

Market Information

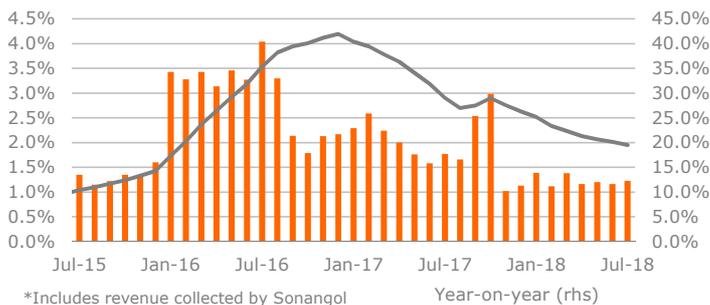
The public debt issuance rules have been changed by the Executive: institutional investors and other financial institutions now have access to the primary market, in addition to the banking sector. Moreover, the Ministry of Finance (MinFin) now has the power to close lending agreements up to USD 10 million; any financing above that amount, requires the authorization of the President.

A new National Agency for Oil and Gas (ANPG) will be created, becoming the national concessionaire instead of Sonangol. The ANPG will be responsible for profit allocation, receiving bids for new oil blocs and the management of production sharing arrangements; the MinFin will act as a supervisor and inspector of the tax, customs and foreign exchange framework, as well as auditing and managing the accounts of the operators and the revenues of the State. Sonangol, on the other hand, will operate only as a market participant in the sector. The transition is scheduled to happen by the end of 2019. The authorities have revised the forecasted volume for oil production to 1.5 million barrels per day in 2018 - a more realistic forecast, in line with our own outlook. An annual decline between 10% and 15% is expected until 2023 without further investment. In 2019, however, we expect the output to decline less steeply or stabilize, given the start of the 2nd Kaombo FPSO.

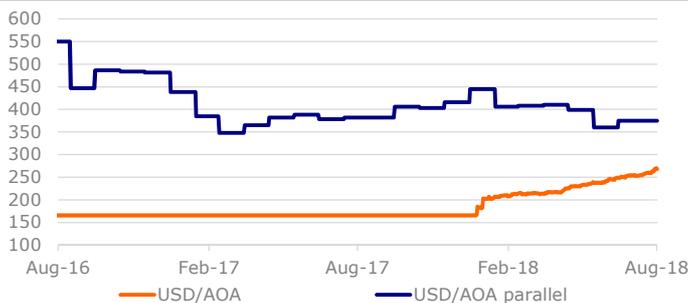
The Kwanza depreciated by 1.67% against the euro in Monday's auction, quoting today at Kz 306.02 per euro (depreciation of 39.42% ytd). The dollar, in turn, is trading at Kz 268.60 (depreciation of 38.23% ytd). The BNA held an extraordinary auction for treasury bonds in US dollars, with maturities of 2, 3, 4 and 5 years. National inflation continues to decline, staying at 1.25% in July, with a year-on-year change in prices of 19.01% - a decrease of 8.28 percentage points in relation to the same period last year. Likewise, the consumer price index for Luanda stood at 19.51% yoy, the lowest level since January 2016.

Angola's credit rating was maintained at "B-" by Standard & Poor's (S&P). The rating agency has kept the outlook as "stable," anticipating that the prospect of GDP growth for this year is 2.2% accelerating to 3.0% throughout 2019 to 2021.

Inflation (Luanda)



Exchange rate (official and parallel)



Macroeconomic Forecasts

Indicator	2017*	2018**	2019**
GDP change (%)	1.4	2.1	2.5
Inflation (%)	31.7	21.0	15.0
Current Account (% GDP)	-0.9	0.4	0.35

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

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B	Stable	25/04/18
Moody's	B3	Stable	27/04/18
Standard & Poor's	B-	Stable	11/08/17

Monetary and ForEx data

	17/08/18	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	16.34%	0.00	-0.06	-6.01
USD/AOA*	268.60	-3.31%	-38.23%	-38.23%
EUR/AOA*	306.02	-1.64%	-39.42%	-39.42%
EUR/USD	1.14	-0.20%	-5.12%	-2.84%
USD/ZAR*	14.86	-5.17%	-16.68%	-10.76%

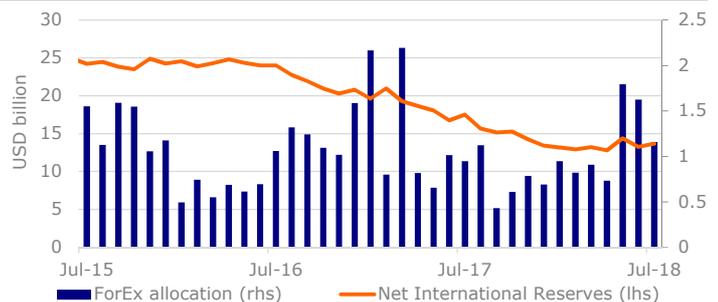
* USD/AOA, EUR/AOA and USD/ZAR change is calculated inversely in order to directly evaluate the appreciation/depreciation of the Kwanza/Rand relative to the other currency

Weekly auctions of Treasury bonds and bills

Maturity	Rate	Supply	Demand	Allocated
OT USD (2 years)	3.70%	295	174	174
OT USD (3 years)	4.50%	295	100	100
OT USD (4 years)	5.20%	295	192	192
OT USD (5 years)	5.90%	295	200	200
BT (172 days)	16.00%	2,532	2,189	2,189
BT (182 days)	16.00%	5,000	858	858
BT (350 days)	17.90%	3,478	298	298

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

Net International Reserves and ForEx allocation



Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry