

Angola Weekly | 14/06

Market Information

The IMF completed the 5th review of the Angolan Extended Financing Facility, releasing a tranche of USD 772 million. In total, Angola has already received USD 3.9Bn; the last review is expected to occur at the end of this year, enabling the last amount of the loan, amounting to almost USD 4.5Bn. The Fund continues to praise the commitment of the Angolan authorities, which allowed the country to "mitigate the worst effects of the pandemic". In anticipation of the review, the Minister of Finance indicated that the Executive is still evaluating whether it will enter into a new IMF program following the end of the current arrangement, and that it should take the decision by the end of the year. Minister Vera Daves also stated that no Eurobonds should be issued this year. According to data from the Ministry of Finance, government debt ended Q1 quarter at around USD 63.43bn, a year-on-year decrease of USD 1.6bn. The State owes around AOA 11.35 trillion (USD 18.1Bn) to domestic creditors, a year-on-year increase of AOA 100Bn. Government external debt stands at USD 45.27Bn, having risen around USD 1.18Bn. The decrease in the total amount measured in Dollars results from the depreciation, which led to a decrease in domestic debt when converted to foreign currency, by USD 2.80Bn.

The privatization process of 51% of the capital of the public insurance company ENSA was started, and IGAPE made tender specifications available on its website. The privatization is advised by Banco Millennium Atlântico, in consortium with the Portuguese bank Millenium BCP. The process will take the form of a limited tender by prior qualification.

Crude exports fell by 17.5% in the first 5 months of the year, compared to the same period of the previous year, averaging 1.15 million barrels per day, according to the Ministry of Finance. At the same time, the average export price increased by 25.5% to USD 58.5. Thus, export earnings rose 3.5% yoy in the period; however, tax revenues, measured in Dollars, were 26.6% down on year-on-year terms. Brent continued to rise this week, ending on Friday at around USD 72.6, the highest since October 2018.

Inflation picked up again slightly, to 24.9% in May. The rise in prices continues to be particularly severe in Food & Non-Alcoholic Beverages, whose prices rose 2.46% between April and May. The unemployment rate declined slightly to 30.5% in Q1 2021, down from 30.6% at the end of 2020. Year-on-year, the rate declined by 1.5 percentage points.

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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*

	11/06/21	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.16%	0.79	4.91	-0.27
USD/AOA	642.0	0.00%	-1.22%	7.85%
AOA/USD	0.00156	0.00%	1.23%	-7.27%
EUR/AOA	779.6	0.22%	-2.15%	14.99%
EUR/USD	1.211	-0.48%	-0.88%	7.17%
USD/ZAR	13.72	2.12%	-6.66%	-20.11%

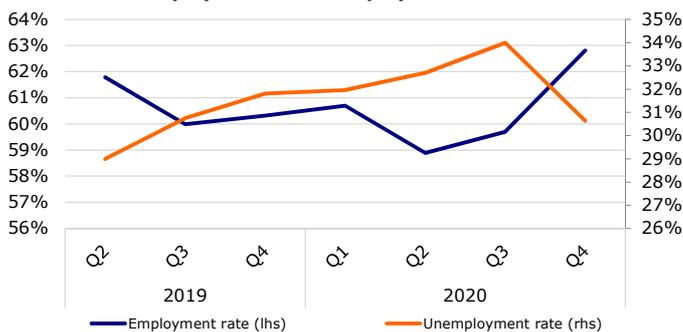
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

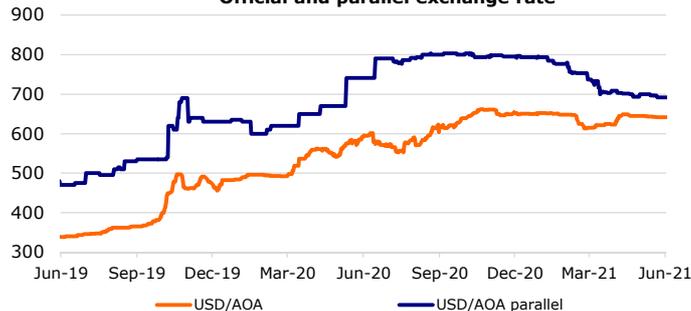
Maturity	Rate	Supply	Demand	Allocated
BT (12 months)	16.7%	24,991	7,943	7,943
OT 1.5 years	23.8%	8,910	6,190	6,190
OT 2 years	24.4%	18,855	5,000	5,000
OT 5 years	25.0%	7,233	281	281

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

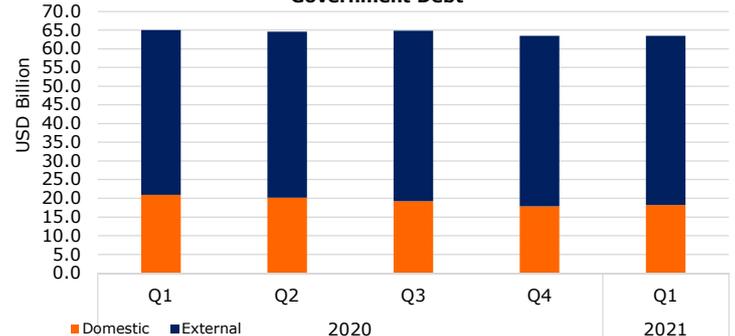
Employment and unemployment rate



Official and parallel exchange rate



Government Debt



Oil prices (Brent Angola) and 2025 Angola Eurobond



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