

Market Information

IGAPE, the new public entity responsible for managing public enterprises, has announced the launch of a tender for the privatization of 7 business units in the Luanda Bengo ZEE (Special Economic Zone), belonging to Sonangol. The deadline for applications is on April 11th. Among the firms to be privatized, only one is operating, Univitro, which works in the glass industry. In total, an additional 45 business units from ZEE are to be privatized.

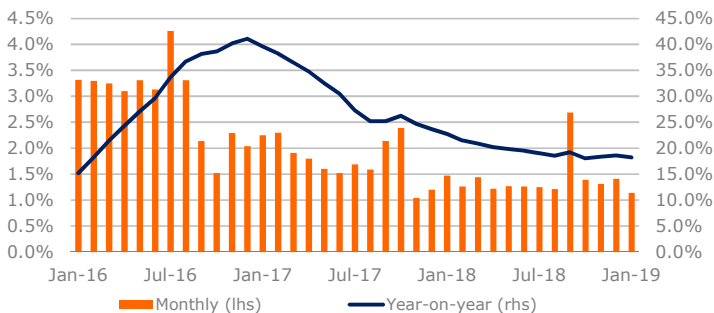
The Kwana was relatively stable this week, having depreciated 0.15% against the USD, as the central bank announced an allocation of USD 700 million in foreign exchange to retail banks in March. Minimum wage for the private sector was increased by 30%, which should occur in March or April, pending publication on the official gazette. One should noticed that the Kwana depreciated over 46% against the Dollar in 2018.

In the energy sector, the Laúca and Capanda dams have reached simultaneous full capacity for the first time, in February, a fact which should be reflected in a greater reliability of electricity provision in the Centre system, where these two dams operate. On the other hand, generating capacity of Laúca should increase again in this year, with the installation of the final two turbines, following the start of operation of the 4th turbine in December 2018. Also, in the North system, construction is underway for the last two turbines (out of a total of six) in the Soyo power plant, while the 4th turbine should start operating in the next few days. It will be important to keep up with the developments in the connection projects between the North, Centre and South electrical system, which should allow for better conditions for economic activity all over the country.

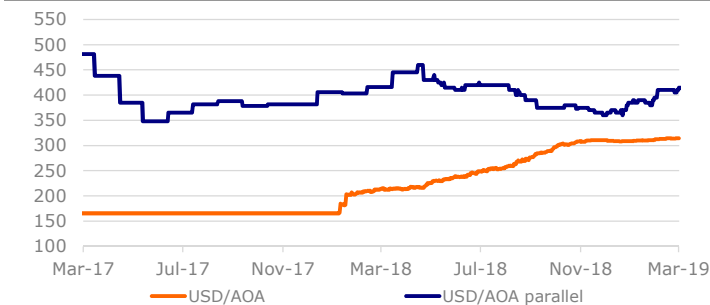
Fitch has kept the rating of Angola at B, with a stable outlook, forecasting a drop of 1.1% in GDP in 2018, while anticipating 2.5% growth this year, supported by an increase of oil & gas production.

In the oil market, Brent has traded around USD 66 during this past week.

Inflation



Exchange rate (official and parallel)



Macroeconomic Forecasts

| Indicator | 2018* | 2019** | 2020** |
|-------------------------|-------|--------|--------|
| GDP change (%) | -1.7 | 2.4 | 2.7 |
| Average Inflation (%) | 19.6 | 16.4 | 14.7 |
| Current Account (% GDP) | 2.0 | 0.3 | 0.61 |

*IMF forecasts

** 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- | Negative | 08/02/19 |

Monetary and ForEx data

| | 01/03/19 | 7 days (p.p./%) | Change YTD (p.p./%) | 12 months (p.p./%) |
|------------|----------|-----------------|---------------------|--------------------|
| LUIBOR O/N | 15.75% | 0.00 | -1.00 | -4.24 |
| USD/AOA | 314.17 | 0.15% | 1.80% | 46.22% |
| AOA/USD | 0.0032 | -0.15% | -1.77% | -31.61% |
| EUR/AOA | 356.98 | 0.40% | 1.12% | 36.26% |
| EUR/USD | 1.14 | 0.44% | -0.72% | -7.19% |
| USD/ZAR | 14.10 | 0.73% | -1.71% | 18.59% |

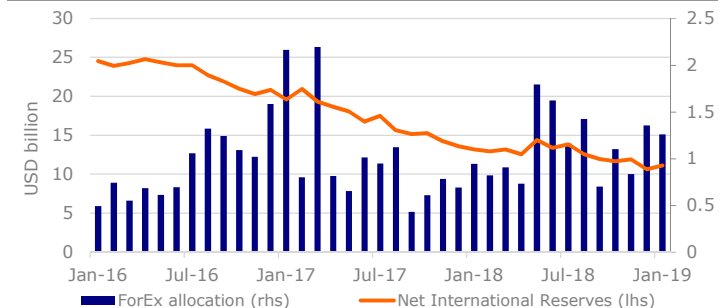
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwana; the change of AOA/USD shows the appreciation/depreciation of the Kwana against the USD.

Weekly auctions of Treasury bonds and bills

| Maturity | Rate | Supply | Demand | Allocated |
|---------------|--------|--------|--------|-----------|
| BT (168 days) | 17.03% | 39,921 | 39,921 | 36,117 |
| BT (350 days) | 18.95% | 27,675 | 11,410 | 1,875 |
| OT (2 years) | 22.00% | 22,253 | 22,253 | 22,253 |

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

International Reserves and ForEx allocation



Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry