

## Angola Weekly | 03/06

### Market Information

According to BNA data, the external public debt amounted to USD 46.7 billion at the end of Q1 2019. Compared to the end of 2018, there was a slight reduction of less than USD 200 million. External public debt was at 53.3% of GDP in then end of 2018, according to our calculations, and this figure may have fallen to about 52% of GDP. On the other hand, we estimate that domestic debt has also decreased as a percentage of GDP. The percentage should have fallen from 31.5% of GDP at the end of 2018 to just over 30% at the end of March: the exact amount depends on the pace at which government bonds have been issued to pay arrears to suppliers. **Thus, public debt, which represented 84.7% of GDP by the end of 2018, should have fallen by at least 2 percentage points (p.p.) to about 82.5% of GDP.** Regarding the payment of arrears to suppliers, the Government announced that it has already paid half of the USD 500 million in debt to Portuguese companies, intending to pay a USD 40 million tranche soon.

The 3-day Angola Oil & Gas 2019 conference will begin tomorrow, with key players present, both from major oil companies and the Government, including the Angolan President. According to press reports, the first round of bidding for Marginal Oil Fields will be launched during the conference. Last week, Sonangol and Equinor announced a partnership to conduct joint oil exploration activities in the Lower Congo Basin. The Norwegian company was operating in blocks 38/39, which did not reach production stage; at this moment it only has participation stakes in Angolan blocks. This morning, Eni announced the 5th discovery in one year in Block 15/06, Agidigbo-1, raising the total cumulative reserves in these 5 zones to up to 1.8 billion barrels.

In the international market, Brent tumbled due to intensifying US customs barriers. The commodity was trading around USD 62 this morning.

The number of necessary ratifications for the implementation of the African Continental Free Trade Agreement (AfCFTA), agreed in March 2018, and signed so far by 52 of the 55 African countries, has been achieved. It is important to mention that Nigeria (Africa's largest economy) refused to sign. This agreement aims to eliminate more than 90% of tariffs and create a single market with free movement of goods and services. According to an African union official, the agreement will begin on July 7 2019. The implementation of this agreement should take some years due to its logistical complexity.

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Indicator	2018*	2019**	2020**
GDP change (%)	-1.7	1.8	2.4
Average Inflation (%)	19.6	15	14.6
Current Account (% GDP)	7.0	1.4	0.8

\*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\*

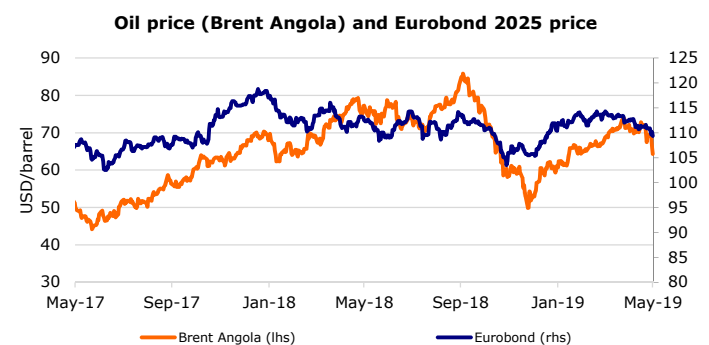
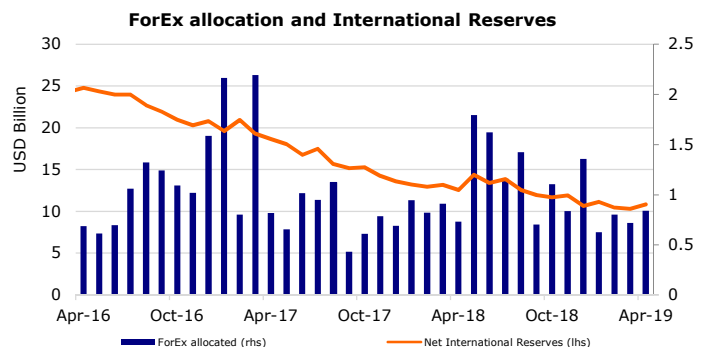
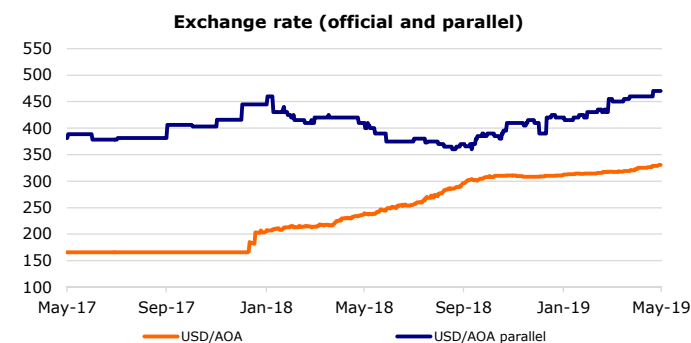
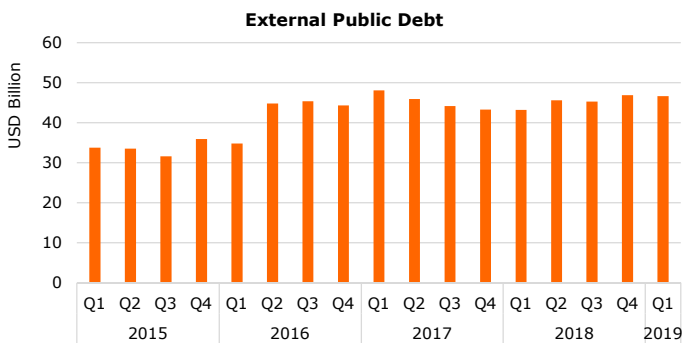
	31/05/19	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.73%	0.00	-1.02	-5.29
USD/AOA	330.5	0.48%	7.08%	40.06%
AOA/USD	0.00303	-0.48%	-6.61%	-28.60%
EUR/AOA	369.7	0.83%	4.73%	34.44%
EUR/USD	1.116	-0.01%	-2.68%	-4.00%
USD/ZAR	14.73	2.37%	2.70%	18.21%

\*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.

### Auctions of Treasury bonds and bills last week

Maturity	Rate	Supply	Demand	Allocated
BT (12 months)	15.90%	25,000	4,621	4,621
USD OT (2 years)	3.70%	20	20	20
USD OT (3 years)	4.50%	20	20	20
USD OT (4 years)	5.20%	18	18	18
OT* (6 years)	5.25%	10,305	1,604	1,604

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



Sources: Bloomberg, BNA, INE, Finance Ministry