

WEEKLY REPORT · 2026-W27

Macroeconomic & Sovereign Risk

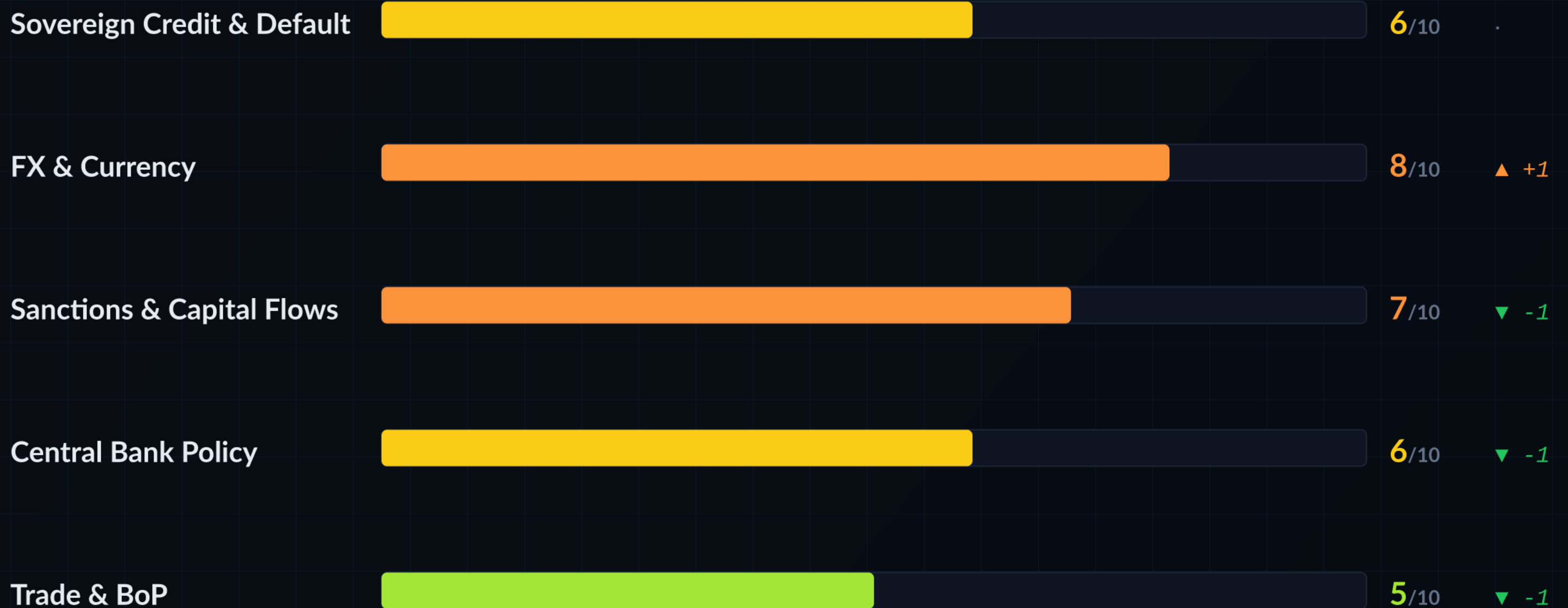
Weekly risk snapshot · 5 axes · 5 verticals



WEEK-OVER-WEEK

▼ -4 pts *Wow*

FIVE-AXIS HEATMAP



SCAN INSIDE

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



INDUSTRY VERTICAL · 1/5

Sovereign Credit & Debt

SCORE

6/10

LABEL

HIGH

WEEK-OVER-WEEK

no change

COMMERCIAL BRIEF

Sri Lanka's IMF-supported stabilisation program is receiving a senior IMF endorsement alongside a fresh World Bank \$150M disbursement, confirming the sovereign's continued dependence on multilateral credit. Nigeria has secured a combined \$3B+ in new World Bank facilities amid documented debt concerns, signalling persistent fiscal fragility under the Tinubu reform agenda. Ethiopia's IMF program proceeds on-track with a \$464M tranche

OPERATIONAL SIGNALS

- IMF approves \$464M Ethiopia tranche; program deemed on-track per fund assessment.
- Sri Lanka IMF program endorsed by senior official; World Bank adds \$150M reform-support disbursement.
- Nigeria World Bank facilities total \$3B+ this cycle despite rising debt-sustainability concerns flagged in press.
- BIS highlights three systemic risks to global financial stability with AI investment boom as lead concern.

HEADLINE THIS CYCLE

[Sri Lanka's Economy Stabilised Under IMF Programme: Senior IMF Official](#)
| Akashvani News - News On AIR

[news.google.com](#)



INDUSTRY VERTICAL · 2/5

FX & Currency Markets

SCORE

8/10

LABEL

CRITICAL

WEEK-OVER-WEEK

▲ +1 *Wow*

COMMERCIAL BRIEF

The Japanese yen has depreciated to its weakest level against the USD in four decades, prompting active trader modelling of worst-case intervention scenarios and short-positioning for further declines toward 200. The Bank of Japan faces compounding pressure from U.S. monetary policy speculation. South Korea's won is simultaneously under pressure from foreign-investor equity liquidation, even as CPI accelerates to a 30-month high. India's

OPERATIONAL SIGNALS

- JPY/USD at 40-year low; market consensus modelling worst-case scenario toward 200 level with short interest rising.
- Korean won weakening driven by foreign-investor equity outflows despite elevated domestic CPI.
- RBI intervention thinning; INR bounce fizzling with arbitrage flows re-emerging in forward market.
- Vietnam State Bank issues inflation warning and acts to stabilise the dong; reference rate adjusted July 2.

HEADLINE THIS CYCLE

[Yen Falls to 40-Year Low Versus Dollar, Traders Alert for Potential FX Intervention - WSJ](#)

[news.google.com](#)



INDUSTRY VERTICAL · 3/5

Sanctions & Capital Flows

SCORE

7 /10

LABEL

HIGH

WEEK-OVER-WEEK

▼ **-1** *Wow*

COMMERCIAL BRIEF

The U.S. Treasury's OFAC designated 134 cryptocurrency wallets linked to an ISIS-K financing network, marking a significant escalation of digital-asset sanctions enforcement. Tether responded by freezing USDT holdings across 131 TRON wallets, with cumulative frozen balances reaching \$4.4B — a record for a single enforcement action in the stablecoin sector. The action signals that OFAC is systematically extending secondary-sanctions risk

OPERATIONAL SIGNALS

- OFAC designates 134 ISIS-K-linked crypto wallets; Tether freezes \$4.4B in USDT across 131 TRON wallets.
- Lokesh Machines Limited achieves India's first successful OFAC SDN delisting via CMS INDUSLAW.
- Iran floating oil stockpile accumulating as major institutional buyers remain absent under existing sanctions.
- BIS calls for central-bank backing of stablecoins, implying regulatory tightening ahead for compliant issuers.

HEADLINE THIS CYCLE

[Tether Freezes USDT Wallets Tied to ISIS-K — Total Hits \\$4.4B - The Cryptonomist](#)

[news.google.com](#)



INDUSTRY VERTICAL · 4/5

Central Banks & Policy

SCORE

6/10

LABEL

HIGH

WEEK-OVER-WEEK

▼ -1 *Wow*

COMMERCIAL BRIEF

At the ECB Sintra forum, incoming Fed Chair Warsh signalled a pivot in Fed communications strategy – downplaying forward guidance and flagging intentions to address the \$7 trillion balance sheet – finding broad alignment with other G10 central bank governors. ECB governing council members are publicly divided on the next rate step as oil price declines pull inflation lower. The Bank of England is advancing a

OPERATIONAL SIGNALS

- Fed Chair Warsh deprioritises forward guidance; \$7T Fed balance-sheet reduction flagged as policy priority.
- ECB council fragmented on next rate direction as oil-linked disinflation reduces rate-hike case.
- Bank of England advances hedge-fund leverage limitation framework under macro-prudential mandate.
- Bank of Korea faces hawkish policy pressure as South Korean CPI accelerates to 30-month high.

HEADLINE THIS CYCLE

In Sintra, world's central bankers find ally in new Fed chief - Reuters

news.google.com



INDUSTRY VERTICAL · 5/5

Trade Policy & Tariffs

SCORE

5/10

LABEL

ELEVATED

WEEK-OVER-WEEK

▼ **-1** *WoW*

COMMERCIAL BRIEF

South Korea's record trade surplus is providing insufficient offset to won depreciation driven by foreign-investor equity outflows, highlighting the decoupling between goods-trade performance and capital-account dynamics. Nigeria's federal government is implementing targeted tariff reductions to ease domestic consumer price pressure. Diplomatic friction between the U.S. and Saudi Arabia over Hormuz access threatens to introduce a

OPERATIONAL SIGNALS

- South Korea record trade surplus failing to arrest won depreciation amid foreign equity capital outflows.
- Nigeria slashes import tariffs to relieve domestic price pressures under ongoing fiscal reform agenda.
- U.S.-Saudi friction over Hormuz passage introduces energy-trade uncertainty for strait-dependent importers.
- U.S.-Iran diplomatic engagement via Qatar continues; no sanctions or trade-regime changes resolved.

HEADLINE THIS CYCLE

Record trade surplus collides with won slump as foreigners dump Korea stocks - CHOSUNBIZ - Chosunbiz

news.google.com



ACTIVE DISRUPTION EVENTS

What we're tracking

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

JPY Currency Dislocation

ACTIVE VERTICAL: FX-CURRENCY

The Japanese yen has reached a 40-year low versus the U.S. dollar, with market participants actively modelling worst-case scenarios and short sellers increasing directional bets, raising the probability of Bank of

OFAC ISIS-K Crypto Sanctions Action

ACTIVE VERTICAL: SANCTIONS-CAPITAL-FLOWS

U.S. Treasury OFAC has designated 134 cryptocurrency wallets linked to an ISIS-K financing network, with Tether executing compliance freezes on 131 TRON wallets representing \$4.4B in USDT – a record digital-asset

ECB Policy Council Fracture

RISING VERTICAL: CENTRAL-BANKS-POLICY

ECB governing council members are publicly diverging on the direction of the next rate move as oil-price-driven disinflation erodes the hawkish case, introducing forward-guidance uncertainty into Eurozone sovereign

Korean Won & CPI Divergence

ACTIVE VERTICAL: FX-CURRENCY

South Korea's Korean won is declining against the U.S. dollar on sustained foreign-investor equity outflows even as domestic CPI accelerates to a 30-month high, creating a policy dilemma for the Bank



FORWARD OUTLOOK · 60-90 DAYS

What we're watching

PROBABILISTIC FORECAST

Over the next 60–90 days, the dominant macro risk vector remains the JPY dislocation: absent a coordinated Bank of Japan and Ministry of Finance intervention, USD/JPY positioning toward the 200 level would propagate cross-asset volatility, tighten financial conditions for EM sovereigns with USD-denominated debt, and amplify capital-outflow pressure on the Korean won, Indonesian rupiah — where Fitch has flagged rising FX-buffer stress — and the Indian rupee. The Fed's balance-sheet reduction agenda under Chair Warsh, if telegraphed aggressively, will reinforce dollar strength and compress EM FX headroom further. The ECB's internal policy fracture risks Eurozone sovereign-spread widening if a rate-cut is delayed while oil disinflation continues. On the sanctions front, OFAC's crypto-wallet enforcement action signals an accelerating compliance perimeter for stablecoin issuers and DeFi infrastructure, with secondary-sanctions

THIS CYCLE

60 macro headlines analysed · 82% AI confidence

DEEP DIVE

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