

Market Information

The Italian oil company ENI reported a 40% increase in the estimate of oil existing in Agogo oil field in Block 15/06, to a total of one billion (Bn) barrels. This discovery was made after drilling a 3rd hole and, according to the firm, this new estimate indicates a production capacity of more than 15 thousand barrels per day. Block 15/06 exported an average of 0.13 million barrels per day (mbd) in 2019; the investment in Vandumbu field and the beginning of production in Agogo is expected to lead to an increase in exports to around 0.17mbd in 2020, a growth of almost 30%. **Sonangol's net debt decreased to USD 1.25Bn at the end of 2019, a 53% decrease from USD 2.68Bn at the end of 2018.** According to Sonangol spokesman statements, the import of refined oil products decreased by 12% in 2019. On the other hand, the company has highlighted the asset sale process: there are currently 5 asset sales underway; in addition, Sonangol reported the sale of Quinta do Lazareto in Portugal for USD 13 million; in April 2020, the process of 11 more assets will start, including holdings in Sonamet, BAI, Petromar and Sonadit. **The second edition of the Angola Oil & Gas conference will take place on June 16-17, in Luanda, as announced last week.**

In international markets, the fears of COVID-19 had a markedly negative impact on a broad range of assets. The epidemic that started in China is worrying investors, given the likelihood of a global pandemic, and also due to the effects already felt in the real economy. As the epidemic seems to be partly contained in China, the most urgent concern is now the possible proliferation of cases in Europe and the spread in Sub-Saharan Africa, after the first case in Nigeria. The tumble in the Dow Jones was the sharpest since 2008, dropping 12.4% last week. **In other geographies, the falls are similar, while in the oil market Brent came to trade below USD 50, the lowest level since December 2018; it is now trading around USD 52.** The OPEC meeting, to be held later this week, could agree on further restrictions on country production quotas.

The Angolan Finance Ministry issued domestic debt again last week, notably AOA 2.2Bn issued in Treasury Bills (about USD 4.5 million) and USD 15 million in Dollar-denominated Bonds. It has been a slow start in financing so far this year; the market is showing scarce demand for local currency securities at the current yield offered by the State. It is worth noticing that the State has already issued 31.4% of planned Dollar Bond issues; thus, it will be relevant to see how this situation unfolds during the rest of the year, considering that USD 4.5bn in currency-linked Kwanza bonds mature in 2020 and no more issues of these securities are expected in 2020, according to enacted legislation.

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Indicator	2019*	2020**	2021**
GDP change (%)	-0.6	0.9	1.8
Average Inflation (%)	17.5	19.9	14.6
Current Account (% GDP)	0.8	-0.5	-0.7

*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*

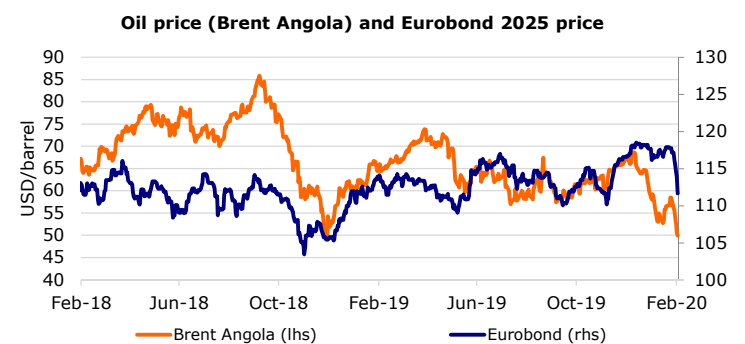
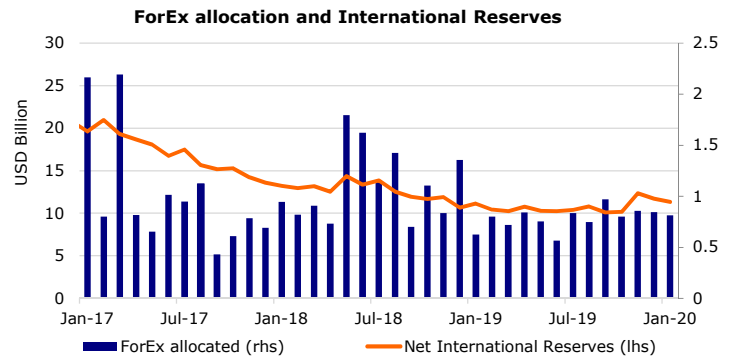
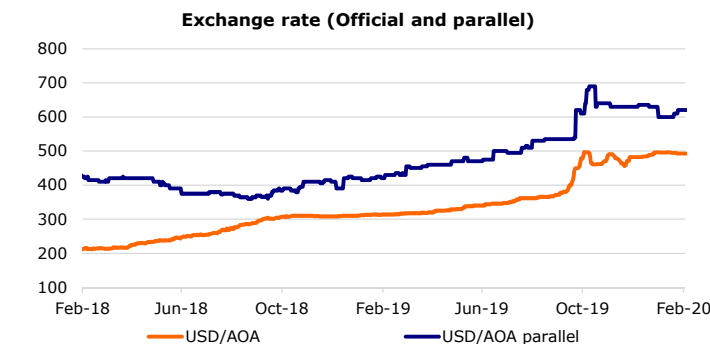
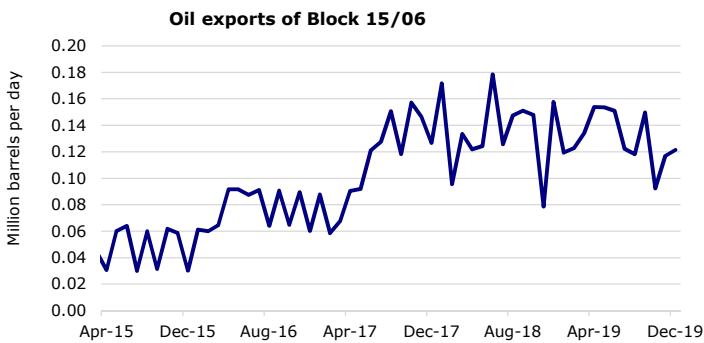
	28/02/20	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	20.19%	0.00	-8.63	4.46
USD/AOA	492.6	-0.07%	2.16%	56.80%
AOA/USD	0.00203	0.07%	-2.11%	-36.23%
EUR/AOA	543.6	2.12%	0.51%	51.79%
EUR/USD	1.103	1.65%	-1.67%	-3.03%
USD/ZAR	15.66	4.37%	11.86%	11.19%

*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 (3 months)	15.00%	6,000	13,355	2,214
OT (1,5 years)	21.25%	5,000	4	4
OT USD (2 years)	3.70%	5.0	5.0	5.0
OT USD (3 years)	4.50%	5.0	2.5	2.5
OT USD (4 years)	5.20%	5.0	2.5	2.5
OT USD (5 years)	5.90%	5.0	5.0	5.0

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



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