

Angola Weekly | 19/09

Market Information

In August, the national year-on-year inflation was 19.77%, representing a drop of 6.3 percentage points (p.p) compared to the same period of the previous year. Monthly inflation decelerated again for the eighth consecutive month, settling at 0.76%, again the lowest value since April 2015, and below the levels of December 2021 (2.10%). In particular, the apparel and footwear category once again recorded the highest monthly increase, in the order of 1.69%, surpassing all others for the fifth time this year, followed by health (1.68%) and alcoholic beverages and tobacco (1.32%). On the other hand, food and non-alcoholic beverages stand out, which registered the lowest monthly variation of 0.6%, a drop of 2.07 pp compared to the same period of the previous year, and the lowest value since January de 2019. Maintaining this monthly deceleration, year-on-year inflation should reach the BNA's short-term target (18%) already in October, giving the regulator more space to easing monetary policy.

The Consumer Confidence Indicator (ICC) maintained a positive evolution in Q2 2022, registering the highest value since Q4 2019. According to the INE Consumer Survey, the ICC grew 4 points more than in Q1 2022 and 15 points compared to the same period of the last year. In this way, over the last few years, family confidence has registered significant advances. It should be noted that the increase in confidence results from the year-on-year evolution of all the variables that make up the ICC, including the financial situation of families in the next 12 months (+15 points), unemployment in the country in the next 12 months (- 18 points), the country's economic situation in the next 12 months (+16 points) and the current economic situation of households (+3 points).

Oil exports in August were close to 1.09 million barrels per day (mbd), a slight decrease of 3,7% compared to the same period of the previous year. According to data from the Ministry of Finance, oil was traded on average at USD 112.3 per barrel, representing +56.8 yoy, the export revenues increased by 51.0% yoy, yielding around USD 3.8 billion (bn). Data collected independently by OPEC points to 1.19 mbd of oil production in August. On average, since January 2022 Angola has produced 1.17 mbd, +4.6% compared to the same period, becoming, in August, the largest producer of this commodity in Africa. In international markets, Brent has averaged below USD 100 since the beginning of August, ending the week at USD 91.68, a slight decrease of USD 1.6 from the end of the previous week.

The Angolan external public debt ended the second Q2 2022 at USD 51.7bn, representing an increase of 2% compared to the same period of the previous year. According to BNA data, the debt stock has been showing an upward trend, reaching the highest value in the statistical series in Q2 2022. China continues to be Angola's main creditor with a weight of 42% in the total, despite the debt stock having decreased 0.58% yoy to USD 21.6bn.

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*

	16/09/2022	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	13,00%	-0,50	-5,68	-4,21
USD/AOA	430,0	0,39%	-22,51%	-30,31%
AOA/USD	0,00233	-0,39%	29,05%	43,48%
EUR/AOA	428,5	0,03%	-31,88%	-40,92%
EUR/USD	1,002	-0,26%	-11,91%	-14,88%
USD/ZAR	17,6	1,76%	10,50%	20,64%

*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 years)	15,5%	2 000	9 970	3 001
OT AOA (4 years)	17,2%	8 000	20 627	20 627
OT AOA (6 years)	19,5%	8 000	22 596	22 596
OT AOA (8 years)	20,0%	4 000	11 702	11 702
OT AOA (10 years)	21,0%	4 000	6 477	6 477
OT USD (3 years)	3,7%	1,00	0,33	0,33

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

