

Market Information

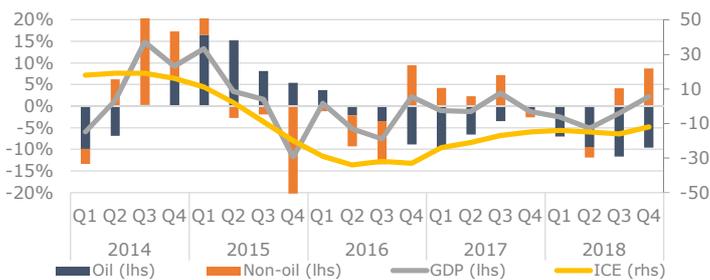
In Q4 2018, Angolan GDP grew 2.2% yoy, the first quarter of growth since Q3 2017. In 2018, the economy shrank 1.7%, the third consecutive year of recession, following drops of 2.6% and 0.1%, respectively, in 2016 and 2017. In 2018, the hydrocarbon sector fell 9.5%, which confirms our forecasts in January this year. In particular, both Retail Trade and Construction (the most relevant sectors barring oil) recorded year-on-year growth in the last three months of the year, accelerating from very slight increases in Q3 2018.

In the same report, INE stated that a new GDP series will be released, with 2014 as reference year, which is expected to improve data quality. According to the institution, this means that "the current series should be suspended from this moment, to allow for intensive work in the process of compiling the new series". Read our Flash Note 04/2019 (to be available shortly on our website) for a more detailed analysis.

According to data from the BNA, the current account showed a surplus of USD 7.5 billion in 2018, the highest value since 2013. As a percentage of GDP, our calculations point to a value around 7.0%, the highest surplus since 2012 (10.8%). This is a much better result than the 1.3% projected by the IMF, which we had anticipated in the previous release of Angola Weekly. The trade balance of goods recorded a surplus of USD 25.0 MM, the highest since 2014. In addition to the increase in goods exported (+ 17.8%), the main cause for the improvement in the current account was the drop in services imports, of 26.2%. In 2018, services imports amounted to only 40% of their value in 2014.

Year-on-year inflation slowed again in March 2019 to 17.54%, the lowest since January 2016 (15.2%). Monthly inflation was 1.09%, 5 basis points (p.b.) higher than the previous month, and only slightly above our expectations. In April, we expect monthly inflation around 1.0%, and at the end of the year we anticipate an annual inflation of just over 15%.

Annual GDP growth and contributions



*Statistical proxy

Exchange rate (official and parallel)



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)	7.0	0.3	0.6

*GDP - IMF forecast; Inflation - INE; Current Account - BNA with BFA calc.
** 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

	18/04/19	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.73%	-0.03	-1.02	-4.33
USD/AOA	319.04	0.29%	3.38%	46.77%
AOA/USD	0.0031	-0.29%	-3.27%	-31.86%
EUR/AOA	359.02	0.09%	1.70%	33.73%
EUR/USD	1.13	0.04%	-1.83%	-9.03%
USD/ZAR	14.09	0.62%	-1.76%	18.12%

*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)	12.96%	16,024	14,149	3,544
BT (6 months)	16.58%	20,538	20,538	18,500
BT (12 months)	18.35%	18,343	14,958	2,375

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

Inflation



Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry