

Angola Weekly | 12/09

Market Information

Indicators of macroeconomic stability and financial improvement in Q2 2022, compared to the same period last year. According to data from the National Bank of Angola (BNA), the Macroeconomic Stability Index (MSI) stood at 2.71, representing additional gains of 0.44 points. The increase in the price of a barrel of oil on the international market, the increase in the volume of exports, the reduction in public debt as a percentage of GDP, as well as the reduction in year-on-year inflation, are factors that contributed positively to the evolution of the MSI.

Human development in Angola has registered slight improvements over the last two years. According to the report 2021/2022 of the United Nations Development Program (UNDP), the Human Development Index (HDI) for Angola was evaluated at 0.586 points, representing a slight improvement of 0.005 points compared to 2019, with the period publication of the latest report. In this way, Angola maintains its status as a country with an average level of human development. The UNDP report points to a slight retraction in terms of global human development, with the GLOBAL HDI contracting 0.005 points to 0.732 points, values that are consistent with the recent Covid-19 pandemic that the world has witnessed.

The European Central Bank (ECB) raised the three main policy interest rates by 75 basis points. The decision was taken at the monetary policy meeting held last Thursday, September 8th. This decision raises the main rates for refinancing operations, the marginal lending facility and deposit rates to 1.25%, 1.50% and 0.75%, respectively. The ECB points to inflation as the justification for this measure. At the next meetings, the Governing Council expects to raise interest rates even further because, according to its projections, inflation will remain high over the next two years (5.5% in 2023 and 2.3% in 2024) and should return to the target of long term (2%) only in 2025.

Banco Caixa Geral de Angola (BCGA) launches an Initial Public Offering (IPO) to privatize 25% of the shares of its share capital belonging to the State. According to the prospectus, the shares subject to the IPO will be sold at a unit price within a range between the minimum value of AOA 4,250.00 and the maximum value of AOA 5,000.00. All investors targeted by the offering, both BCGA employees and the general public, will acquire shares at the same unit price that will be announced on September 21, 2022. The Public Offering for Sale (OPV) session will take place on September 22 and the physical and financial settlement of the shares sold in the OPV should, predictably, occur on the business day following the special trading session of the stock exchange market, that is, September 23, 2022.

The Angolan banking system now has only 24 commercial banks authorized to operate. The BNA, under the provisions of paragraph 6 of article 319 of Law no. BAI Micro Finanças, which, at the General Meeting held on August 9, 2022, decided on its voluntary dissolution and liquidation.

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*

	09/09/2022	Change		
		7 days (p.p./%)	YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	13,50%	-3,00	-5,18	-3,71
USD/AOA	428,4	-0,05%	-22,82%	-31,74%
AOA/USD	0,00233	0,05%	29,56%	46,50%
EUR/AOA	428,4	-0,03%	-31,90%	-42,29%
EUR/USD	1,004	0,88%	-11,68%	-15,08%
USD/ZAR	17,3	0,01%	8,59%	21,79%

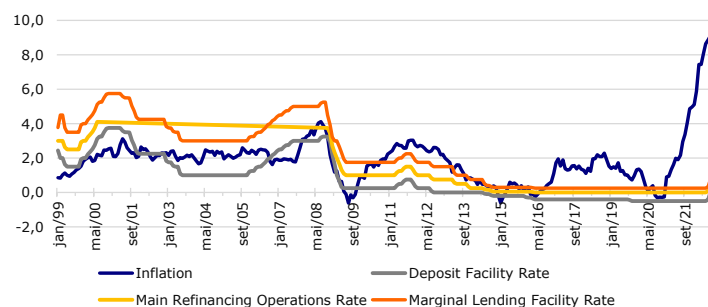
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

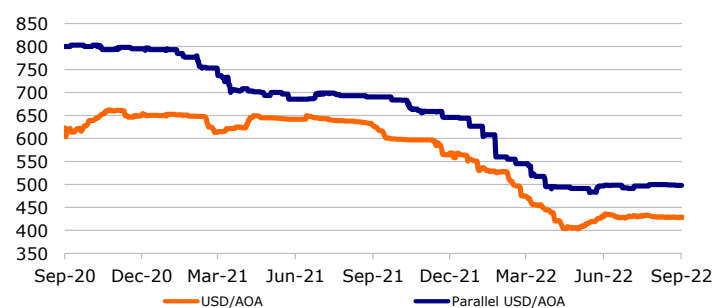
Maturity	Rate	Supply	Demand	Allocated
OT AOA (4 years)	17,2%	5 000	10 000	10 000
OT AOA (6 years)	19,5%	11 824	37 824	37 824
OT AOA (8v years)	20,0%	12 400	12 400	12 400
OT AOA (10 years)	21,0%	12 500	16 542	16 542
OT USD (3 years)	3,7%	1,00	0,19	0,19
OT USD (4 years)	4,2%	1,00	0,04	0,04

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

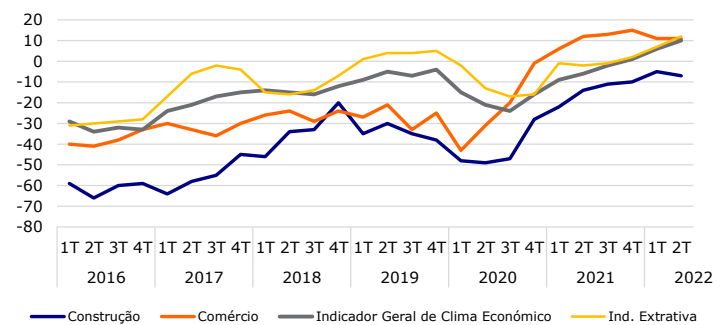
Euro zone: Inflation e Director interest rate



Exchange rate



Economic feeling



Oil price (Brent) and Eurobond 2025

