

Market Information

Angola requested technical support from the IMF in the form of a Policy Cooperation Instrument (PCI). The support does not include funding and it intends to support the implementation of the Macroeconomic Stabilization Plan. The IMF has already shown availability to accommodate the request of the Angolan authorities, the discussion should start from May onwards and the programme will probably be approved by the beginning of the second semester. The programme implementation should signal to the market the country's commitment to a set of economic reforms; in the short term, it can have a positive impact on the Angolan external image, what may reflect on the financing costs of the Eurobonds eventual launch. **This week, the Washington-based institution also announced the spring forecasts, with better expectations for growth in Angola.** The Fund forecasts a 2.2% increase in GDP this year (as announced a few weeks ago), 2.4% in 2019, and an average of 4.2% between 2020 and 2022. This latest figure is a significant improvement over the previous forecast - the IMF expected 1.4% average growth between 2020 and 2022.

In March, oil exports stood at 1.39 million barrels daily (mbd), which is the lowest level since July 2011. The price rose slightly to USD 62.4; export revenues increased 5.8% yoy, but decreased by 2.3% compared to February.

According to BNA, non-performing loans (NPL) reached 31.3% of total credit in February 2018. In January, this rate was 27.8%; this month last year, the ratio was below 12% - this shows a very substantial growth in the last year, exposing how fragile the situation of the Angolan banking system is at the moment. At the end of 2017, the BFA had 6.1% of NPL.

The Brent price fluctuated between USD 73-74 in the last trading days, benefiting, among other factors, from the news of Saudi Arabia's intention to reach a price between USD 80-100. This price level may not be sustainable in the medium term, as it implies a substantial increase in the production of shale oil, which may lead to an excess supply.

Macroeconomic Forecasts

Indicator	2017*	2018**	2019**
GDP change (%)	1.1	1.8	2.0
Inflation (%)	31.7	28.0	14.8
Current Account (% GDP)	-4.8	-3.5	-2.2

*GDP: Finance Ministry estimate; Inflation: INE; Current Account Balance: IMF estimate
** Average of forecasts from Bloomberg

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B	Stable	23/09/16
Moody's	B2	Negative	07/02/18
Standard & Poor's	B-	Stable	11/08/17

Monetary and ForEx data

	20/04/18	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	20.06%	-0.06	3.66	-2.34
USD/AOA*	216.84	0.47%	-23.48%	-23.48%
EUR/AOA*	268.46	0.00%	-30.94%	-30.94%
EUR/USD	1.23	-0.23%	2.48%	14.80%
USD/ZAR*	12.02	0.42%	3.00%	9.38%

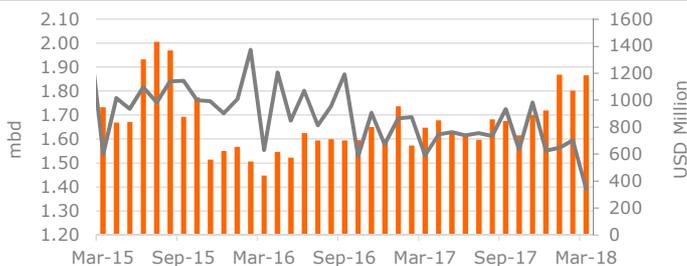
* USD/AOA, EUR/AOA and USD/ZAR change is calculated inversely in order to directly evaluate the appreciation/depreciation of the Kwanza/Rand relative to the other currency

Weekly auctions of Treasury bonds and bills

Maturity	Rate	Supply	Demand	Allocated
BT (180 days)	20.25%	10,546	10,546	10,546
BT (182 days)	20.25%	13,000	10,583	8,983
BT (362 days)	23.90%	9,000	5,630	5,630
BT (364 days)	23.90%	14,418	14,418	13,918

BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanza.
* Bond linked to the exchange rate ** Bond linked to treasury bills

Oil production and government oil revenues*

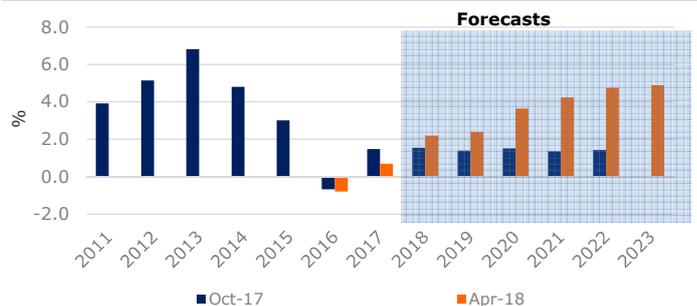


*Includes revenue collected by Sonangol

Exchange rate (official and parallel)



GDP growth - IMF forecasts



Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry