

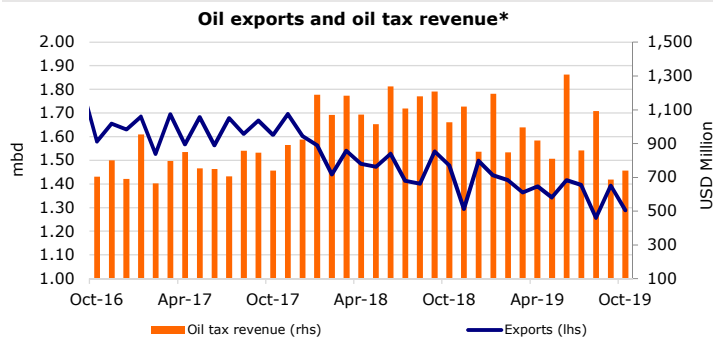
**Market Information**

**The IMF Executive Board completed the second review under the EFF Program for Angola, approving a USD 247 million disbursement, on the 5th of December.** The Fund underlined the commitment of the authorities to the program despite the challenging environment, which weighs on the economic outlook. The institution praised the efforts of the central bank to "eliminate remaining imbalances in the foreign exchange market"; in addition, it stressed the importance of maintaining a tight monetary policy in order to support the disinflation process. A more detailed report is expected in the coming days.

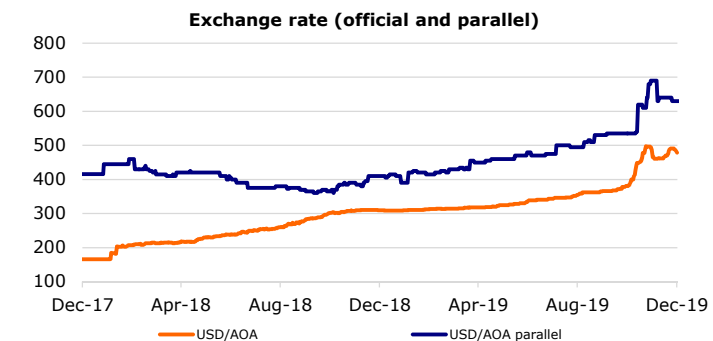
**According to MinFin data, crude exports fell 7.8% yoy up to October, to an average of 1.37 million barrels per day (mbd).** In October, 1.29 mbd were exported (slightly above the 1.26 mbd of August). A 10.3% yoy drop in the average export price until October meant export revenues (in USD) decreased by 17.2% yoy in the period. On the other hand, tax revenue totalled USD 9.4 billion (Bn), -16.3% yoy. **On Friday, OPEC+ agreed to a further 0.5 mbd production cut to support oil prices in the face of oversupply.**

**Between January and November 2019, USD 8.5Bn in foreign currency were sold to banks by the central bank (-29.3% yoy).** In November, USD 858 million were sold, USD 58 million less than in October, but well above the USD 500 million originally announced by the BNA. **In the foreign exchange market, the Kwana gained 2.69% against the Dollar in the last 7 days, with the average USD/AOA trading at 478.4 on Friday.** This was due to a continued shortage of liquidity in the market, coupled with increased forex availability by the central bank; the overnight LUIBOR rate stood already at 27.05% - an increase of 12.09 pp since the beginning of November. In the parallel market, the Kwana remained stable at USD/AOA 630 - with the gap between the two markets at 31.7%.

**According to MinFin data, the State issued a total of AOA 739 Bn in Kwana Treasury Bonds in the first nine months of 2019.** Most of the issues (93%) were not currency-linked. Only AOA 309 Bn of these translated into money disbursements to the State, as 24.6% went to payment of arrears and 27.9% to capital increases in BPC, RECREDIT and the central bank. A total of AOA 21.7 Bn were also issued in Dollar Treasury Bonds, while AOA 440 Bn were issued in Treasury Bills. **Compared to the Annual Debt Plan (PAE), domestic issuances up to the 3rd quarter were 6.4% below the total planned; while Treasury Bonds issues were 0.76% higher than expected, Treasury Bills issues have so far been 10.2% below the plan.**



\*Including Sonangol revenue



**Market Information**

Indicator	2018*	2019**	2020**
GDP change (%)	-1.2	-0.6	1.3
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\***

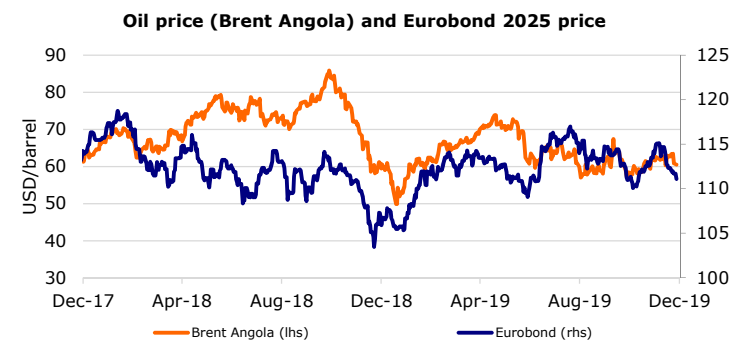
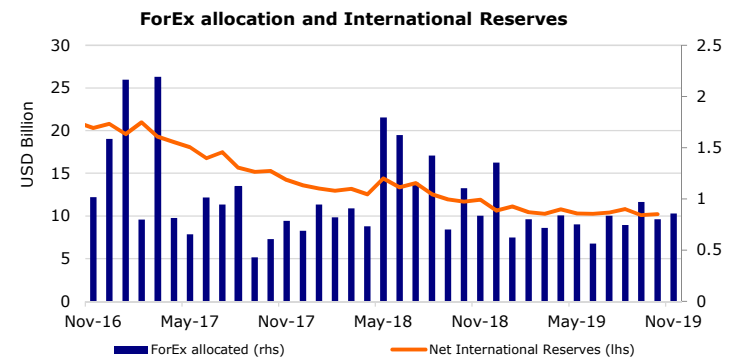
	06/12/19	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	27.00%	0.79	10.25	10.25
USD/AOA	478.4	-2.62%	55.02%	54.58%
AOA/USD	0.00209	2.69%	-35.49%	-35.31%
EUR/AOA	530.7	-1.83%	50.34%	51.37%
EUR/USD	1.106	0.38%	-3.55%	-2.76%
USD/ZAR	14.62	-0.33%	1.92%	4.09%

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

**Auctions of Treasury bonds and bills last week**

Maturity	Rate	Supply	Demand	Allocated
BT (6 months)	12.00%	5,000	3	3
BT (1 year)	14.68%	5,000	0	0

BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwana. USD OT in million Dollars \* Bond linked to the exchange rate \*\* Bond linked to treasury bills



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