

Angola Weekly | 24/06

Market Information

According to Finance Ministry data, oil revenue in May stood at USD 2.9 billion, the highest since the beginning of the year. Although monthly exports decreased by 6.5% compared to April (43.1 million barrels), the average export price was the highest since November last year (USD 70.87), offsetting the production drop. However, from January to May this year, export revenues amounted to only USD 13.2 billion, -12.4% over the same period in 2018. Two factors caused this decrease: on the one hand, the average export price was USD 62.7 (less USD 3.7 than between January and May 2018); on the other hand, there was a drop of about 7.3% in the volume of exported barrels. Oil tax revenue fell 9.6% yoy in the period, measured in Dollars. **BP has announced that it will begin exploration at the Platina field by mid 2020 in the deep waters of Block 18.** The Platina Project will be BP's first project since the start of Block 31 production in 2013, where it produces about 110,000 barrels per day. **In international markets, Brent traded during the past week between USD 61-65, trading around USD 65 this morning.** The upward pressure is mainly due to growing tensions between the United States and Iran, with possible consequences for the flow of goods in the Strait of Hormuz.

The Angolan Statistics Office (INE) will hold this year the 2nd Census of firms (REMPE 2019). This is the first census of this kind since 2002. INE expects to determine the volume of employment at the level of the firm and its distribution by gender, as well as calculating the average size of enterprises by volume of business and staff employed.

IGAPE (the entity that manages Angolan State firms and assets) announced last week a public auction for the privatization of four farms in July; in addition, it also identified another 23 industrial units of the Luanda-Bengo ZEE to be privatized soon.

Detailed documents on the 1st Review of the IMF Program were published. The Fund says that Angola has shown a high commitment to the reform path indicated by the Arrangement, and has fulfilled most of the stated objectives. Among other changes and clarifications, the targets for the Net International Reserves were changed, giving some further leeway to the Angolan central bank. The positive tone of the reports, coupled with the increased risk appetite in international markets, should help the success of a possible Eurobond issuance in the second half of 2018. **See the Flash Note, available soon at www.bfa.ao, for further analysis.**

Market Information

| 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*

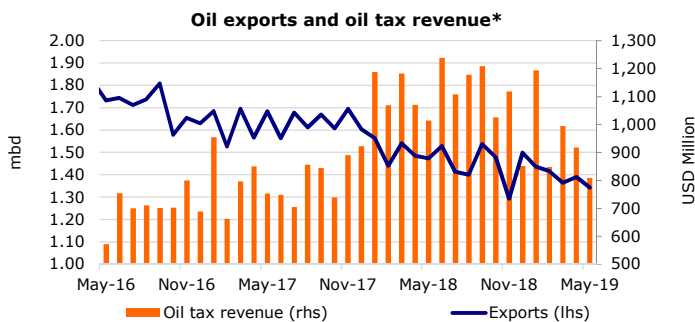
| | 21/06/19 | 7 days (p.p./%) | Change YTD (p.p./%) | 12 months (p.p./%) |
|------------|----------|-----------------|---------------------|--------------------|
| LIUBOR O/N | 15.03% | -0.04 | -1.72 | -6.01 |
| USD/AOA | 340.3 | 0.38% | 10.26% | 38.14% |
| AOA/USD | 0.00294 | -0.38% | -9.31% | -27.61% |
| EUR/AOA | 384.8 | 0.72% | 9.01% | 34.93% |
| EUR/USD | 1.133 | 1.08% | -1.20% | -2.37% |
| USD/ZAR | 14.32 | -3.42% | -0.22% | 5.40% |

*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.

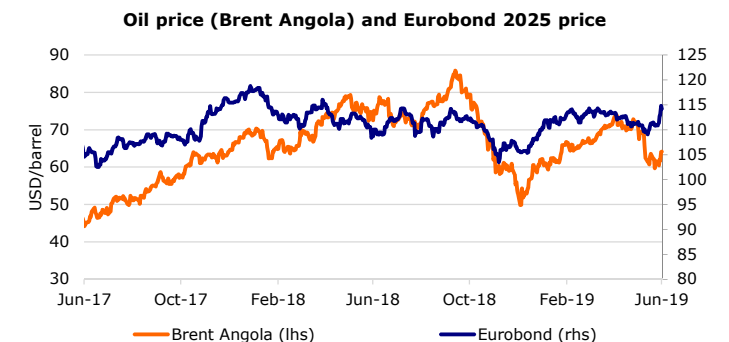
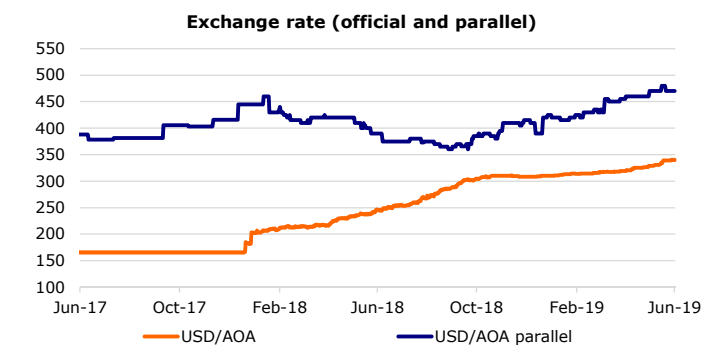
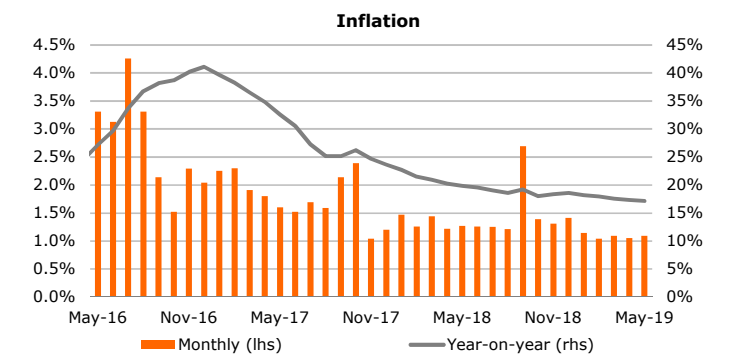
Auctions of Treasury bonds and bills last week

| Maturity | Rate | Supply | Demand | Allocated |
|-------------|--------|--------|--------|-----------|
| BT (1 Year) | 15.40% | 45,943 | 8,012 | 7,012 |

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



*Including Sonangol revenue



Sources: Bloomberg, BNA, INE, Finance Ministry