

Market Information

According to the Ministry of Finance (Minfin), Angola exported 706,900 carats in diamonds in October, a decrease of 8.3% compared to September. Since the beginning of the year, the volume of carats exported amounts to 7.12 million, -11.4% yoy. However, the higher average export price (+4.2% yoy) leads to export earnings being just 7.7% lower in 2019 compared to the same period in 2018. In terms of tax revenue, the Government raised about USD 75.5 million in the first 10 months of the year, a year-on-year decrease of 1.3%. **The second international diamond auction organized by Sodiam will take place until December 5th, which should determine the result on the following day.** The auction has 5 lots of diamonds, coming from the Cuango Mining Society and the Catoca Mining Society. The previous auction yielded USD 16.7 million to the state-owned company.

The Executive issued a Eurobond of USD 3 Billion (Bn) on the 20th of November. According to MinFin, the issue is divided into two installments: **1.75 Bn 10 years at a rate of 8%, and 1.25 Bn 30 years at the rate of 9.125%.** This new issuance has interest rates slightly lower than in 2018 (8.25% 10 years and 9.375% 30 years), but somewhat above the rates traded in the secondary market for the most similar maturities (7.63% 8.5 years and 8.92% to 28.5 years). Demand expressed some interest from investors, reaching USD 8.44 Bn.

In the foreign exchange market, the Kwanza depreciated 1.7% against the dollar. According to Kinguila Hoje, Kwanza has remained stable at USD/AOA 640 in the parallel market, over the past week, which puts the difference between both markets slightly below 33% - using the average retail exchange rate from commercial banks. In the interbank market, LUIBOR overnight continued to rise, stabilizing in recent days at between 24-25% - Kwanza liquidity shortages in the market continue to be felt.

A contract for the reactivation of the Kassinga iron mine with the Turkish group Tosyali was signed during the International Mining Sector Conference and Exhibition last week. According to the company leader, the work should begin in January 2020, with the replacement of the mine in operation, opening the possibility of later setting up an iron ore processing plant.

Only 7 state-owned companies had their 2018 accounts approved unreservedly, unlike the remaining 39. In total, the corporate sector has assets of AOA 23.9 Bn and liabilities of AOA 14.1 Bn, and has about 51 one thousand workers.

Market Information

Indicator	2018*	2019**	2020**
GDP change (%)	-1.2	-0.5	1.4
Average Inflation (%)	19.6	17.5	15.0
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*

	22/11/19	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	22.21%	3.71	5.46	5.46
USD/AOA	470.1	1.72%	52.32%	51.42%
AOA/USD	0.00213	-1.69%	-34.35%	-33.96%
EUR/AOA	519.9	2.01%	47.28%	46.80%
EUR/USD	1.107	0.20%	-3.44%	-2.89%
USD/ZAR	14.62	-0.59%	1.93%	6.34%

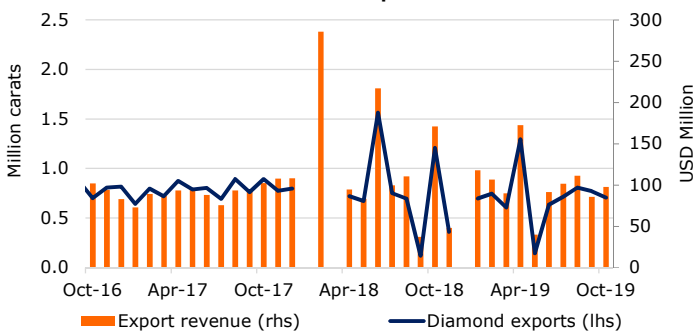
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

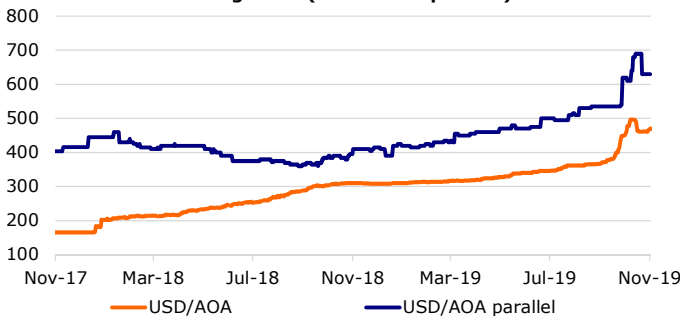
Maturity	Rate	Supply	Demand	Allocated
BT (6 months)	12.00%	9,996	0	0
BT (1 year)	14.68%	9,843	0	0

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

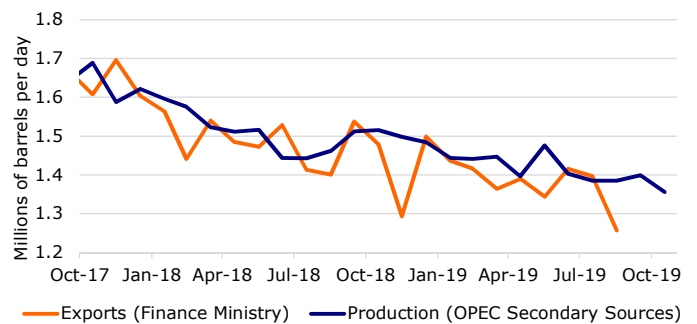
Diamond exports



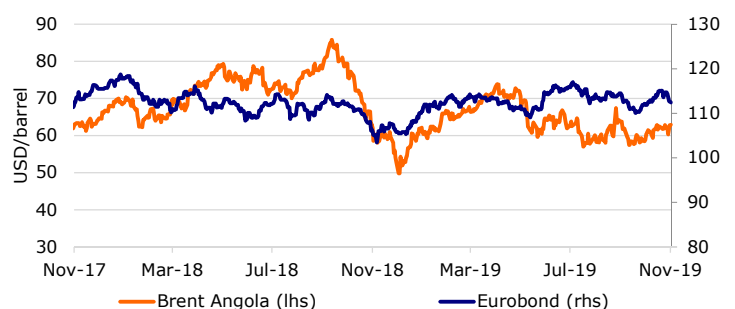
Exchange rate (official and parallel)



Oil Production and Exports



Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry, OPEC