

Market Information

In the 1st quarter of the year, the Economic Climate Indicator improved by 7 points to -9, still remaining in negative territory. The extractive industry sector (which includes the oil sector) improved by 15 points and is now at -1. Retail and Construction sectors (which weigh the most in non-oil GDP) registered increases of 7 and 6 points, respectively. The first 3 months of the year posted positive evolution in all sectors for the 1st time since Q12017. This behavior could mean a smaller than initially expected drop in GDP for the first quarter of this year. For the rest of the year, the economy is expected to show a year-on-year improvement, also depending on the evolution of Brent, oil production, and future developments of the Covid-19 pandemic. **In 2020, the Industrial Production Index registered a negative average annual variation of 0.5% compared to 2019.** According to the annual report published by INE last week, this drop was influenced by the 6.5% decrease in production extractive industry and 3.4% in the production and distribution of electricity, gas and steam. In the opposite direction, the Manufacturing Industry registered an annual growth of 11.8%; this strong increase is due to the improvement in the manufacturing of petroleum and chemical products (+9.1% yoy) and the food, beverage and tobacco industries (+6.7% yoy).

Last Tuesday, OPEC decided to continue to gradually reduce production cuts amid a recovery in the price of oil in international markets. According to the press release, the cartel reconfirmed its intention to gradually recover 2 million barrels per day (mbd) of production that had been adjusted downwards, the pace being determined by market conditions. OPEC also reported that overall compliance with production adjustments was 114% in April. **In international markets, Brent closed the week at USD 71.6, the highest value in the last 2 years.**

In 2020, the 5 biggest Angolan banks in terms of assets registered a negative accumulated net result of AOA 333 billion (Bn), influenced by the accumulated losses of AOA 524 Bn registered by BPC. BFA was the bank that registered the smallest drop in its results, having closed the year with a profit of AOA 89.8 Bn (-33.5% yoy) while BAI saw the biggest contraction in its results, having fallen by more than 75% yoy to AOA 28.7 Bn.

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Indicator	2020*	2021**	2022**
GDP change (%)	-5.4	3.4	6.5
Average Inflation (%)	22.3	22.5	22.5
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*

	05/06/21	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	14.37%	0.74	4.12	-1.03
USD/AOA	642.0	-0.03%	-1.22%	11.13%
AOA/USD	0.00156	0.03%	1.23%	-10.01%
EUR/AOA	777.8	-0.57%	-2.37%	20.22%
EUR/USD	1.212	-0.62%	-0.81%	6.87%
USD/ZAR	13.66	-0.74%	-7.02%	-19.20%

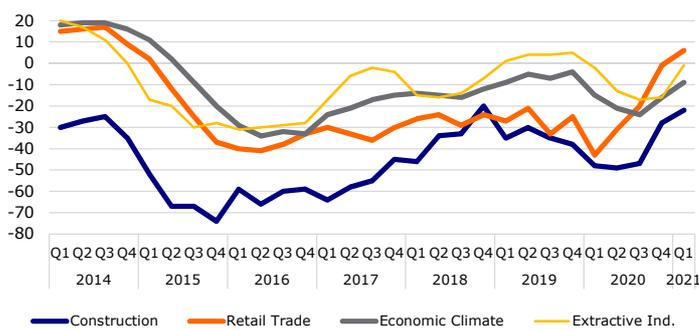
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

Maturity	Rate	Supply	Demand	Allocated
BT (12 months)	16.7%	18,735	1,600	1,600
OT 1.5 years	23.8%	18,735	1,600	1,600
OT 3 years	24.7%	15,000	1,103	1,103
OT 4 years	24.8%	10,170	2,787	2,787

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

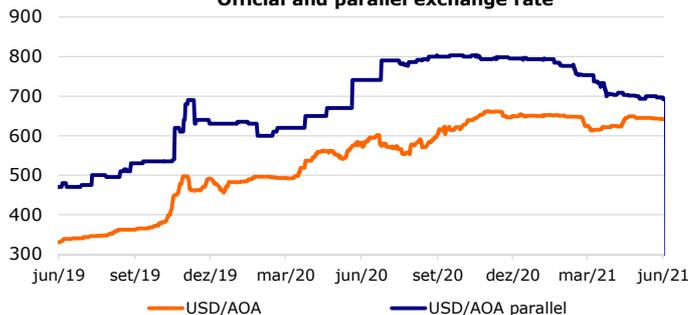
Economic Sentiment



Inflation



Official and parallel exchange rate



Oil prices (Brent Angola) and 2025 Angola Eurobond



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