

Angola Weekly | 29/08

Market Information

USD 6.9 billion (Bn) in foreign currency were sold to banks in the 1st half of 2022, an increase of 63.0% compared to the same period of 2021. According to data from a report published by the BNA, in the first half of 2022 there was an increase in liquidity in foreign currency, due to the increase in the price of oil in international markets, leading to greater collection of export earnings from this commodity. The BNA continues to intervene less and less in the market: it sold USD 514 million, only 7.5% of the total, and 15% less than in the same period in 2021. The main sources of foreign currency acquisition by retail banks were the oil sector and the Treasury, with 62.8% of the total through these two channels. Oil sector sales grew 43.0% and Treasury sales increased 57.0%. The largest increase was registered in other entities, excluding oil and diamond companies – other businesses sold USD 1.3Bn, more than triple the USD 444 million sold by this sector in the 1st half of 2021. The remaining part (USD 723 million) was acquired in the diamond sector, whose sales to retail banks more than doubled compared to the same period in 2021.

The World Bank disbursed over USD 500,000 for road rehabilitation.

This funding will continue in coordination with the Commercial Agriculture Development Project, aiming at the rehabilitation of 22.5 kilometers of tertiary roads in the Province of Cuanza Norte, with a global budget of USD 576 thousand, aiming to improve access to the cultivation area and transport of products.

The British company Afentra reinforced its investment in the oil sector in Blocks 3/05 and 3/05 A.

After the first operation that marked the entry of this company in Angola, with the purchase of 20% of Sonangol's stake in Block 3/05, according to information made public, the British oil company will reinforce its participation in Block 3/05 through the acquisition of the 4% that the Croatian company INA has in the block. On the other hand, Afentra will also enter Block 3/05 A buying 5.33%, also from INA, which is leaving the Angolan market. In international markets, the price of Brent remains very volatile, having ended the week at USD 100.9 per barrel, a gain of +4.3 USD, after almost three weeks with the price hovering below USD 100. Brent is trading around USD 101.2.

Last Wednesday, general elections were held in Angola. According to the partial and provisional results, President João Lourenço should renew his mandate. The National Electoral Commission plans to release the final results of the elections shortly.

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*

	26/08/2022	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	16.50%	0.00	-2.18	-0.64
USD/AOA	428.6	-0.05%	-22.77%	-32.50%
AOA/USD	0.00233	0.05%	29.48%	48.15%
EUR/AOA	429.9	-0.24%	-31.66%	-42.33%
EUR/USD	0.997	-0.71%	-12.35%	-15.20%
USD/ZAR	16.9	-0.70%	5.95%	13.05%

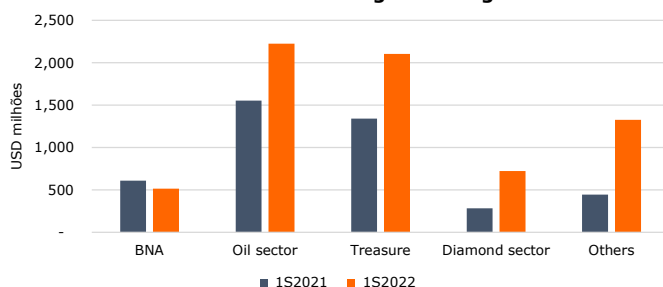
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

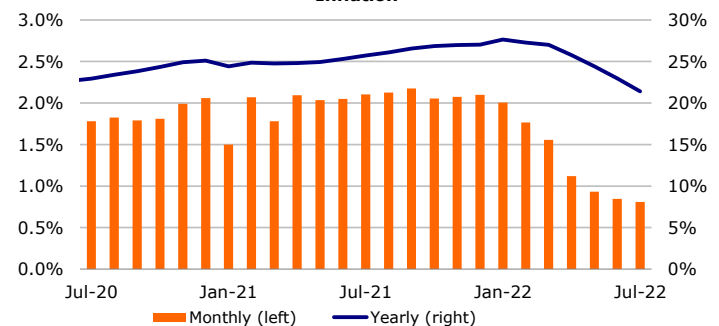
Maturity	Rate	Supply	Demand	Allocated
OT AOA (2 year)	15.5%	2,000	9,843	2,500
OT AOA (4 years)	17.2%	3,000	1,650	1,650
OT AOA (6 years)	19.5%	5,000	2,000	2,000
OT USD (3 years)	3.7%	1.00	0.23	0.23

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

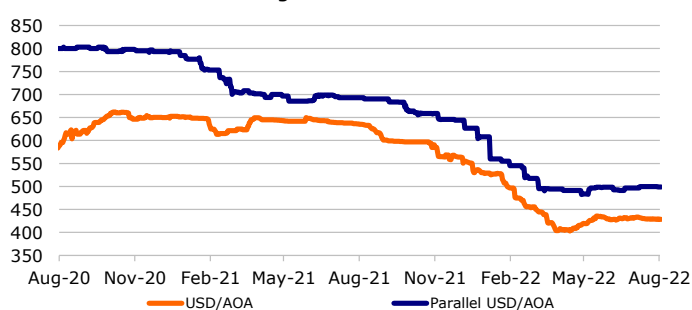
Sale of foreign exchange



Inflation



Exchange rate



Oil price (Brent) and Eurobond 2025

