

Market Information

The President João Lourenço declared, last Wednesday, State of Emergency for the whole country. This measure has as main objective limiting the circulation and prohibiting the permanence of people on the streets for the next 15 days; citizens must stay at home. This decision was in result of the advance in the spread of the new coronavirus (Covid-19) in the country, which has already seven cases, two of which resulted in deaths.

The rating agency Standard & Poor's lowered the rating for Angola from B- to CCC+ last week. This reduction is due to the sharp fall in the price of oil on the international markets, which according to them, will cause budget and external deficits in the country, as well as increase financial pressures. In the international markets, Brent closed the week at around USD 24.

Last Friday, the Ministry of Finance received authorisation from the Council of Ministers to initiate the review process of the 2020 State Budget (OGE). According to the Minister, this review is one of the response measures to low oil prices in the international markets and will be based on an average price of USD 35 (USD 20 less than in the current budget). Likewise, oil production for 2020 and the average diamond carat price were revised downwards. The new data from the revised OGE point to a recession in 2020, which is expected to be around 1.2% and will involve a sharp reduction in public expenditure.

Last Friday, the Central Bank held a Monetary Policy Committee meeting, deciding to keep the various monetary policy instruments unchanged: the BNA rate at 15.5% and the mandatory reserves coefficient in national and foreign currency at 22% and 15%, respectively. On the other hand, it was decided to reduce the interest rate on the liquidity absorption facility, with a maturity of seven days, from 10% to 7%, and to establish a liquidity line of AOA 100 billion for the acquisition of public debt owned by non-financial corporations.

In the foreign exchange market, there was a significant depreciation of the Kwanza again, having lost 3.4% against the Dollar, closing the week in USD/AOA 536.7. In the parallel market, the Dollar is trading at AOA 650, according to Kinguila Hoje; thus putting the interval for the reference rate at 21%.

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Indicator	2019*	2020**	2021**
GDP change (%)	-0.6	0.9	2.5
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-	Stable	09/03/20
Moody's	B3	Stable	27/04/18
Standard & Poor's	B-	Negative	08/02/19

Monetary and ForEx data*

	27/03/20	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	16.94%	1.01	-11.88	1.18
USD/AOA	536.6	3.47%	11.28%	68.95%
AOA/USD	0.00186	-3.35%	-10.14%	-40.81%
EUR/AOA	597.7	7.15%	10.52%	67.21%
EUR/USD	1.114	4.24%	-0.64%	-0.71%
USD/ZAR	17.62	0.08%	25.89%	20.65%

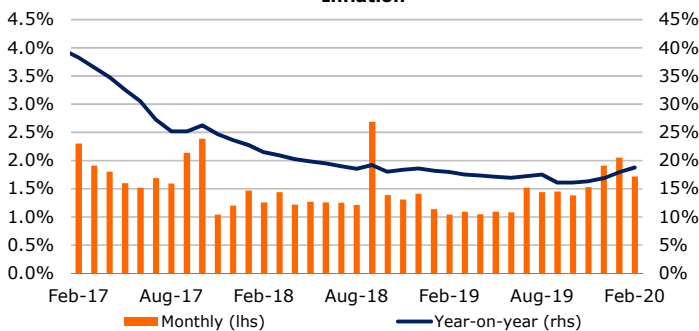
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

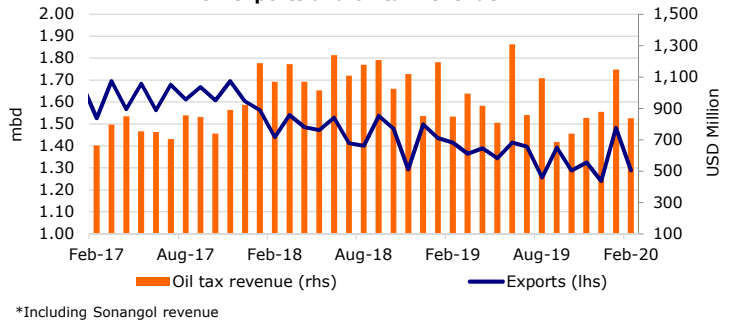
Maturity	Rate	Supply	Demand	Allocated
BT (6 months)	16.50%	5,739	3	3
BT (12 months)	17.50%	6,075	1,280	1,280
OT (1.5 years)	21.25%	4,996	11	11
OT (4 years)	23.00%	3,000	429	429

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

Inflation

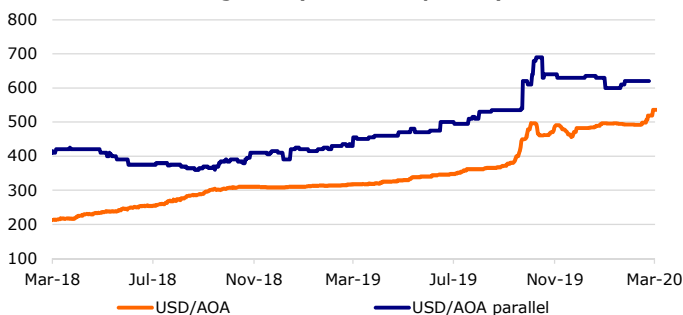


Oil exports and oil tax revenue*

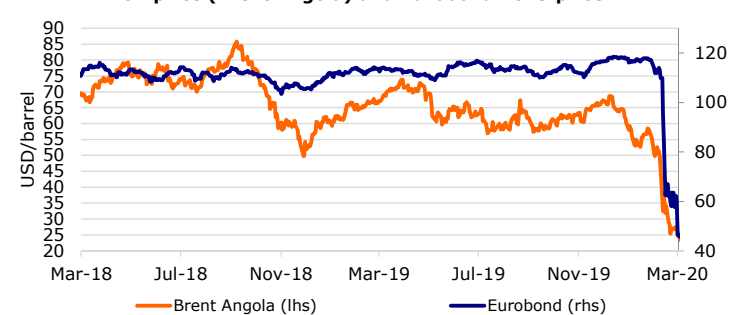


*Including Sonangol revenue

Exchange rate (Official and parallel)



Oil price (Brent Angola) and Eurobond 2025 price



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