

Market Information

In the first quarter of 2020, the current account had a surplus of USD 1.2 billion (Bn) - on average the surplus was USD 1.3Bn in 2019. On the export side, there was a 25.3% yoy in crude oil sales (USD -1.95 Bn), as a result of the reduction in the export price (-23.4%), but also volume exported (-2.4%). Regarding non-oil exports, there was a 21.8% decrease compared to the same period of the previous year, which was mainly due to the 22.1% decrease registered in the diamond sector. **Regarding imports of goods, there was a 48% yoy decrease to USD 2.45 Bn.** This reduction was highlighted by a 74.8% drop in capital goods imports, which slightly distorts the statistics, given the high variability of these imports; imports of consumer goods and intermediate goods both fell by around 21.5%. In fact, both categories registered the lowest level of imports since the beginning of the statistical series, in 2012. **On the services side, there was a 30.2% yoy reduction in imports, which also registered the lowest level since 2012.** The deficit in the balance of services decreased by USD 0.57 Bn (-27.2%). In the coming quarters, the numbers are expected to worsen, leading to a current account deficit for the whole of 2020.

According to the National Institute of Statistics, economic sentiment worsened again in Q1 2020, to -16 points (-4 in Q4 2019). For the first time since Q2 2015, there were no improvements in any of the sectors. The Construction and Trade sectors (most significant in non-oil GDP) recorded decreases of 20 and 13 points, respectively, while the decline in Extractive Industry was less pronounced (4 points). This indicator is expected to continue to fall in the second quarter, due to the impact of the pandemic on the Angolan economy.

In June, BODIVA traded more than 150.5 billion (Bn) of Kwanzas in public debt, breaking the record registered in March (AOA 132 Bn). According to Bodiva's press release, Treasury Bonds (OT) represented around 83% of the volume traded, with Dollar linked bonds representing around 51% of the total.

The draft law that approves the Revised State Budget for 2020 will be voted tomorrow at an extraordinary plenary meeting of the National Assembly.

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Indicator	2019*	2020**	2021**
GDP change (%)	-0.9	-2.25	0.95
Average Inflation (%)	17.2	25.0	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	06/03/20
Moody's	B3 *-	-	31/03/20
Standard & Poor's	CCC+	Stable	26/03/20

Monetary and ForEx data*

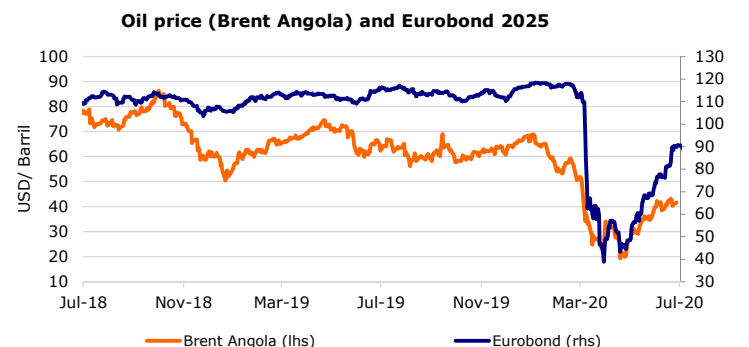
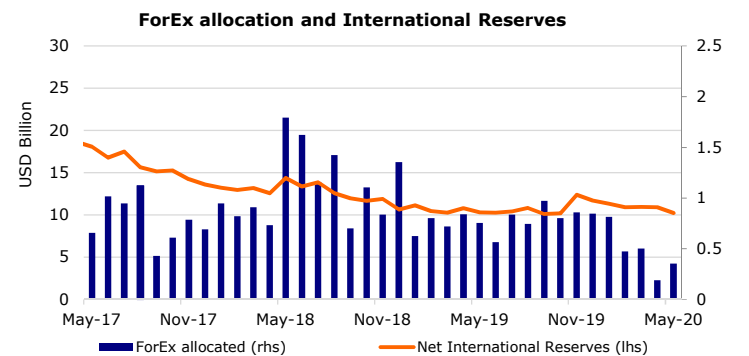
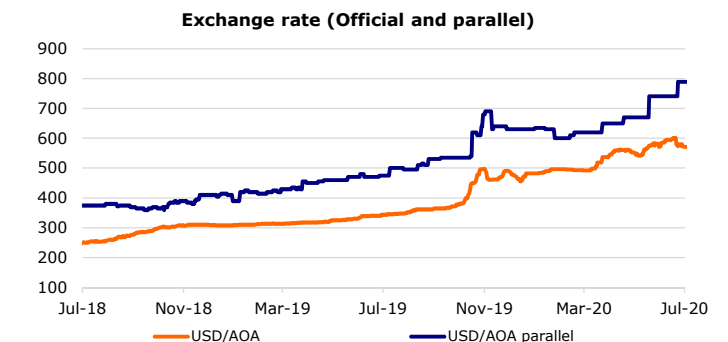
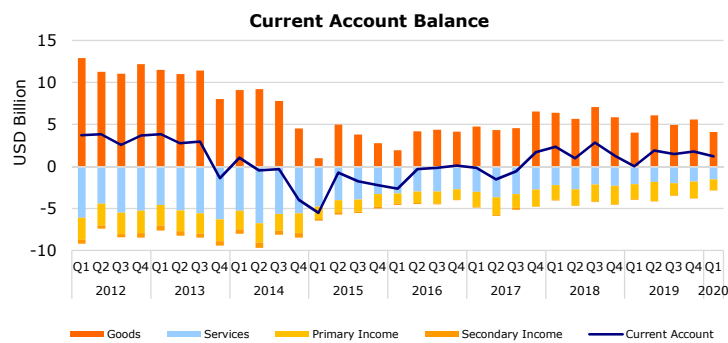
	10/07/20	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.38%	0.00	-13.44	1.39
USD/AOA	568.2	-0.56%	17.83%	64.26%
AOA/USD	0.00176	0.56%	-15.13%	-39.12%
EUR/AOA	642.1	0.09%	18.72%	64.68%
EUR/USD	1.130	0.46%	0.78%	0.41%
USD/ZAR	16.79	-1.49%	19.91%	20.18%

*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)	17.0%	18,600	3,401	3,401
BT (6 months)	17.5%	10,000	500	500
BT (12 months)	18.5%	10,000	131	131
OT (2 years)	22.5%	10,000	11	11
OT (3 years)	24.5%	15,000	898	898
OT (4 years)	24.5%	15,000	163	163

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



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