

## Market Information

**Total S.A. has started the second phase of production in Block 32, Kaombo South, which should lead to a total production of 0.23 million barrels per day (mbd), in this Block.** The first half, Kaombo North, began production in the middle of 2018. According to data from the Ministry of Finance (MinFin), exports stood at 1.44 mbd in January and 1.57 mbd in February, a year-on-year drop of 7.9% and 1.6%, respectively; over the two months, the daily exports averaged 1.50 mbd. Our initial expectation was close to 1.60 mbd this quarter, but these numbers confirm a more negative outlook coming from other data sources. Export revenues totalled USD 5.1 billion, a decrease of 17.1% comparing to the first two months of 2018, as a result of the lower price of the oil barrel - average price was set at USD 57.3 for January and February 2019. Also, as a consequence of this lower price, tax revenue was set at USD 2.0 billion (-9.6% yoy).

**According to the Ministry of Finance's Medium Term Debt Issuing Strategy (2019-2021), the economy is expected to grow by 0.4% in 2019, well below the previous forecast of 2.8%.** The difference is mainly due to a lower forecast for oil GDP, which is expected to fall by 2.2%, when a growth of 1.7% was previously anticipated. If confirmed, this is consistent with an oil production of just under 1.49 mbd for the entire year. This would prove to be a more negative scenario than expected, given that it would not even cover the export share allowed by OPEC (1.478 mbd), taking into account domestically refined crude oil (average of 0.03 mbd in 2018). For 2020 and 2021, the Ministry foresees a growth of 3.2%. During the 3 years, MinFin expects non-oil GDP growth to accelerate from 1.5% in 2019 to 3.7% in 2020 and 4.5% in 2021.

**According to MinFin, meetings with the IMF in Washington will continue, with the Fund postponing the verdict on the Program's first evaluation and, consequently, the disbursement of the second instalment of the loan.** Angolan officials will attend the Spring Meetings of the Bretton Woods Institutions (IMF and World Bank), which will take place between 8-14 April.

## Macroeconomic Forecasts

Indicator	2018*	2019**	2020**
GDP change (%)	-1.7	2.3	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

	03/04/19	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.76%	0.00	-0.99	-4.36
USD/AOA	317.63	-0.01%	2.92%	48.18%
AOA/USD	0.0031	0.01%	-2.84%	-32.51%
EUR/AOA	357.15	-0.29%	1.17%	35.09%
EUR/USD	1.12	0.03%	-1.92%	-8.34%
USD/ZAR	14.11	-3.34%	-1.63%	19.38%

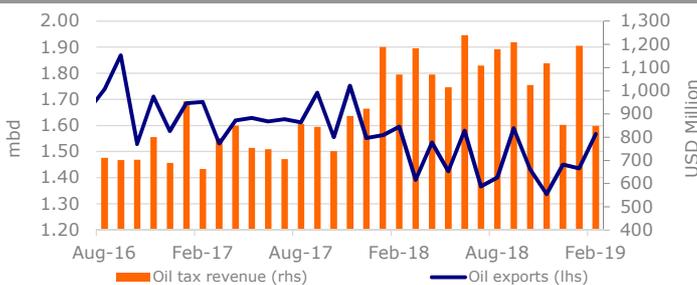
\*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

## Weekly auctions of Treasury bonds and bills

Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	13.30%	20,000	6,276	1,976
BT (6 months)	16.85%	30,000	20,306	10,605
BT (12 months)	18.70%	40,000	17,957	10,657

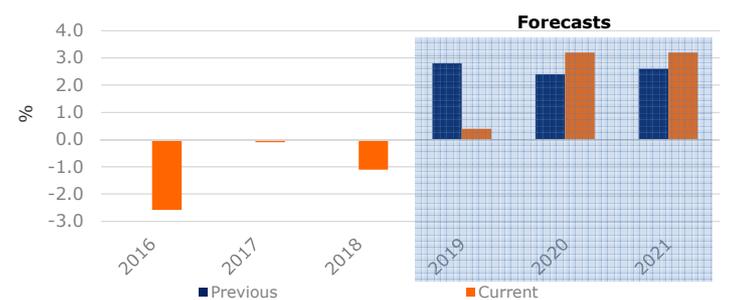
BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanzas. USD OT in million Dollars \* Bond linked to the exchange rate \*\* Bond linked to treasury bills

## Oil exports and tax revenue\*

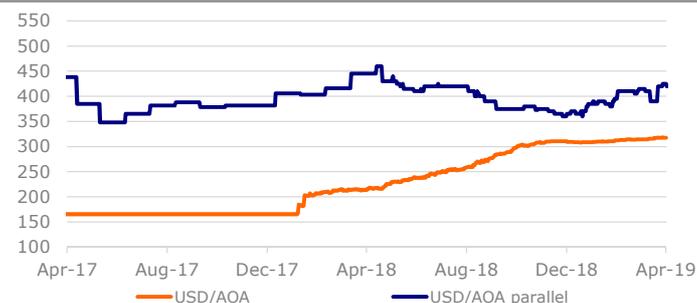


\*Includes revenue collected by Sonangol

## GDP growth forecasts - MinFin



## Exchange rate (official and parallel)



## Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry