

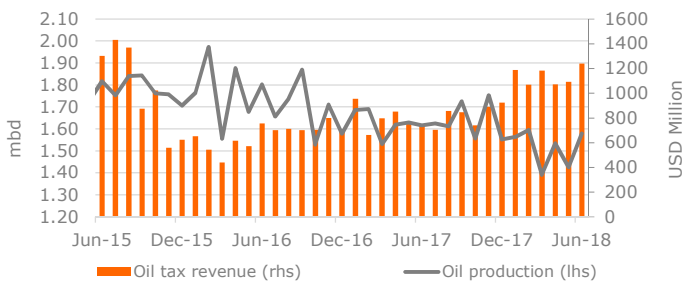
Market Information

Net International Reserves stood at USD 12.7 billion in August, according to preliminary data from the central bank (BNA) - this is the lowest value in the last 8 years. Reserves dropped USD 1.3 billion from July: Reserves in July were reviewed upwards to USD 14.0 billion (preliminary numbers showed USD 13.7 bn). Reserves have seen a gradual declining trend since the start of the year, albeit at a lesser pace than in 2017: reserves are down 5.6% compared to December 2017; year-on-year, the decline amounts to 19.1%.

The central bank divulged last Friday that it expected to allocate USD 700 million to retail banks in foreign exchange auctions during September. From now on, the apex bank will inform on the following month's expected forex allocation in the last trading day of the previous month (amount, currency and use of funds), while announcing further details at least a day in advance; this is a good step in order to improve predictability and allow for a more informed market behaviour. This past week, the BNA has sold EUR 60.0 million to the market, also allocating a EUR 100 million plafond for opening and confirming letters of credit (in these cases, the foreign exchange is made available when liquidation is due). As a result of this week's price auctions, the Kwanza depreciated 2.14% against the Euro - year-to-date depreciation amounts thus to 43.7%. The Euro is trading today at Kz 329.13 in the official exchange rate, while trading at Kz 415 (based on Kinguila Hoje) in the parallel market: the gap between them is now at 26%. Taking into account the BNA aim to lower this gap towards 20% by the end of the year, it is expectable that the authorities start to allow for only a more gradual depreciation in auctions. Thus, it will be important to keep track of this month's price auctions, in order to understand BNA's strategy going forward. On the other hand, the central bank also expected to begin allowing non-oil firms, and after that, oil firms, to sell forex directly to retail banks. However, the IMF deal negotiations could postpone relevant changes in the exchange rate regime.

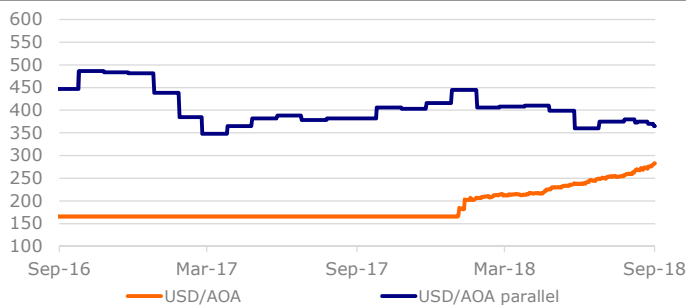
The price of Brent in international markets traded around USD 76-77, after briefly testing the psychological barrier of USD 80.

Oil exports and tax revenues*



*Includes revenue collected by Sonangol

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

	07/09/18	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	16.51%	-0.01	0.11	-3.58
USD/AOA*	282.91	-2.34%	-41.35%	-41.35%
EUR/AOA*	329.13	-2.14%	-43.67%	-43.67%
EUR/USD	1.16	0.27%	-3.10%	-3.24%
USD/ZAR*	15.12	-2.83%	-18.09%	-15.34%

* 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

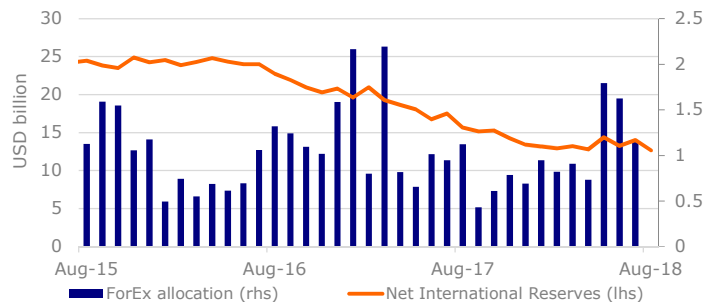
Weekly auctions of Treasury bonds and bills

Maturity	Rate	Supply	Demand	Allocated
BT (86 days)	13.50%	8,000	4,524	2,524
BT (88 days)	13.00%	10,780	10,780	10,780
BT (180 days)	16.50%	8,000	1,024	524
BT (182 days)	16.50%	9,138	9,137	9,137
BT (357 days)	18.42%	4,081	500	500
OT* (5 years)	5.00%	14,119	12,000	12,000
OT* (7 years)	5.00%	947	170	170

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