

Angola Weekly | 03/05

Market Information

The governments of Angola and Zambia signed last Thursday a memorandum of understanding for the implementation of an oil pipeline between the city of Lobito (Angola) and Lusaka (Zambia). This project started in 2012, according to information in local press; the construction of this pipeline aims to transport energy products and fuels between the two countries. There will also be studies to assess the viability of the project which could last "up to two years", according to the Angolan Minister of the sector, Diamantino Azevedo. **OPEC+ made adjustments to the production schedule of its members last week, stipulating a daily production of 37.3 million barrels per day (mbd) for the entire group for the month of May, 37.7 mbd in June and 38.1 mbd in July.** According to the cartel's press release, overall compliance with production adjustments in participating countries was 115% in March; however, the organization pointed out that some countries still need to reach the minimum expectation of 100% compliance and make up for the volume produced in excess. **The Agência Nacional de Petróleo, Gás e Biocombustíveis (ANPG) launched last Friday the public tender for the bidding of 9 oil blocks located in the Lower Congo and Kwanza Basins.** This launch comes after the ANPG announced at the end of 2020 the intention to bid for the blocks and held since then the sessions to clarify the bidding process, the sale of data on the blocks to be auctioned and meetings with interested investors. According to ANPG, the proposals must be delivered until the 9th of June and the concession process is scheduled to be finalized by August 10.

Last week, Endiama and Gemcorp signed a financing contract to start the "kimberlito Luele" mining project in the Luaxe concession. According to Endiama's press release, the initial value of the contract is around USD 100 million and it "aims to ensure the payment of the costs related to the completion of the studies necessary for the provision of data and secure information for the completion of the technical and economic feasibility study". The Luaxe project is located between the provinces of Lunda Norte and Lunda Sul and has as shareholders the *Sociedade Mineira de Catoca*, Endiama and Alrosa. **Also last week, the President of the Republic authorized on April 23rd the special issue of Treasury Bonds in Foreign Currency in the amount of USD 522 million in order to ensure repayment of the REPO II Agreement.** According to the newspaper *Expansão*, this Agreement came to existence in 2017 and constitutes a loan made by Gemcorp to the Ministry of Finance through the central bank.

Market Information

Indicator	2020*	2021**	2022**
GDP change (%)	-5.4	3.4	6.5
Average Inflation (%)	22.3	19.8	19.8
Current Account (% GDP)	1.5	11.3	6.9

*Inflation, GDP - INE; Current Account - BNA;
**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*

	30/04/2021	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	12.12%	6.09	1.87	#N/A
USD/AOA	645.1	-0.65%	-0.75%	16.79%
AOA/USD	0.00155	0.65%	0.75%	-14.38%
EUR/AOA	779.3	-0.46%	-2.19%	29.67%
EUR/USD	1.211	0.10%	-0.88%	10.53%
USD/ZAR	14.38	0.74%	-2.12%	-22.37%

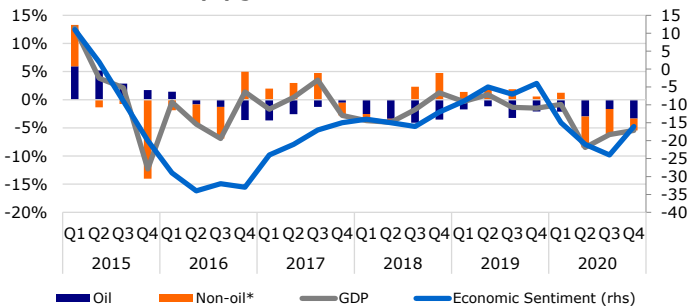
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

Maturity	Rate	Supply	Demand	Allocated
BT (12 months)	16.7%	10,484	3,752	3,752
OT 1.5 years	23.8%	26,078	17,099	17,099
OT 2 years	24.5%	17,564	6,000	6,000
OT 3 years	24.7%	20,000	3,500	3,500
OT 4 years	24.8%	9,715	2,464	2,464
OT 5 years	25.0%	13,828	2,645	2,645

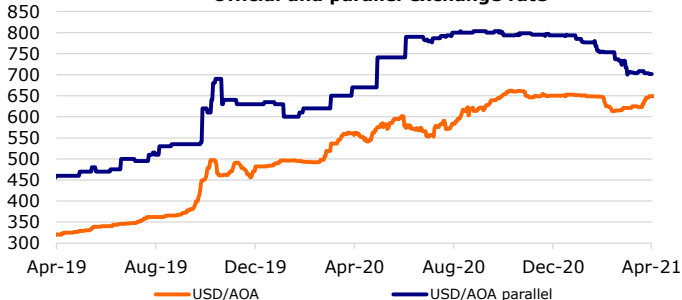
BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanzas. USD OT in million Dollars * Bond linked to the exchange rate ** Bond linked to treasury bills

GDP yoy growth and economic sentiment

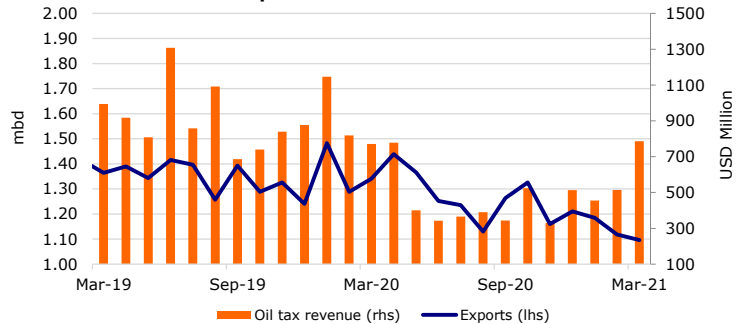


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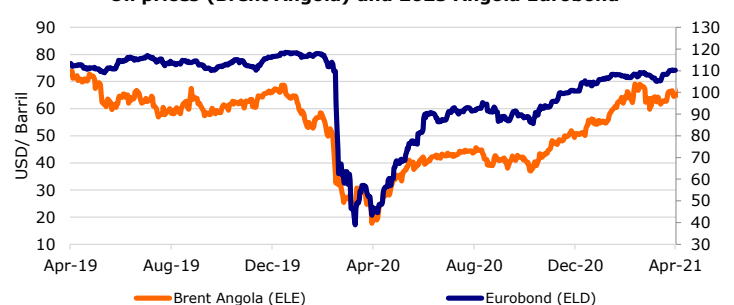
Official and parallel exchange rate



Oil exports and oil tax revenue



Oil prices (Brent Angola) and 2025 Angola Eurobond



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