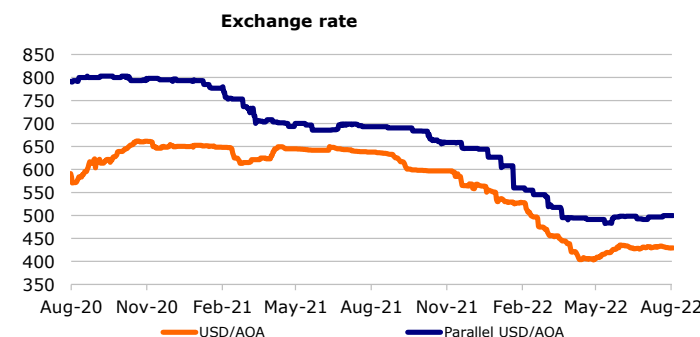
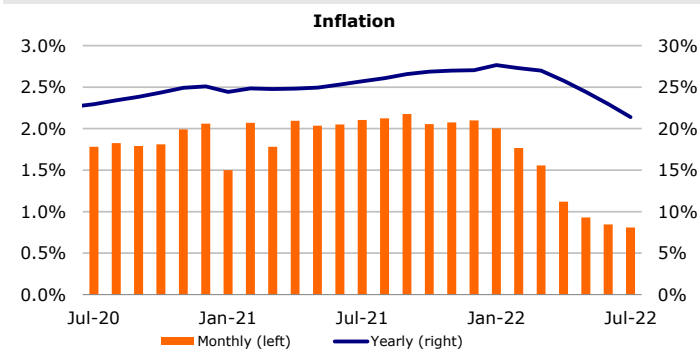


Angola Weekly | 15/08

Market Information

In July, annual inflation was 21.40%, representing a drop of 1.56 percentage points (p.p) compared to June - the sixth consecutive month of decline in 2022. According to INE data, monthly inflation in July was 0.81% again the lowest value since April 2015, and much lower than levels in December 2021 (2.10%). In particular, the costs with Education were the ones that recorded the highest monthly increase in the order of 3.5%, justified by the period before the beginning of classes, in which the demand for school supplies is significantly higher compared to the other months. Still, the value was lower than the average (5.9%) that typically occurs in these periods - in particular, in several previous years the class recorded increases of more than double digits, combining price increases in school supplies with a significant increase in tuition fees, something that should not occur this year. The classes with the highest increases besides this were Clothing & Footwear (1.68%) and Health (1.64%). In the opposite direction, we highlight the class of Foods & non-alcoholic Beverages, which recorded a change of 0.61%, a drop of 2.0 pp compared to the same period of 2021, and the lowest value since January 2019. Inflation is expected to fall from 20% as early as next month, which has not occurred since March 2020, at the beginning of the Covid-19 pandemic. In view of this decline, the BNA is expected to take further monetary policy easing measures in September or December, possibly lowering the liquidity rate again or reduce the absorption rate.

Oil exports were close to 1.24 million barrels per day (mbd) in July, +11.7% compared to the same period. According to data published by the Ministry of Finance, this is the highest figure since October 2020, in which Angola exported a daily average of 1.33 mbd. In the same sense, the average export price rose significantly (+72.7% yoy) to USD 121.6 per barrel, the highest price since August 2014. As a result of these movements, export revenue shot up (+92.9% yoy), yielding about USD 4.5 billion (Bn). Oil tax revenues amounted to USD 3.6Bn, a huge increase from USD 992.8 million in the same period in 2021. It should be noted that Block 0 tax revenues accounted for more than 70% of this month's revenues, probably due to backtaxes being paid. **Data independently collected by OPEC point to a 9.2% year-on-year increase in crude oil production in July, averaging 1.17 mbd.** On average, since January 2022, Angola has produced 1.16 mbd, +4.4% compared to the same period. OPEC revised down the forecast for an increase in global oil demand in 2022 to 100.3 mbd against the 102.8 mbd previously forecast. The organization expects an increase in global consumption next year to 102.9 mbd. On international markets, Brent has been below USD 100 for two weeks, having ended the week at USD 98, a slight recovery of USD 3.2 compared to the previous week.



Macroeconomic Forecasts

Indicator	2021*	2022**	2023**
GDP change (%)	0.7	5.6	4.9
Average Inflation (%)	25.8	21.4	7.0
Current Account (% GDP)	10.7	3.1	1.9

*GDP and inflation - INE; Current account - BFA forecast
**Forecasts

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B-	Positive	15/07/2022
Moody's	B3	Stable	13/09/2021
Standard & Poor's	B-	Stable	04/02/2022

Monetary and ForEx data*

	12/08/2022	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	16.50%	0.00	-2.18	-0.34
USD/AOA	429.3	-0.21%	-22.65%	-32.70%
AOA/USD	0.00233	0.21%	29.28%	48.60%
EUR/AOA	441.0	0.83%	-29.88%	-41.10%
EUR/USD	1.026	0.75%	-9.77%	-12.54%
USD/ZAR	16.2	-3.63%	1.45%	9.38%

*Change of USD/AOA (or EUR/AOA) shows the appreciation 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)	12.0%	1,000	5,193	4,193
OT AOA (2 years)	15.5%	5,000	8,922	5,422
OT AOA (6 years)	19.5%	20,500	21,333	21,333
OT AOA (8 years)	20.0%	15,000	11,486	11,486
OT USD (3 years)	3.7%	1.00	0.19	0.19
OT USD (7 years)	5.7%	1.00	0.05	0.05

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

