

Market Information

In Q1 2022, there was a year-on-year growth of 1.0% in oil exports, with an average value of 1.15 million barrels per day (mbd). This is the first year-on-year increase since Q1 2017, interrupting a very long period of decline in exported volume. At the same time, the average export price rose 54.7% yoy, at an average of USD 86.43 per barrel. As a result of this rise, exports generated USD 8.9 billion (bn) in sales between January and March, corresponding to a year-on-year increase of 56.6%. In international markets, Brent has been quite volatile, ending the week at around USD 110, after having reached a price below USD 100 the previous week. **Data independently collected by OPEC point to a year-on-year increase of 1.5% in crude oil production in Q1 2022, an average of 1.16 mbd.** Our expectation for 2022 is a slight growth in production, to close to 1.18 mbd, which could represent a growth rate close to 2%.

From January to March 2022, Angola exported a total of 1.84 million carats of diamonds, a drop of 19.7% compared to the same period last year; The average accumulated price almost doubled (+97.2% yoy) to USD 261.0 in the quarter, which would have led to a growth in export earnings of 61.2% yoy, reaching USD 517.7 million (M), with the Government raising USD 38.0M in tax revenue (+63.0% yoy).

In March, the national year-on-year inflation was 27.0%, a slight reduction of 0.3 percentage points (p.p) compared to February, representing the second month of decline since March 2021. According to INE data, the monthly rise in prices decelerated further in March to 1.56% (-0.21 basis points vs. February). Clothing and Footwear was once again the category with the highest monthly variation, with an increase of 1.93%, in line with the behavior recorded in February. Then, the biggest increases were registered in the Health classes (1.80%) and Food and non-alcoholic beverages (1.74%). Despite inflationary pressures in international markets, we expect a moderate impact on national inflation, which should slow down by the end of this year to values below 20%, in particular due to the strengthening of the Kwanza.

In the foreign exchange market, the week was marked by an appreciation of 4.12% of the Kwanza against the Dollar and of 5.29% against the Euro, having closed the week at USD/AOA 421.38 and EUR/AOA 454.35. Since the beginning of the year, the Kwanza has already appreciated by around 31.71% against the Dollar and 38.44% against the Euro.

Macroeconomic Forecasts

Indicator	2021*	2022**	2023**
GDP change (%)	0.7	5.5	4.0
Average Inflation (%)	25.8	18.7	8.5
Current Account (% GDP)	12.4	6.6	1.5

*GDP and inflation - INE; Current account - BNA
**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*

	14/04/22	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	16.00%	-1.12	-2.68	10.62
USD/AOA	421.4	-3.95%	-24.07%	-34.03%
AOA/USD	0.00237	4.12%	31.71%	51.59%
EUR/AOA	454.4	-5.03%	-27.77%	-40.53%
EUR/USD	1.083	-0.47%	-4.77%	-9.62%
USD/ZAR	14.66	-0.55%	-8.00%	1.88%

*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.

Auctions of Treasury bonds and bills last week

Maturity	Rate	Supply	Demand	Allocated
BT (91 days)	11,70%	5,000	40,100	1,244
OT AOA (2 years)	16.50%	9,877	26,000	26,000
OT AOA (4 years)	18.40%	10,000	63,924	32,876
OT AOA (6 years)	19.49%	10,000	4,000	4,000
OT AOA (10 years)	21.00%	2,000	2,000	2,000
OT USD (3 years)	3.70%	2.00	1.25	1.25

BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanza. USD OT in million Dollars * Bond linked to the exchange rate ** Bond linked to treasury bills

