

Angola Weekly | 23/11

Market Information

Angola Central Bank (BNA) informed the market that foreign currency operations were carried out by the National Treasury on the Bloomberg platform last week. The auctions made available to the market approximately USD 200 million. BNA data show a 46.5% yoy drop in foreign exchange sales, totaling USD 4.09 billion (Bn) from January to October of the current year - an average of USD 368 million per month, USD 480 million less than in the same period last year. **Net International Reserves (NIR) stood at USD 9.17 Bn in October - a decrease of USD 126 million compared to the previous month.** In relation to December 2019, NIRs have contracted around USD 2.54 Bn, an average drop of USD 254 million per month - steeper drop than in the same period in 2019, where NIRs observed an average monthly decrease of USD 46,6 million. **In the foreign exchange market, the Kwanza appreciated slightly against the Dollar, at 1.75% compared to the previous week.** As such, the Angolan currency was quoted at USD / AOA 649.4 last Friday. In the parallel market, the Kwanza appreciated slightly against the Dollar (0.4%), with USD/AOA 798 being traded on the websites consulted by BFA; thus, the range for the reference rate is 22.9% - the range is less than 20% considering the selling rates of commercial banks. The BNA also announced another future currency auction, in which USD 150 million were made available with 90 days settlement date. A total of 16 banks took part in the aforementioned auction, at an average exchange rate of USD/AOA 683.1 over 90 days, pointing to an expected depreciation of close to 5% in 3 months.

G20 finance ministers and central bank governors last week agreed on a set of principles for addressing the public debt issue of the most vulnerable countries. The rules presented depend on the need for a restructuring and analysis on debt sustainability that must be carried out by the IMF and the World Bank. The IMF will have a more prominent role and China should be involved, and debtors will have to look for comparable terms between private creditors and bilateral officials. The International Financial Institute (IFI), representing private creditors, in turn, stressed that the debt relief process is dependent on the IMF having a support program for debtor countries.

The General State Budget (OGE) 2021 was approved in general, last Tuesday, in parliament. According to the press, the final approval is scheduled for December 14th.

Market Information

Indicator	2019*	2020**	2021**
GDP change (%)	-0,9	-4,2	1,5
Average Inflation (%)	17,2	22,6	20,0
Current Account (% GDP)	5,8	-6,6	-5,6

*GDP, Inflation - INE; Current Account - BNA with BFA calc.

** Average of forecasts from Bloomberg

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	CCC	-	04/09/20
Moody's	Caa1	Stable	08/09/20
Standard & Poor's	CCC+	Stable	26/03/20

Monetary and ForEx data*

	20/11/2020	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	11,80%	0,16	-17,02	-12,32
USD/AOA	649,4	-1,75%	34,66%	39,04%
AOA/USD	0,00154	1,78%	-25,74%	-28,08%
EUR/AOA	770,1	-1,38%	42,39%	48,80%
EUR/USD	1,187	0,26%	5,81%	7,29%
USD/ZAR	15,37	-0,88%	9,80%	4,69%

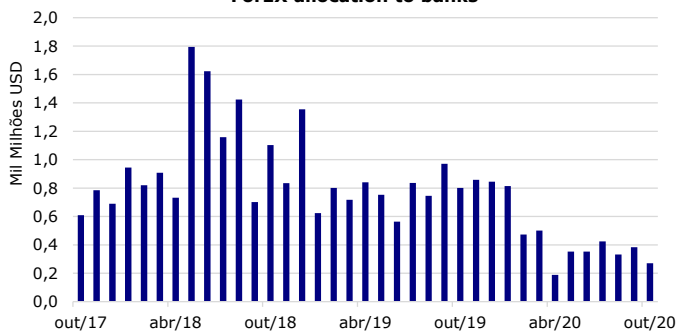
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

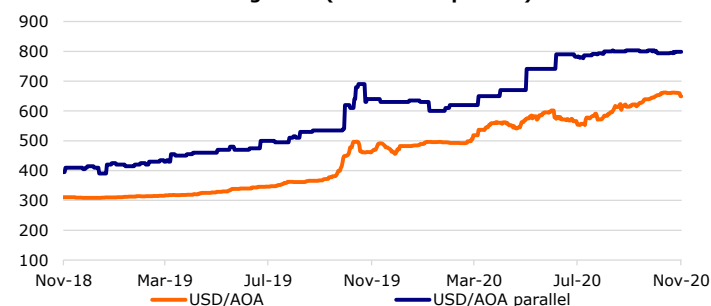
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	17,1%	13 979	536	536
BT (6 months)	18,0%	25 000	15 230	15 230
BT (12 months)	18,0%	3 337	4 690	4 690
OT (1,5 years)	23,5%	15 000	3 283	3 283
OT (2 years)	24,0%	22 913	8 836	8 836
OT-USD (2 years)	24,8%	29 817	7 932	7 932

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

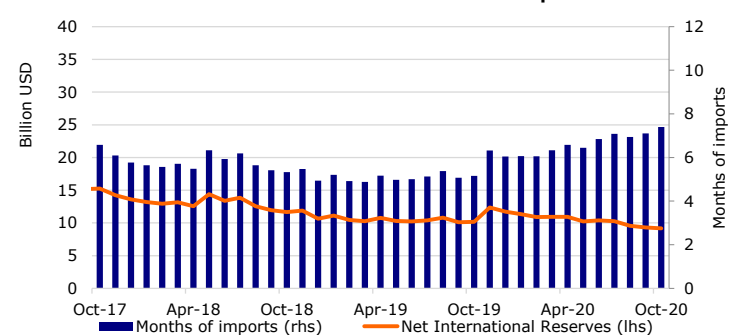
ForEX allocation to banks



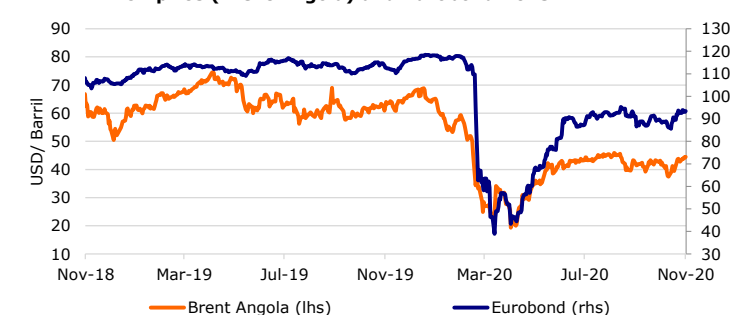
Exchange rate (Official and parallel)



International Reserves and months of imports



Oil price (Brent Angola) and Eurobond 2025



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