

## Market Information

**Last week, Qatar Petroleum (Qatar's National Oil Company) divulged an agreement with France's Total and Sonangol to acquire a 30% stake in Block 48, located in ultra-deep waters off the Lower Congo Basin.** According to the press release, the block should be drilled as part of a drilling program for 2020/2021; following government approval, the block shareholder structure will be as follows: Total with 40% (operator), Sonangol with 30% and Qatar Petroleum with another 30%. According to news reports earlier this year, drilling in this Block could break the world record for depth, and is expected to reach 3,628 meters. **Total activated a 2nd oil rig in Block 17, after the 1st reactivation in Block 32.** This is, nevertheless, a slow return: in the 1st semester, the activities of at least 5 rigs were suspended, with only current production activities maintained, and several investments being postponed. **On the other hand, the Angolan Oil & Gas agency (ANPG) published an updated oil production forecast for the coming years, expecting an average production of 1.28 million barrels per day (mbd) this year - 0.092 mbd below the average in 2019.** According to the forecast - which assumes only the exploration of the existing Blocks until maturity - oil production should decrease in the coming years, plunging below 1.00 mbd in 2025. In the international market, Brent fluctuated around USD 45, having closed the week just below that mark.

**The Angolan central bank instructed retail banks to carry out an assessment of their clients' services imports, in order to detect suspected cases of illegal capital flight.** The request comes as a result of the liberalization of service imports, which are now exempt from prior licensing with the BNA. The deficit in the services trade balance has narrowed considerably in recent years, with Angola importing USD 8.2Bn in 2019 (compared to USD 25.0Bn in 2014). In 2020, our calculations point to a further decrease, to between USD 6-7Bn.

**Since the start of PRODESI, banks have approved 70 financing projects, totaling around AOA 300Bn (39.6% of the total amount in submitted requests).** From these projects, 25 are already being financed, at around AOA 86Bn (11.4% of the amount of applications submitted). Most of the projects (23) were financed under BNA regulations, with credit at a maximum cost of 7.5% in interest rates and commissions.

**The departures of the 1st tourist train of the Moçâmedes railway, scheduled for last Saturday, was canceled due to fears related with the Covid-19 pandemic.**

## Market Information

Indicator	2019*	2020**	2021**
GDP change (%)	-0.9	-3.7	0.5
Average Inflation (%)	17.2	22.6	18.3
Current Account (% GDP)	5.8	-6.4	-4.2

\*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	Under Review	31/03/20
Standard & Poor's	CCC+	Stable	26/03/20

## Monetary and ForEx data\*

	21/08/20	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.32%	-0.09	-13.50	1.82
USD/AOA	584.0	2.20%	21.10%	61.32%
AOA/USD	0.00171	-2.15%	-17.42%	-38.01%
EUR/AOA	689.0	2.18%	27.40%	72.04%
EUR/USD	1.178	-0.52%	5.06%	6.32%
USD/ZAR	17.12	-1.53%	22.30%	12.29%

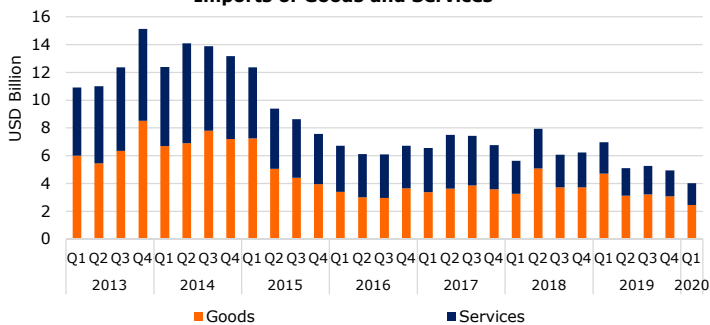
\*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwana; the change of AOA/USD shows the appreciation/depreciation of the Kwana against the USD.

## Auctions of Treasury bonds and bills last week

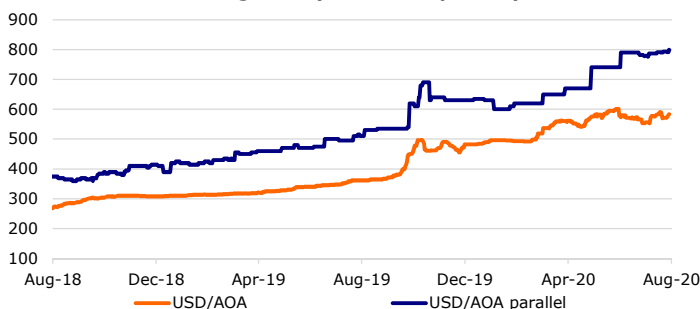
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	17.1%	4,000	10,712	10,712
BT (9 months)	18.0%	18,380	8,233	8,233
BT (12 months)	19.0%	3,720	4,750	4,750
OT (2 years)	23.5%	15,000	4,500	4,500
OT (4 years)	24.5%	15,000	17,045	17,045

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

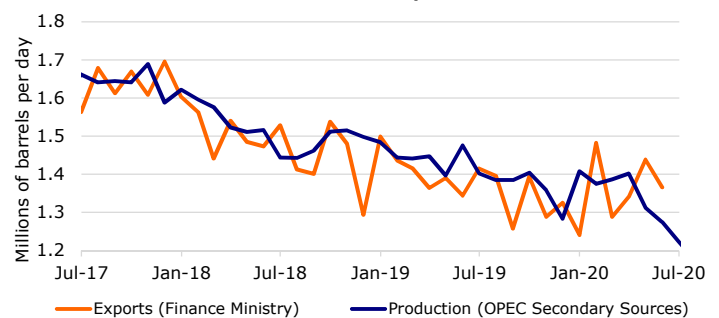
Imports of Goods and Services



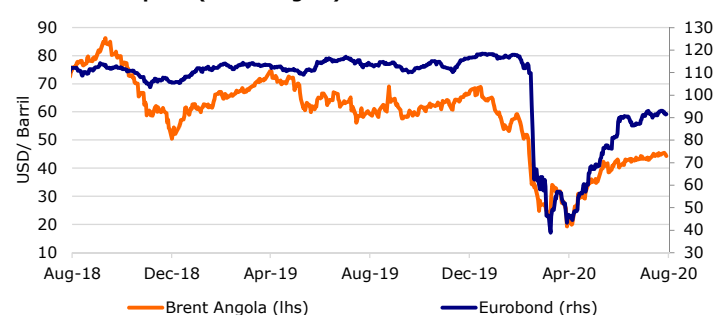
Exchange rate (Official and parallel)



Oil Production and Exports



Oil price (Brent Angola) and Eurobond 2025



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