

Angola Weekly | 10/02

Market Information

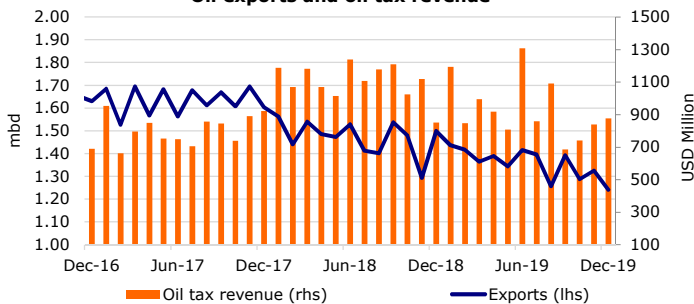
According to Finance Ministry data, crude exports dropped 7.8% in 2019 compared to 2018, averaging 1.36 million barrels per day (mbd). November and December saw exports of 1.33mbd and 1.24mbd, respectively (the value for December is a new low for the statistical series). Note that the output averaged 1.40mbd, according to data collected by OPEC; the gap should correspond to domestically refined crude. The average export price fell 10.9% yoy to USD 63.0, leading export revenues to tumble 17.8% yoy to USD 31.2 billion (Bn). Tax revenue declined somewhat less (-15.8%), amounting to USD 11.2Bn. **The Oil & Gas Agency (ANPG) will continue to look for new investors for the seven blocks whose auctions received no proposals last October.** ANPG's strategy involves the sale of interests in 50 new blocks for oil exploration in the country by 2025. In 2020, the referred strategy foresees the launch of a public tender for 9 onshore blocks, 3 in the Congo basin and 6 in the Cuanza basin. **On the other hand, agreements were signed last week between the Executive and multinational Anglo American for 5 concessions on prospecting for metals, 3 in Cunene (copper, cobalt and nickel) and 2 in Moxico (copper, cobalt and silver).** According to the CEO, Mark Cutifani, work should begin this year, following the conclusion of details to be agreed with the authorities.

German Chancellor Angela Merkel visited Angola last Friday, while a financing agreement was signed for the construction of the Caculo Cabaça dam. An agreement was also achieved with Siemens to start the construction of a light rail urban system in Luanda, later this year. On the other hand, the president of the Volkswagen South Africa Group, Thomas Schaefer, was in Angola as part of negotiations to possibly install a vehicle assembly unit in the Special Economic Zone (EEZ) Luanda-Bengo.

The new Law on Anti-Money Laundering and Financing of Terrorism was published on the official gazette. The law came into force on January 27th, fulfilling one of the requirements of the Program agreed with the IMF and answers a broader need for improvement as asked by with international stakeholders.

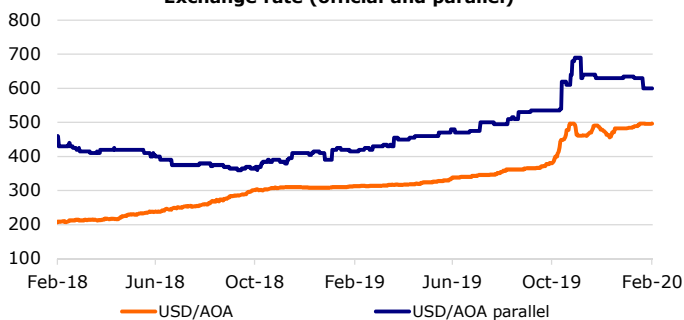
In the foreign exchange market, the Kwanza remained stable against the Dollar, trading at USD/AOA 496.4, while at the same time appreciating in the parallel market. According to Kinguila Hoje, the Kwanza is appreciating 5.0% ytd in the informal market, trading at USD/AOA 600, corresponding to a gap of 20.9% (lowest level since the end of 2014).

Oil exports and oil tax revenue*



*Including Sonangol revenue

Exchange rate (official and parallel)



Market Information

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*

	07/02/20	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	20.03%	0.06	-8.79	4.28
USD/AOA	496.4	0.11%	2.93%	58.51%
AOA/USD	0.00201	-0.11%	-2.85%	-36.91%
EUR/AOA	543.6	-0.59%	0.52%	53.04%
EUR/USD	1.095	-1.33%	-2.38%	-3.48%
USD/ZAR	15.06	0.24%	7.60%	10.53%

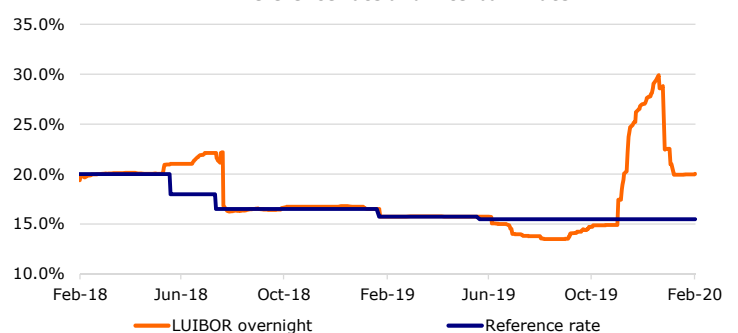
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

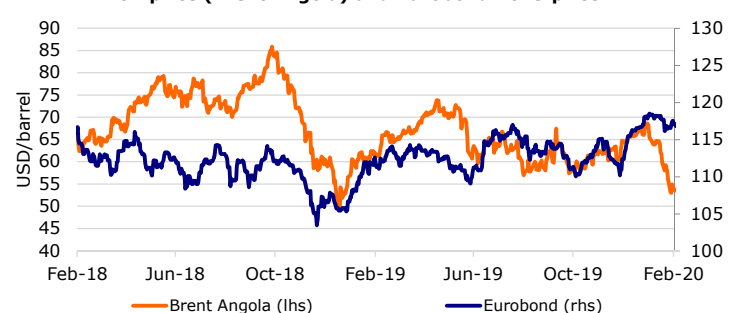
Maturity	Rate	Supply	Demand	Allocated

BT 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

Reference rate and interbank rate



Oil price (Brent Angola) and Eurobond 2025 price



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