

Angola Weekly | 05/04

Market Information

At the Monetary Policy Committee meeting held last Monday, the BNA decided to change some of its monetary policy instruments in order to face short term inflationary pressures on the Angolan economy. The central bank decided to keep the mandatory reserves ratios in domestica and foreign currency unchanged at 22% and 17% respectively; it also decided to keep the BNA rate unchanged at 15.5%. leaving the marginal lending facility rate indexed to the market interest rate for 3-month Treasury Bills, plus 0.5%. Regarding the new measures, the regulator decided to increase the interest rate on the Liquidity Absorption Facility with a 7-day maturity from 7% to 12%. Regarding the regulation incentivising credit to the real sector of the economy, the BNA reported that by the end of February 2021 the banking sector had granted more than AOA 210Bn, corresponding to more than 117% of the minimum amount stipulated by then. The BNA also decided to extend the term of this regulation from April 3rd to the end of 2021.

Net International Reserves (NIR) fell by USD 271 million in March - to USD 8.38Bn. In the first quarter of 2021, NIR declined by USD 257 million, which corresponds to an average monthly decrease of USD 85.6 million; in the same period in 2020, NIRs saw an average monthly drop of USD 258 million. In year-on-year terms, reserves recorded a drop of 23.1%.

In the first 3 months of the year, the Kwana appreciated 4% against the Dollar and 8.7% against the Euro. In the parallel market, the Kwana appreciated during this period close to 13% against the Dollar: thus, the interval between the two rates is now at 12.4% (vs 22.1% at the end of 2020).

The Organization of Petroleum Exporting Countries and their allies (OPEC+) decided last Thursday to gradually increase oil production starting in May. According to the press release, the cartel plans to increase production by more than 350,000 barrels per day in May and June and by 441,000 barrels per day in July. Brent was trading around USD 63 today.

The Ministry of Agriculture and Fisheries has banned the

Market Information

Indicator	2020*	2021**	2022**
GDP change (%)	-5,6	3,4	6,5
Average Inflation (%)	22,3	19,8	19,8
Current Account (% GDP)	2,9	11,3	7,0

*Inflation - INE; Current Account, GDP - BFA forecast
**BFA forecasts

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*

	02/04/2021	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	5,38%	0,00	-4,87	-11,56
USD/AOA	625,0	0,61%	-3,84%	15,55%
AOA/USD	0,00160	-0,61%	3,99%	-13,46%
EUR/AOA	733,8	0,25%	-7,90%	24,08%
EUR/USD	1,176	-0,30%	-3,74%	8,30%
USD/ZAR	14,67	-2,07%	-0,14%	-20,54%

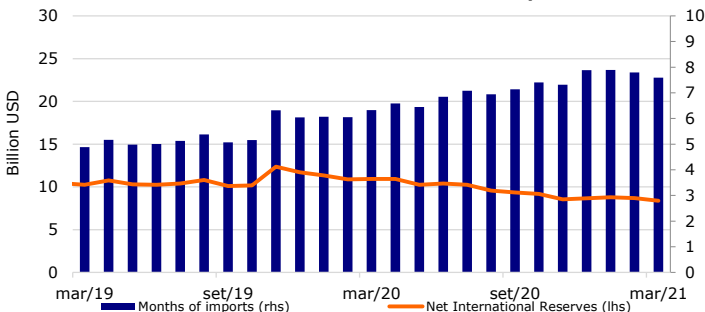
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwana; the change of AOA/USD shows the appreciation/depreciation of the Kwana against the USD.

Auctions of Treasury bonds and bills last week

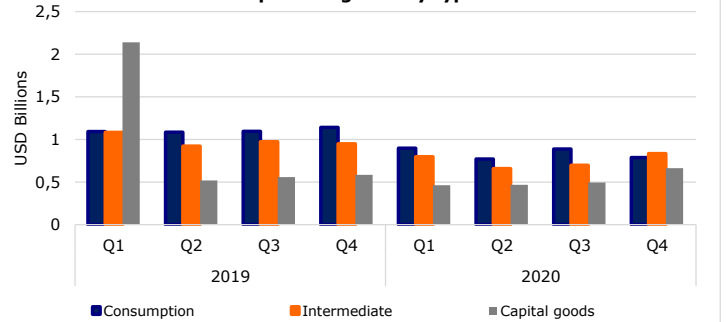
Maturity	Rate	Supply	Demand	Allocated
OT (2 years)	24,5%	41 565	20 811	20 811
OT (3 years)	24,7%	30 000	13 781	13 781
OT (4 years)	24,8%	20 000	3 077	3 077
OT (5 years)	25,0%	38 500	2 779	2 779
OT USD (2 years)	3,7%	2	10	10
OT USD (3 years)	4,5%	2	12	12

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

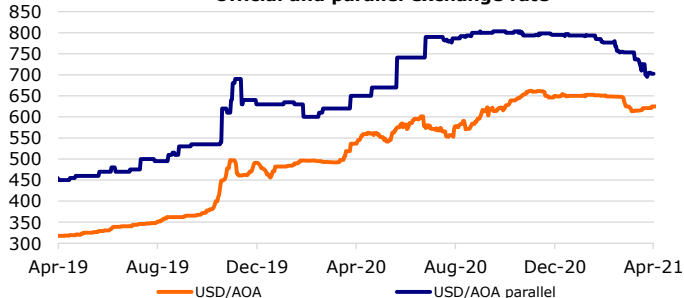
International Reserves and months of imports



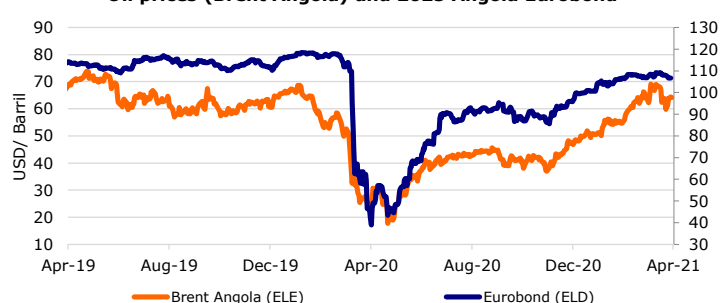
Imports of goods by type



Official and parallel exchange rate



Oil prices (Brent Angola) and 2025 Angola Eurobond



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