

Market Information

The Angolan Strategy for Hydrocarbon Exploration between 2020 and 2025 was approved by the Board of Ministers. The strategy hopes to lead to the discovery of reserves amounting between 40 and 57 Billion (Bn) in crude oil barrels - the current reserves are around 7Bn - and 17.5 to 27 trillion Cubic Feet in Gas. The Executive believes that the initiative may guarantee a level of production above 1.00 million barrels per day (mbd) until 2040. According to the most recent forecast of ANPG, production should fall below this limit already in 2025 without new investments. The main investment of the strategy will focus on the acquisition of geological data by private companies, while the State is expected to spend USD 188 million on studies, promotion and tenders. In addition to the existing blocks, the interior basins will be divided into blocks by 2022 along with the ultra-deep water areas of the Kwanza and Benguela basins from 2022 to 2024. **Also, ANPG launched today a limited public tender (by prior qualification) for the development of marginal oil fields.** The submissions deadline September 30.

Last Monday, the Government approved measures restricting imports of 11 products whose supply is considered to fill the needs of the domestic market. The measures are not completely clear yet - according to the Ministry of Industry and Trade, the measure translates to a "total restriction on imports using the national treasury's foreign currency". At the same time, the Ministry stresses that products can be imported "with firms' own funds". In this sense, it is ambiguous whether it is legitimate to import using foreign currency purchased from banks, which does not necessarily come from the "national treasury". The products are massango, massambala, sweet potatoes, garlic, onions, carrot, beans, peanuts, tomatoes and bottled water. **According to data from the tax authority on the import and export of the 54 PRODESI products, the 6 products that are common to these restrictions and PRODESI (beans, onions, garlic, water, carrots and tomatoes) all posted a trade deficit between January and July 2020.** Although the deficit is relatively low in some products, such as tomatoes (USD 18,000 in 7 months), it seems bold to state that there is appropriate supply for bean production, for example: USD 27.2 million were imported from January to July, with only USD 1.3 million in exports. On the other hand, the largest trade surpluses were seen in the trade of beer (USD 2.8 million) and bananas (USD 1.3 million).

In the forex market, the Kwanza depreciated 2.0% against the Dollar, trading at USD/AOA 595.7 on Friday. In the parallel market, the Kwanza trades at USD/AOA 800 - 34% higher than the official exchange rate.

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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*

	28/08/20	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.10%	-0.11	-13.72	1.60
USD/AOA	595.7	2.01%	23.53%	64.56%
AOA/USD	0.00168	-1.97%	-19.05%	-39.23%
EUR/AOA	709.5	2.98%	31.20%	76.96%
EUR/USD	1.189	0.79%	6.04%	7.53%
USD/ZAR	16.69	-2.74%	19.19%	8.97%

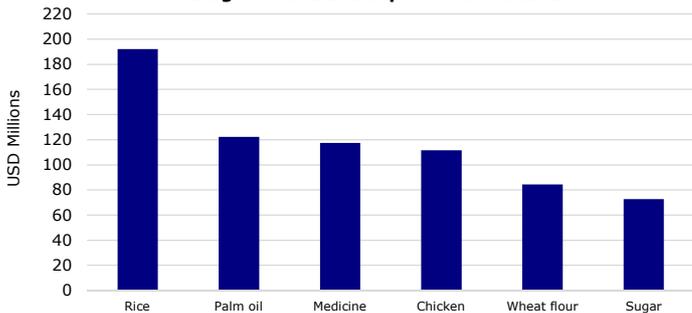
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

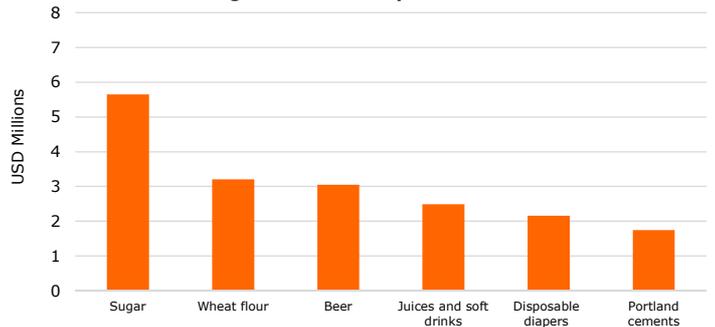
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	17.1%	15,000	15,676	15,676
BT (12 months)	19.0%	18,463	4,307	4,307
OT (1,5 years)	23.5%	28,896	5,294	5,294
OT (2 years)	23.5%	10,500	2,400	2,400
OT (3 years)	24.5%	10,000	4,250	4,250

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

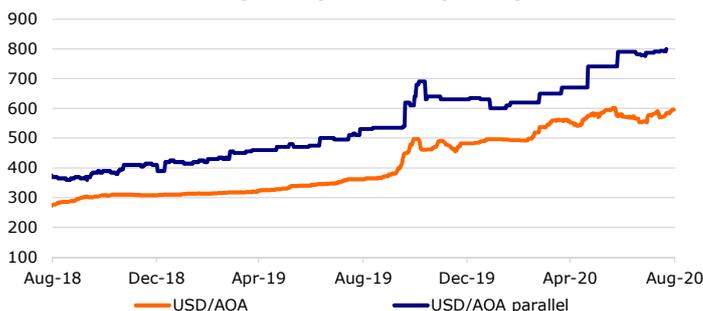
Largest PRODESI imports Jan-Jul 2020



Largest PRODESI exports Jan-Jul 2020



Exchange rate (Official and parallel)



Oil price (Brent Angola) and Eurobond 2025



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