

Market Information

Net International Reserves (NIR) closed the month of February at USD 10.3 billion (bn), representing an increase of 18.6% over the same period last year. According to preliminary data from the BNA, Gross Reserves also rose to USD 15.9bn (+4.1% yoy). In monthly terms, Gross Reserves dropped 1.5%, while NIR dropped 2.4%. According to our calculations, the current NIR represents approximately 6 months of imports of goods and services. **According to statements by Finance Minister Vera Daves de Sousa to the members of parliament, last Thursday, Angola is repaying larger amounts of its debt to Chinese entities due to the increase in the price of oil.** According to statements cited by Bloomberg, in negotiations that took place during Covid-19 to reschedule debt payments to some creditors, it was agreed that Angola would start "paying the differential as soon as the price rises above USD 60". The Minister also explained that, in this sense, the increase in the price of oil will not lead to an automatic increase in the government's cash reserves.

The price of oil has risen quite significantly, with Brent trading above USD 120 for almost a week. The oil market became even more agitated in the face of the declaration of an embargo on Russian oil and gas by the US and the suspension of oil imports until the end of the year by the United Kingdom, as sanctions for the Russian invasion of Ukraine. Brent is currently trading close to USD 130. Since the beginning of the year, the price of oil has increased by around 71%, an average of USD 94.3. **The Government expects to complete the process of joining the Extractive Industries Transparency Initiative (EITI) this month.** The information was released last Wednesday by the Minister of Mineral Resources, Oil and Gas, Diamantino Pedro Azevedo, with a view to improving governance and reducing the risk of embezzlement or misappropriation of funds generated by the development of extractive industries.

In the foreign exchange market, the week was marked by a 4.54% appreciation of the Kwanza against the Dollar and 6.16% against the Euro, closing the week at USD/AOA 475.0 and EUR/AOA 524.4. Thus, the Kwanza is now at its strongest value since December 2019, before the outbreak of the pandemic. Since the beginning of the year, the Kwanza has already appreciated by around 16.83% against the Dollar and 19.96% against the Euro.

In January, an amount of AOA 122.1bn was traded on BODIVA, representing an increase of 58.8% compared to December 2021. In terms of volume per trading member, of the total traded (AOA 172.9bn), the Top 5 was made up of Banco Angolano de Investimentos, Banco de Fomento Angola, Banco Millennium Atlântico, Standard Bank Angola and Banco de Poupança e Credito, representing around 76.5% of operations (AOA 132.3bn).

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

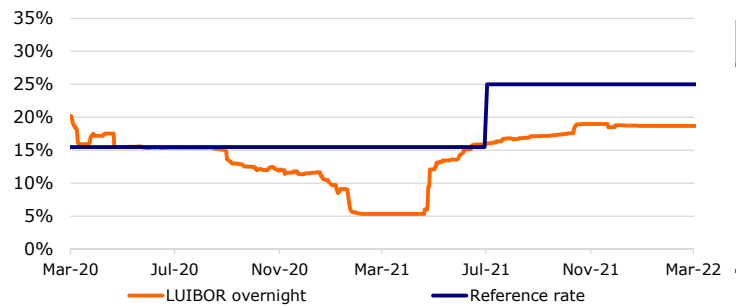
Rating Agency	Rating	Outlook	Last change
Fitch	B-	-	21/01/22
Moody's	B3	Stable	13/09/21
Standard & Poor's	B-	Stable	04/02/22

Monetary and ForEx data*

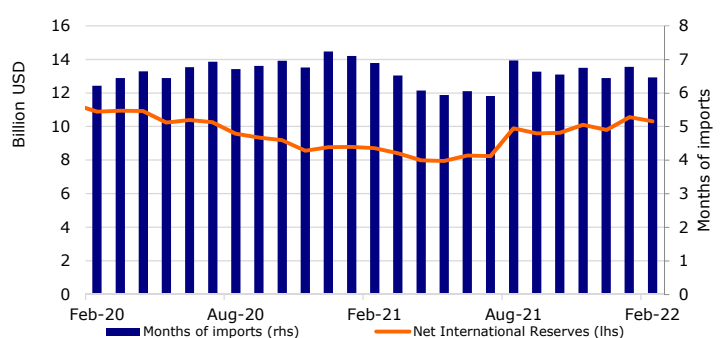
	04/03/22	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	18.96%	0.00	0.00	13.32
USD/AOA	475.0	-4.34%	-14.41%	-22.55%
AOA/USD	0.00211	4.54%	16.83%	29.11%
EUR/AOA	524.4	-5.81%	-16.64%	-28.40%
EUR/USD	1.093	-3.02%	-3.89%	-8.28%
USD/ZAR	15.39	1.54%	-3.43%	0.21%

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

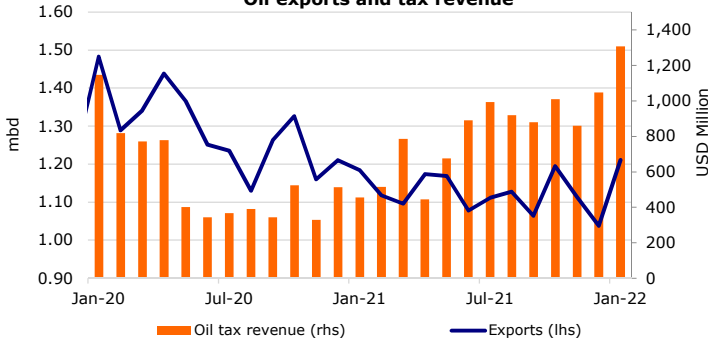
Reference rate and interbank rate



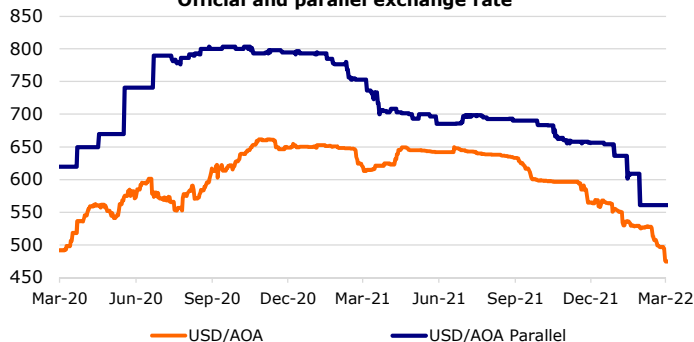
International Reserves and months of imports



Oil exports and tax revenue



Official and parallel exchange rate



Oil price (Brent Angola) and Eurobond 2025

