

**Market Information**

**The Angolan central bank kept the various monetary policy instruments unchanged at the last Monetary Policy Committee on January 27th:** the reference rate is at 15.5% and mandatory reserves in local currency are at 15%. However, BNA continues to make use of other tools to restrict liquidity, in order to contain inflation and reduce the demand for foreign exchange from the banking system, thus avoiding a larger depreciation of the Kwanza. The next meeting is expected to take place on March 27 this year. See our Flash Note available at www.bfa.ao for a more detailed analysis.

**Legislation was enacted authorizing the issuance of Treasury Bonds and Bills for 2020, up to the limits established by the State Budget.** Thus, debt issues are expected to start soon this year.

**Last Wednesday, several proposals were examined and approved by the Council of Ministers, with the purpose of improving the business environment.** Among the proposals already approved, we highlight the creation of a single form to allow for the setting up of a business. On the other hand, the organic statute of the Angolan Development Bank (BDA) was changed, transferring its superintendence to the Ministry of Economy and Planning.

**Sonangol announced that it had launched a public tender, ended on January 30, to sell stakes held in six tourism-related companies, although no results of the tender were publicly disclosed.** In the statement, the oil company also said it would launch tenders for its holdings in other companies, including Sonaid (drilling) and Sonasurf (maritime services). Likewise, the public entity responsible for state-owned enterprises (IGAPE) will hold an open hearing with market participants tomorrow, February 6th, in order to prepare the sale of 13 industrial units in the Special Economic Zone - Luanda Bengo (ZEE).

**Due to the impact of the new coronavirus on the Chinese economy, Brent has declined by around 10 Dollars over the past few weeks, trading close to USD 55.** The Oil & Gas concessions agency (ANPG) and ExxonMobil have agreed to extend the production license for Block 15 until 2032: the project foresees a multi-year drilling programme, adding approximately 0.04 million barrels per day to the Block's production. Sonangol is now a part of the consortium, with a 10% stake. An agreement was also recently signed with BP, giving the company exploration rights and defining the terms of a future risk sharing agreement in Block 18/15.

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Indicator	2019*	2020**	2021**
GDP change (%)	-0.6	1.2	2.4
Average Inflation (%)	17.5	15.0	10.0
Current Account (% GDP)	0.8	-0.3	-0.5

\*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\***

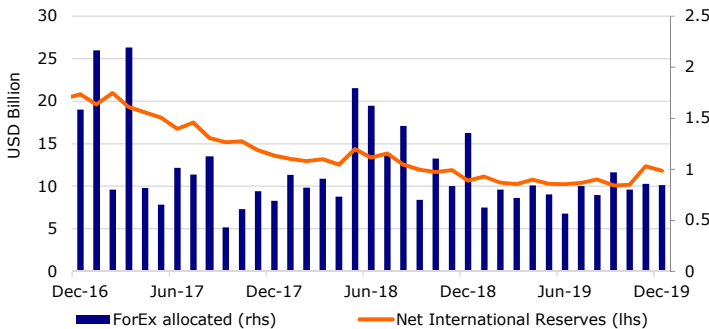
	31/01/20	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	19.97%	0.02	-8.85	4.22
USD/AOA	495.8	-0.15%	2.81%	58.78%
AOA/USD	0.00202	0.15%	-2.74%	-37.02%
EUR/AOA	546.9	-0.22%	1.12%	52.65%
EUR/USD	1.105	0.20%	-1.48%	-3.50%
USD/ZAR	14.92	3.67%	6.59%	12.59%

\*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.

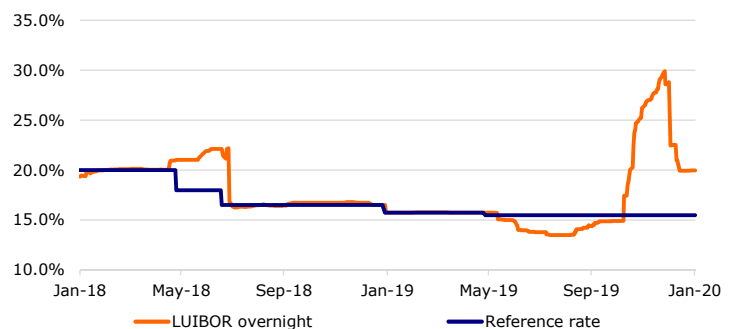
**Auctions of Treasury bonds and bills last week**

Maturity	Rate	Supply	Demand	Allocated

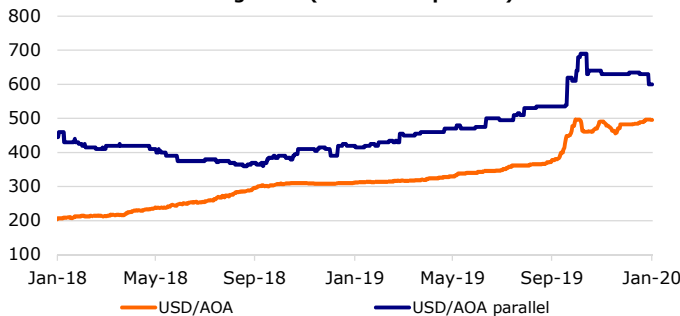
**ForEx allocation and International Reserves**



**Reference rate and interbank rate**



**Exchange rate (official and parallel)**



**Oil price (Brent Angola) and Eurobond 2025 price**



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