

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%.

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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./%)
LIUBOR 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%

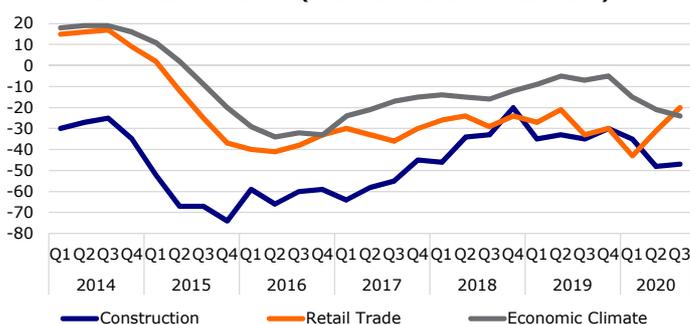
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

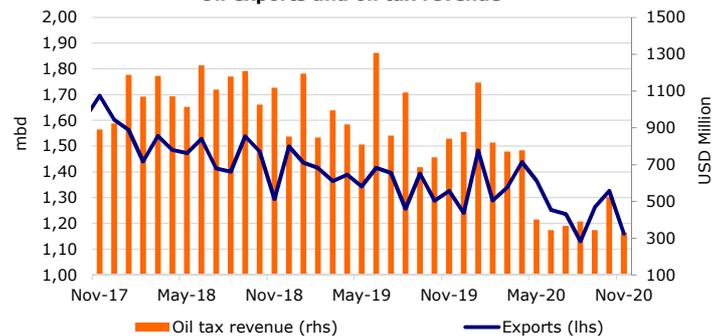
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	18,8%	15.000	13.975	13.975
BT (6 months)	20,0%	20.000	1.876	1.876
BT (12 months)	20,5%	9.000	4.805	4.805
OT (1,5 years)	3,7%	2	1	1
OT (2 years)	24,0%	14.850	6.250	6.250
OT-USD (2 years)	24,3%	20.000	3.150	3.150

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

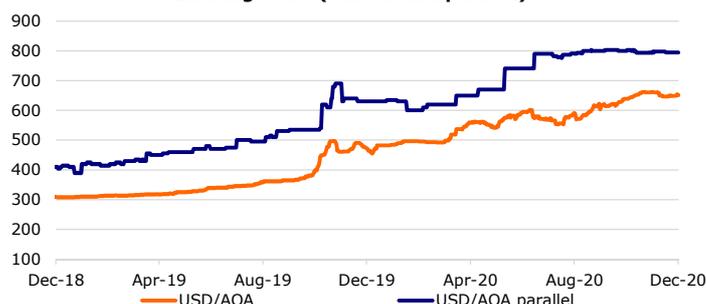
Economic Sentiment (Construction and Retail Trade)



Oil exports and oil tax revenue



Exchange rate (Official and parallel)



Oil prices (Brent Angola) and 2025 Angola Eurobond



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