

Market Information

Net International Reserves (NIR) increased by USD 50.6 million in July to USD 10.3 billion. Compared to December 2018, NIR contracted USD 354.8 million, an average fall of USD 50.7 million per month – an opposite behaviour compared to the same period of 2018, where NIR saw an average monthly increase of USD 37.5 million. Year-on-year, reserves fell by USD 3.6 billion. The end-of-year NIR floor agreed with the IMF was set at USD 9.1 billion.

In the foreign exchange market, the Kwanza remained stable against the Dollar, appreciating slightly against the Euro, as a result of the EUR/USD decrease. In the parallel market the USD/AOA depreciated to 530, according to Kinguila Hoje - **the exchange rate gap between both markets widened by 5.5 percentage points to 46.4%, similar to August 2018.** On the other hand, BNA has announced that it will allocate USD 750 million in forex to the market, through price auctions.

The Treasury placed AOA 87.2 MM in Kwanza bonds (OTs), exceeding the expected issuance for 2019. In 2019, the Government issued AOA 297.2 in local-currency treasury bonds, +4.3% than programmed for the year. According to the Annual Debt Plan, Angola is still to issue around AOA 63.5 billion in Dollar-indexed bonds, AOA 5 billion in Dollar bonds and AOA 227 billion in treasury bills; in total, the Government has issued 72.8% of the planned amount. Rates rose slightly in the last auction, with the 4-year issue showing a yield of 23% (+100 basis points).

The Government of Angola signed a memorandum of intent with the Japanese Bank for International Cooperation (JBIC) worth USD 400 million, on Wednesday, in Yokohama. The memorandum sets the framework for new financing agreements between the two countries in the field of water, energy, road construction and rehabilitation. Japan has funded some projects in Angola already, such as the recovery of Namibe Port (valued at USD 600 million) and projects related to telecommunications, textile industry and demining programs.

The Ministry of Mineral Resources and Petroleum has announced an international public tender for the construction a refinery in Soyo, Zaire province. A timetable for the presentation of the project and the start date of the tender, the program and specifications and other documents should be divulged shortly. The construction of this refinery is part of the Executive's strategy for the hydrocarbons sector, together with the projects for the Lobito refinery and the Cabinda refinery, as well as the improvement works at the Luanda refinery.

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Indicator	2018*	2019**	2020**
GDP change (%)	-1.2	0.3	2.0
Average Inflation (%)	19.6	17.0	15
Current Account (% GDP)	7.0	0.8	-0.3

*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	Negative	12/07/19
Moody's	B3	Stable	27/04/18
Standard & Poor's	B-	Negative	08/02/19

Monetary and ForEx data*

	30/08/19	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	13.50%	0.00	-3.25	-2.99
USD/AOA	362.0	0.00%	17.30%	32.16%
AOA/USD	0.00276	0.00%	-14.75%	-24.34%
EUR/AOA	402.0	0.22%	13.88%	28.96%
EUR/USD	1.109	-0.09%	-3.29%	-5.04%
USD/ZAR	15.31	-0.35%	6.72%	8.10%

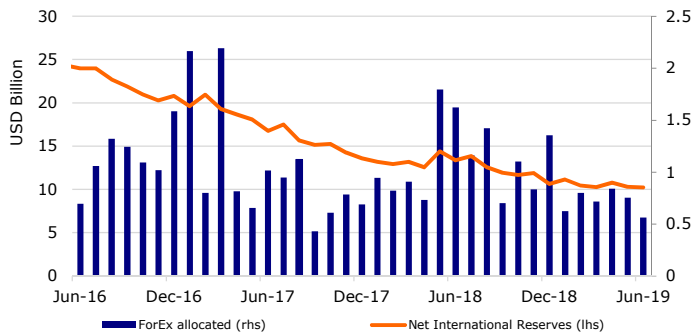
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

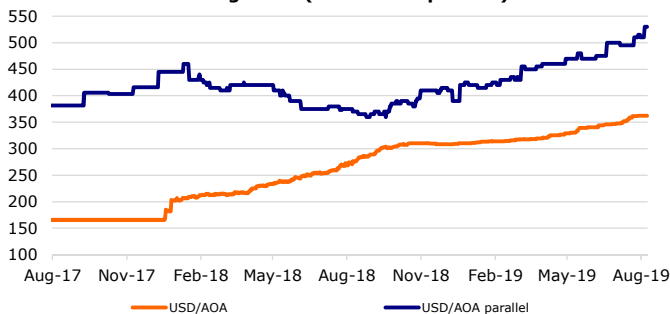
Maturity	Rate	Supply	Demand	Allocated
BT (1 year)	14.69%	11,314	2,746	2,246
USD OT (1 year)	3.7%	7	7	7
OT (1,5 years)	21.5%	20,000	17,927	17,927
OT (2 years)	22.5%	15,000	6,559	6,559
OT (3 years)	23.3%	40,572	40,572	40,572
OT (4 years)	23.00%	22,207	22,207	22,207

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

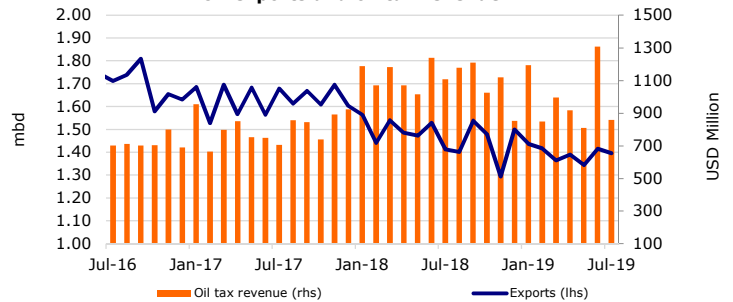
ForEx allocation and International Reserves



Exchange rate (official and parallel)

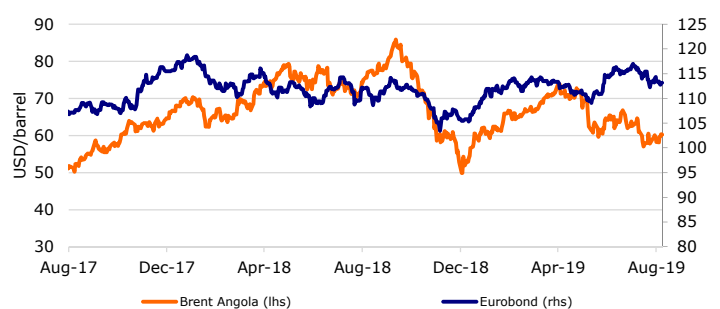


Oil exports and oil tax revenue*



*Including Sonangol revenue

Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry