

Angola Weekly | 14/12

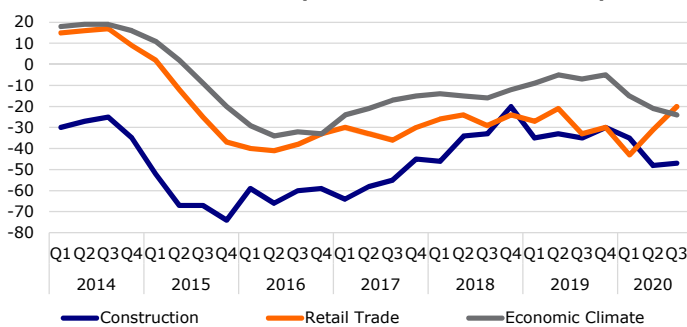
Market Information

From January through November 2020, oil exports fell by 5.0% year-on-year, averaging 1.30 million barrels per day (mbd). According to data from the Ministry of Finance, 1.16 mbd were exported in November (-12.5 yoy). Since the beginning of the year, the average export price has been USD 42.6 (-32.4% yoy). As a result, export revenues contracted 35.6% yoy, to USD 18.6 billion (Bn). **Oil tax revenues fell 39.6%, when measured in Dollars, for a total of USD 6.2Bn.** The prospects for 2021 are still uncertain, with the Government expecting oil production to be around 1.22 mbd, which would point to a decrease in Oil GDP around 7-8%. However, Angola's quota in the new OPEC+ agreement is 1.27 mbd, allowing for a less pronounced decrease, close to 4%. Doubts remain regarding the possible resumption in 2021 of exploration and production investments abandoned in 2020. **In international markets, Brent closed the week just above USD 50 for the first time since March, supported by news of the kick off of vaccination campaigns in some countries.**

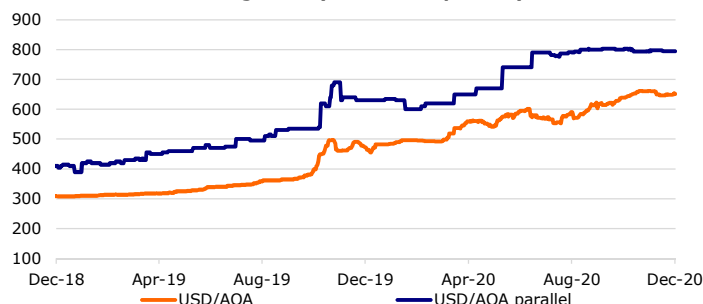
Between January and November, retail banks bought USD 6.6Bn in foreign currency, from both the BNA and oil companies, about 22.7% less than in 2019. BNA continues to reduce its role in foreign exchange sales, having sold less than half compared to 2019. A few hundred thousand dollars were also sold by the Ministry of Finance, which now also operates directly on the market. **Net International Reserves (NIR) stood at USD 8.6Bn in November - a decrease of USD 622 million compared to the previous month.** Related to December 2019, reserves dropped about USD 3.2Bn, an average decline of USD 287 million per month (USD 157 million per month in 2019). NIR represent approximately 7 months of imports of goods and services.

Economic sentiment worsened again in Q3 2020 to -24 points, the lowest value since Q1 2017. Conversely, Construction and Retail (most significant sectors in Non-oil GDP) recorded increases of 1 and 11 points, respectively. The Transport and Communication sectors registered declines of 14 and 13 points, respectively. **On the other hand, the Industrial Production Index showed an annual increase of 2.3% in the sector's activity.** This increase is essentially due to the rise in production from the Manufacturing Industry (+18.4%) and Water (+1.9%). On the manufacturing side, the strong increase comes thanks to improvements in the furniture manufacturing business (+24% yoy) and chemical and petroleum products (+12% yoy). The Extractive Industry sector registered an annual drop of 5%.

Economic Sentiment (Construction and Retail Trade)



Exchange rate (Official and parallel)



Market Information

Indicator	2019*	2020**	2021**
GDP change (%)	-0,9	-4,6	1,2
Average Inflation (%)	17,2	22,0	19,0
Current Account (% GDP)	5,8	-6,1	-3,8

*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*

	11/12/20	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	11,51%	0,13	-17,31	-15,41
USD/AOA	652,3	0,58%	35,27%	38,99%
AOA/USD	0,00153	-0,58%	-26,08%	-28,05%
EUR/AOA	791,2	0,27%	46,30%	51,45%
EUR/USD	1,212	0,02%	8,12%	8,93%
USD/ZAR	15,12	-0,54%	8,00%	4,31%

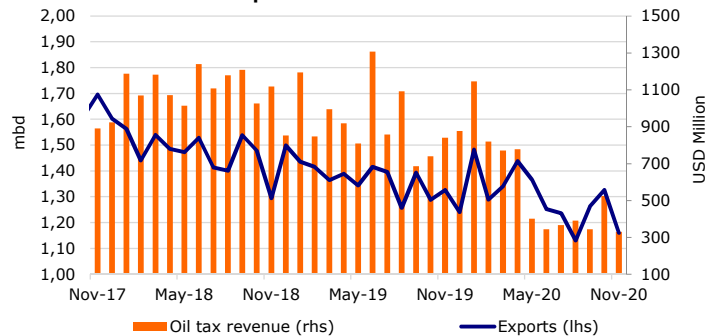
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

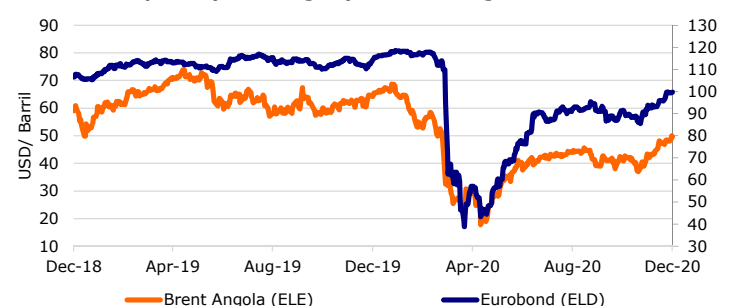
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	18,8%	15.000	13.975	13.975
BT (6 months)	20,0%	20.000	1.876	1.876
BT (12 months)	20,5%	9.000	4.805	4.805
OT (1,5 years)	3,7%	2	1	1
OT (2 years)	24,0%	14.850	6.250	6.250
OT-USD (2 years)	24,3%	20.000	3.150	3.150

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

Oil exports and oil tax revenue



Oil prices (Brent Angola) and 2025 Angola Eurobond



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