

Market Information

From January to April 2020, the government collected around AOA 816.6 billion (Bn) in non-oil tax revenues, an increase of 43.7% over the same period in 2019. This is a better performance than anticipated in the State Budget, which predicts an increase of 19% against 2019 execution. However, we expect much worse behaviour in the rest of the year, due to the expected economic downturn - there will be, in any case, a significant nominal increase, due to inflation, and due to the effect of the introduction of both VAT and excise taxes, which will yield a higher revenue than what would have been the case with the previous Consumption Tax. Converted to USD, non-oil tax revenues amounted to USD 1.7Bn in the period (-8.1% yoy).

According to BNA data, Net International Reserves (NIR) stood at USD 10.9Bn, dropping only USD 20 million compared to March. Since the beginning of the year, NIR have fallen USD 414 million, which corresponds to an average fall of just over 103 million per month. In the same period in 2019, NIRs saw an average monthly drop of USD 91.4 million. Year-on-year, these are down by USD 150 million. The insignificant drop in the first months of the year is somewhat misleading, as it results from the fact that, while oil exports (until March) were still agreed at prices previous to the pandemic outbreak, imports were already in sharp decline in the first quarter. For the rest of the year, the effect of low oil prices will surely cause a significant drop in international reserves. See our Flash Note at www.bfa.ao for a more detailed analysis. In this past week, the central bank carried out additional liquidity-providing operations directly to SMEs, having bought AOA 23.8Bn of securities from 35 companies up until May 29; the line can buy up to AOA 100Bn, under Instrutivo 06/2020.

The State SOE agency (IGAPE) announced the opening of a public tender for the privatization of holdings held by the Angolan Government in the EKA (4%), Cuca (1%) and ECN (1%) breweries.

The Angolan Oil & Gas agency (ANPG) released relevant data on the 9 oil exploration blocks to be auctioned this year, in the Bains of the Lower Congo and Kwanza. ANPG also alerted that due to the constraints caused by the Covid-19 pandemic, there will be a change regarding the public tender's starting date, initially scheduled for the end of May.

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Indicator	2019*	2020**	2021**
GDP change (%)	-0.9	-2.3	0.9
Average Inflation (%)	17.2	27.5	20.0
Current Account (% GDP)	5.8	-6.95	-5.2

*GDP, 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	11/02/20

Monetary and ForEx data*

	29/05/20	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.52%	-0.04	-13.30	-0.21
USD/AOA	581.9	1.13%	20.67%	76.10%
AOA/USD	0.00172	-1.12%	-17.13%	-43.21%
EUR/AOA	646.2	3.66%	19.48%	75.61%
EUR/USD	1.112	1.97%	-0.87%	-0.12%
USD/ZAR	17.52	-0.60%	25.12%	18.91%

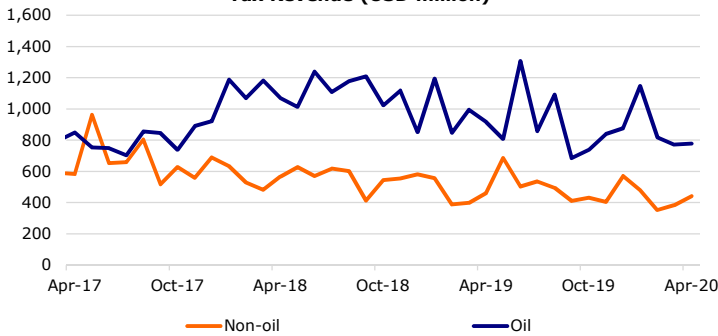
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

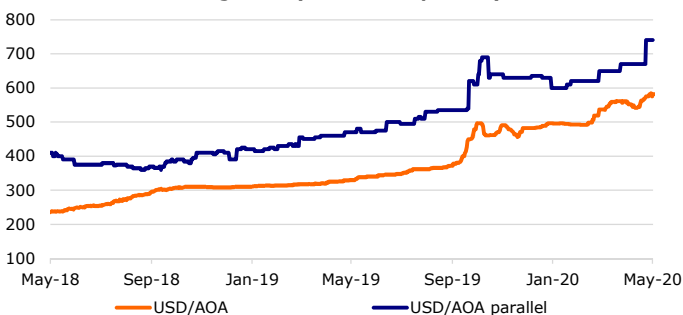
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	16.00%	5,403	1,062	1,062
BT (6 months)	17.50%	5,726	1,001	1,001
BT (12 months)	18.50%	10,105	2,923	2,923
OT (1,5 years)	23.50%	10,000	3,000	3,000
OT (3 years)	23.50%	12,128	21,069	21,069
OT (4 years)	24.50%	4,908	11,970	11,970

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

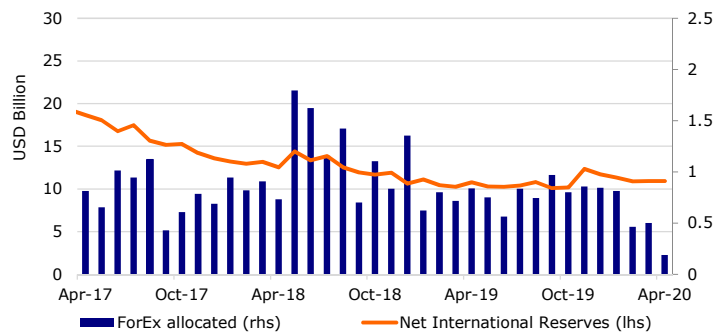
Tax Revenue (USD million)



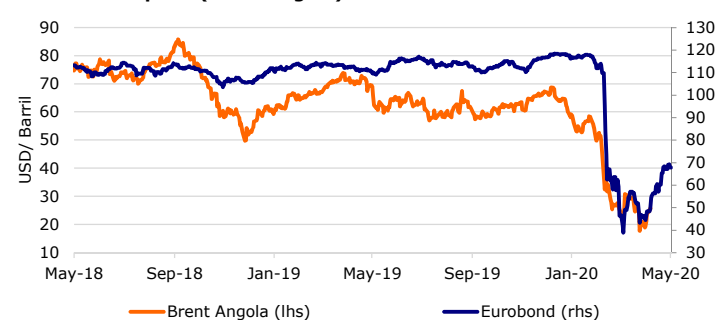
Exchange rate (Official and parallel)



ForEx allocation and International Reserves



Oil price (Brent Angola) and Eurobond 2025



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