

## Angola Weekly | 12/04

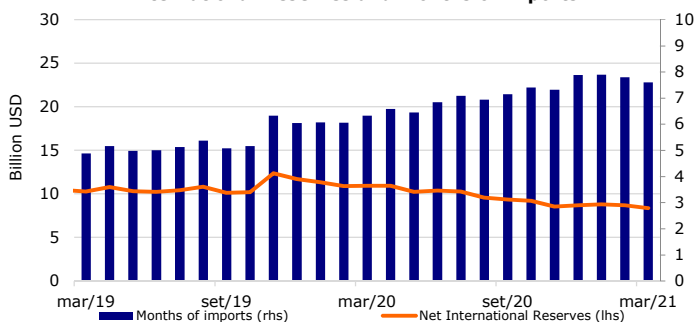
### Market Information

**Angola posted a slight current account surplus in 2020, of USD 0.9 billion, about 1.5% of GDP, well below the USD 5.1Bn (6.1% of GDP) seen in 2019, but better than most expectations - the IMF anticipated a deficit around 0.6% of GDP.** The USD 4.2Bn decrease in the surplus derives from the huge drop of 39.7% in the value of exports, a decrease of USD 13.8Bn. This decline resulted, as is well known, from the much lower oil prices in 2020, together with an also downward trending production volume: oil export revenues fell 41.3% compared to 2019. Exports in the diamond sector declined 12.0%, while the remaining exports almost doubled (+ 94.6%), although still from a very low base: sales of goods other than oil and diamonds amounted to 1.4% of products exported, compared to 0.4% in 2019. **The Kwanzas depreciation in 2020 caused yet another very significant decline in imports of goods, saving USD 4.6Bn in FX compared to 2019;** imports of capital goods saw the largest decrease, at 46.9%, with consumer goods imported down 26.9% and intermediate goods down 19.6%. There were also very significant savings in services imports, which have declined by 31.7% - a drop of USD 2.6Bn. In addition, the primary income account also improved, as profits transferred abroad shrunk to less than half, saving about USD 2.5Bn in foreign currency. **Considering the USD 2.4Bn drop in gross international reserves last year, which corresponds to a balance of payments deficit, the financial account saw a USD 3.3Bn deficit in 2020.** This year, we expect to see a very significant current account surplus, possibly higher than in 2018; at the same time, the financial account is expected to continue at a significant deficit, albeit lower than the surplus in the current account; this would allow for an increase in reserves during the year.

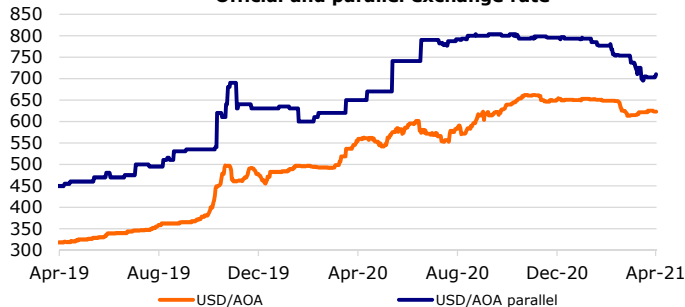
**ENI announced a light oil discovery in Block 15/06, in the Cuica field, with an expected production capacity of 0.01 million barrels per day.** This is the first discovery after the relaunch of the post-pandemic exploration campaign; the location of the well, close to the existing drilling facilities, will allow the production startup for this asset within 6 months, according to the oil company. Brent has remained relatively stable in international markets over the past week, trading close to USD 64 today, and still heavily dependent on the course of the pandemic.

**In the foreign exchange market, the Kwanzas has been relatively stable, both in formal and informal trading.**

International Reserves and months of imports



Official and parallel exchange rate



### 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)	1.5	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\*

	09/04/21	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LIUBOR O/N	5.38%	0.00	-4.87	-11.82
USD/AOA	623.1	-0.29%	-4.12%	11.45%
AOA/USD	0.00160	0.29%	4.29%	-10.28%
EUR/AOA	740.8	0.96%	-7.02%	21.74%
EUR/USD	1.190	1.22%	-2.57%	8.89%
USD/ZAR	14.61	-0.46%	-0.60%	-19.00%

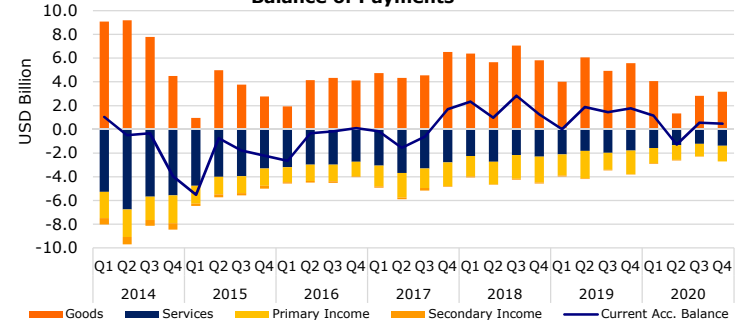
\*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

### Auctions of Treasury bonds and bills last week

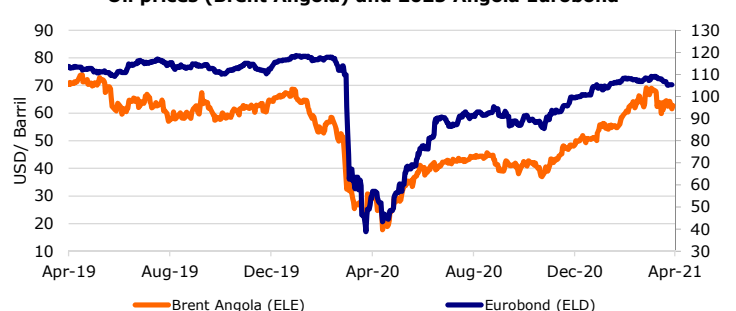
Maturity	Rate	Supply	Demand	Allocated
BT (12 months)	20.5%	25,000	3,500	3,500
BT (12 months)	19.8%	14,231	2,849	2,849
BT (12 months)	19.0%	10,181	1,680	1,680
OT 1.5 years	23.8%	14,748	3,312	3,312
OT 4 years	24.8%	16,923	3,709	3,709
OT 5 years	25.0%	17,122	600	600

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

Balance of Payments



Oil prices (Brent Angola) and 2025 Angola Eurobond



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