

# Angola Weekly| March 15

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## Market Information

According to INE, national inflation continued to decelerate, showing a monthly price change of 1.04% in February and a year-on-year change of 17.95% - a decrease of 3.53 percentage points (p.p.) in comparison with the same period of 2018.

Net International Reserves (NIR) stood at USD 10.5 billion in February, according to preliminary data from the Angolan central bank (BNA), a drop of 6.1% from the previous month (USD 11.1 billion). The decline puts the NIR USD 2.5 billion below February 2018 and at an historic low. In the same month, BNA sold USD 800.6 million in foreign currency to retail banks, an increase of USD 176.1 million compared to January (USD 624.6 million). On the other hand, the central bank corrected the amount made available in January (by minus USD 635 million): thus, in the first two months of the year, BNA sold the equivalent of USD 1.4 billion - a decrease of 19.3% yoy. In the exchange market, the Kwanza depreciated slightly against the international currencies (-0.3% against the dollar and -0.4% against the euro).

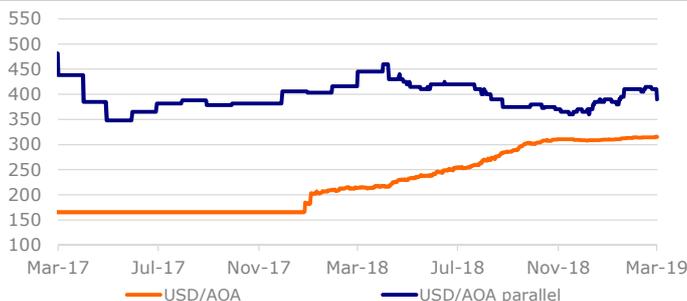
According to the Finance Minister, Archer Mangureira, the World Bank will lend yearly tranches of USD 500 million in budget support, over the next three years. The funding, totalling USD 1.5 billion, can be used at the Government's discretion, in addition to other existing funding from the World Bank for social protection and water supply projects. The Minister also stated that the Executive is preparing a review to the country's Budget, due to be presented in April.

Italian oil company ENI made another oil discovery in block 15/06 - Agogo-1 NFW, with reserves estimated between 450 and 650 million barrels. After the discovery of Kalimba and Afoxé, this is the third and largest discovery in this oil block, located in deep waters. The Italian group operates block 15/06, with 36.8% of the shareholding, the same stake as Sonangol P&P, along with SSI Fifteen Limited (with 26.4%). In the international market, the Brent price reached a four-month high, as a result of the cuts in production by OPEC.

## 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

	15/03/19	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.76%	0.00	-0.99	-4.30
USD/AOA	315.61	0.31%	2.27%	47.42%
AOA/USD	0.0032	-0.31%	-2.22%	-32.17%
EUR/AOA	357.41	0.42%	1.24%	35.19%
EUR/USD	1.13	0.72%	-1.32%	-8.04%
USD/ZAR	14.47	0.19%	0.83%	21.58%

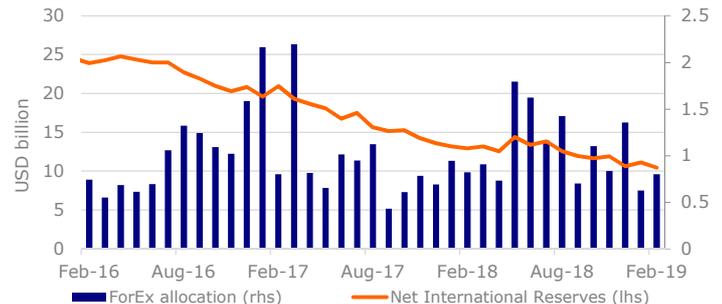
\*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

## Weekly auctions of Treasury bonds and bills

Maturity	Rate	Supply	Demand	Allocated
BT (63 days)	13.43%	12,500	2,989	2,789
BT (154 days)	16.98%	27,500	4,576	1,876
BT (336 days)	18.85%	37,938	3,411	3,411

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

