIUS and EU FDI-screening scrutiny. The Hormuz supply

THIS CYCLE

60 macro headlines analysed · 78% AI confidence

DEEP DIVE

Full live decomposition — 5 axes, 5 verticals,
warningofwar.com/macro/