

Market Information

In 2021, oil exports recorded a year-on-year drop of 13.3%, with an average value of 1.12 million barrels per day (mbd). On the other hand, the average export price rose 57.3% yoy, at an average of USD 67.0 per barrel. As a result of this increase, exports generated USD 27.4 billion (Bn) in sales between January and December, corresponding to a year-on-year increase of 36.4% - this increase had a major impact on the foreign exchange market, with greater availability of foreign exchange compared to 2020. Tax revenue from oil taxes totaled about AOA 5.87 Bn, an increase of 56.6%; measured in Dollars, this is a total of USD 9.4Bn (+40.9%). **Data collected independently by OPEC point to a year-on-year increase of 1.13% in crude oil production in December, totaling 1.17 mbd.** According to the cartel's monthly report, between January and December 2021, production fell by 11.4% compared to 2020. Our expectation for 2022 is for a slight increase in production, which should also be reflected in exports, which may register a average close to 1.14 mbd. Brent traded for part of last week above USD 90, partly out of fears over the geopolitical tension between Ukraine and Russia: it is now trading close to USD 89.

From January to December 2021, Angola exported a total of 9.4 million carats of diamonds, a slight increase of 3.1% compared to the same period last year. Average export price increased 25.5% yoy to USD 164.6. Export revenues grew by 29.4%, standing at USD 1.5M, with the Government collecting USD 116.4M in tax revenue (+33.2%). The Executive estimates that this year will produce 10.05 million carats of diamonds and raise USD 1.4Bn, with the expected start of several projects, including Cassanguidi, Luembe, Chinguvo, Tchissema and Yetwene, the implementation of the Saurimo micro diamond laboratory, and finally, the increase in Endiama's participation in the diamond value chain. The Luaxe project, one of the largest in the portfolio, is also still under development.

The Government expects to contract AOA 6.88 Trillion (Tn) in debt this year, with AOA 3.85Tn (56%) in external debt and AOA 3.03Tn (44%) in domestic debt. According to a press release, Finance Minister Vera Daves de Sousa said to the Economic Commission of the Council of Ministers last Tuesday that 30% of the total amount will be represented by Treasury Bills.

At the meeting of the Monetary Policy Committee held last Friday, the BNA decided to continue to keep the various monetary policy instruments unchanged. Thus, the base interest rate (BNA Rate) remains at 20%, the interest rate of the Permanent Liquidity Lending Facility at 25%, the interest rate of the seven-day Permanent Absorption Liquidity Facility at 15% and the mandatory reserve ratios remain unchanged. The institution predicts an inflation of 18% in 2022, a slowdown compared to 27% in 2021.

Macroeconomic Forecasts

Indicator	2021*	2022*	2023*
GDP change (%)	1.3	3.9	2.6
Average Inflation (%)	25.8	21.0	14.8
Current Account (% GDP)	10.4	3.8	1.9

*BFA forecasts

Sovereign Rating

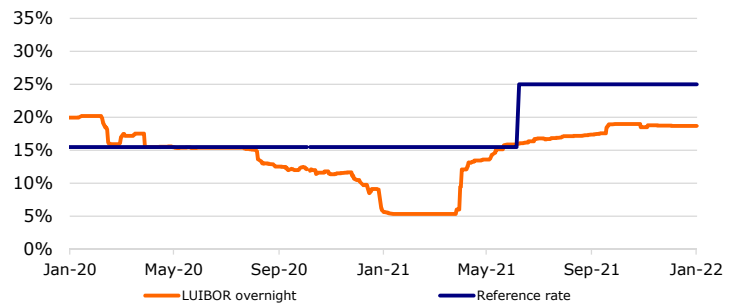
Rating Agency	Rating	Outlook	Last change
Fitch	B-	-	21/01/22
Moody's	B3	Stable	13/09/21
Standard & Poor's	CCC+	Stable	26/03/20

Monetary and ForEx data*

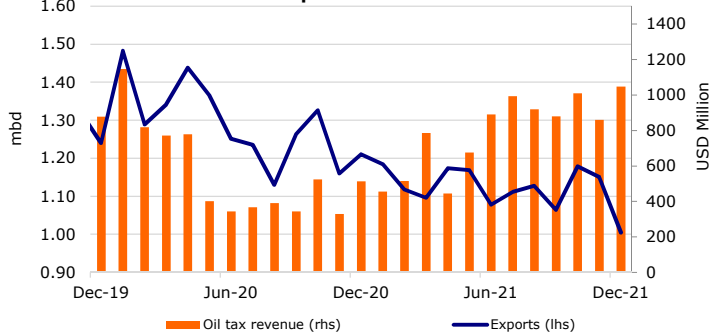
	28/01/22	Change		
		7 days (p.p./%)	YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	18.96%	0.00	0.00	13.32
USD/AOA	529.1	-0.15%	-4.66%	-18.68%
AOA/USD	0.00189	0.15%	4.89%	22.97%
EUR/AOA	588.9	-1.87%	-6.37%	-25.18%
EUR/USD	1.115	-1.70%	-1.93%	-8.01%
USD/ZAR	15.60	3.28%	-2.12%	2.54%

*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.

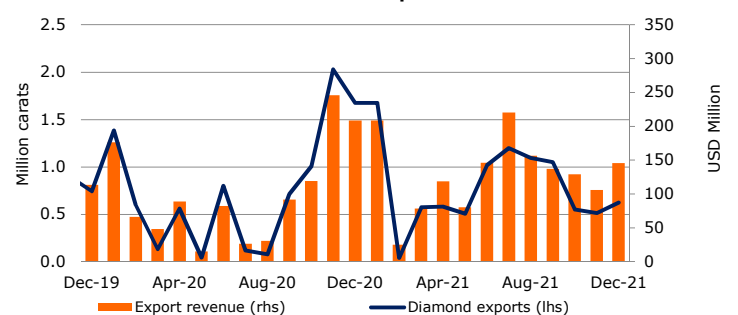
Reference rate and interbank rate



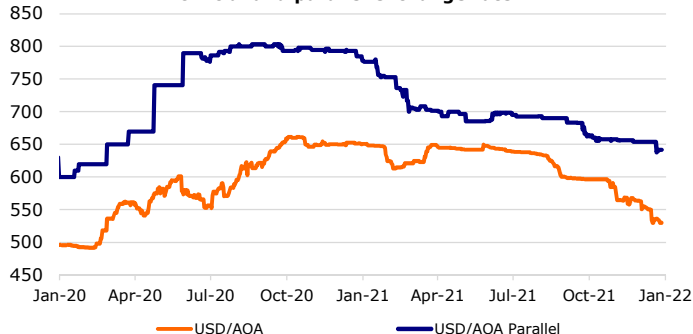
Oil exports and tax revenue



Diamond Exports



Official and parallel exchange rate



Oil price (Brent Angola) and Eurobond 2025

