

Market Information

Imports of goods listed on PRODESI, the Government's export diversification and imports substitution programme, amounted to USD 690 million in the H1 2021, a year-on-year drop of 23.1%. The decrease already reflects some results of import substitution, occurring mainly in food products (-29.2% yoy), in contrast to the 6.1% rise in imports of other goods. For example, rice imports fell by almost half (-47.5%), moving from 1st to 4th place in the ranking of imported amounts. Thus, the largest amount was spent on medicine imports, which rose 15.7% yoy to USD 113.4 million. In the Top 5 of imports, USD 110.1 million (+14.7% yoy) were spent on poultry, 61.1 million (+29.5% yoy) on soybean oil and, in addition to 83.9 million in rice, 52.1 million (-40.8% yoy) in milk. **Exports of goods under the same program increased 27.6% yoy in the same period, although they continue to represent an amount of only USD 31.7 million.** The largest amounts were exported in cement clinker (USD 10.1 million), beer (5.2 million), disposable diapers (3.3 million), glass packaging (2.5 million) and bananas (2.2 million).

In Q2 2021, the amounts of cash withdrawals and POS payments recorded a real year-on-year growth of 11.4%, according to EMIS data and BFA calculations. In the 1st quarter, the amount had decreased by 5.6% yoy in real terms, and had been declining consecutively since April 2020. These data point to an acceleration in the growth of the non-oil economy in the 2nd quarter; non-oil activity had increased 3.8% yoy between January and March, according to our calculations.

The Kwana appreciated 0.4% against the Dollar last week, trading at USD/AOA 639.8 on Friday, according to the BNA. Since the end of 2020, the Angolan currency is up 1.6% against the Dollar. Year-on-year, the Kwana is still down 13.6%. Compared to the Euro, the Kwana appreciated 5.8% year-to-date. The gap against the parallel market widened slightly, to about 11%, considering the reference rate; it is around 9% when comparing with average bank sell rates.

Crude Oil rebounded in international markets to levels around USD 73-74 in the case of Brent, after falling earlier in the week on fears of an economic downturn due to the impact of the Delta variant. There were also some stabilizing effects due to the agreement reached between OPEC members and allies, which continue, for the time being, to maintain pricing power, due to the contained recovery of the production volume of American shale oil.

Market Information

Indicator	2020*	2021**	2022**
GDP change (%)	-5.4	2.9	7.3
Average Inflation (%)	22.3	22.5	22.5
Current Account (% GDP)	1.5	9.1	6.0

*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*

	23/07/21	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	16.71%	0.36	6.46	1.32
USD/AOA	639.8	-0.42%	-1.55%	15.71%
AOA/USD	0.00156	0.42%	1.58%	-13.58%
EUR/AOA	752.8	-0.73%	-5.51%	17.46%
EUR/USD	1.177	-0.30%	-3.64%	1.51%
USD/ZAR	14.85	2.91%	1.06%	-10.89%

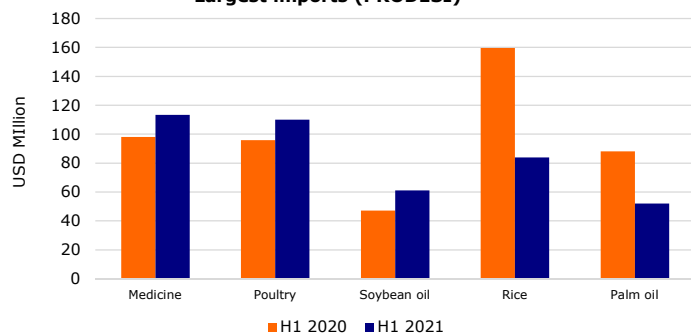
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwana; the change of AOA/USD shows the appreciation/depreciation of the Kwana against the USD.

Auctions of Treasury bonds and bills last week

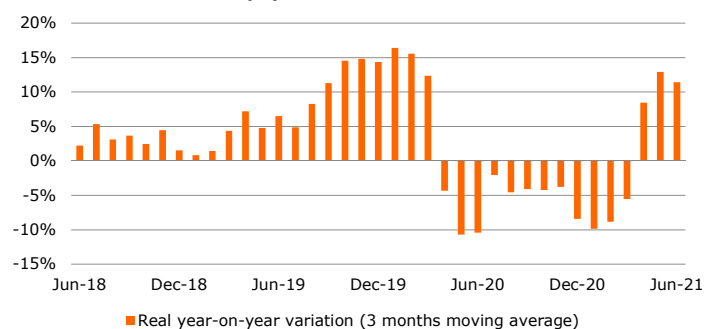
Maturity	Rate	Supply	Demand	Allocated
BT (12 months)	16.7%	3,552	271	271
OT 1.5 years	23.8%	9,303	5,459	5,459
OT 2 years	24.5%	16,751	5,400	5,400
OT 3 years	24.7%	19,997	2,922	2,922
OT 5 years	25.0%	19,776	100	100

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

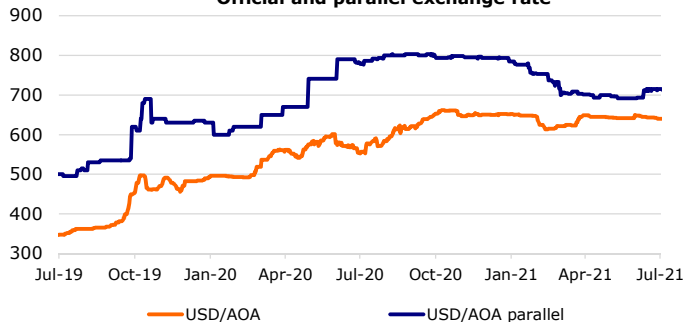
Largest imports (PRODESI)



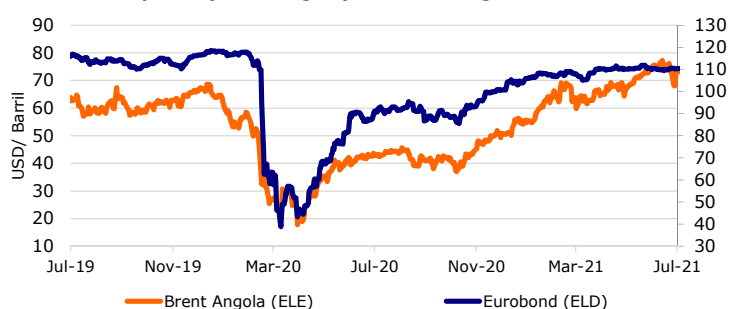
POS payments + withdrawals



Official and parallel exchange rate



Oil prices (Brent Angola) and 2025 Angola Eurobond



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