

## Angola Weekly | 26/09

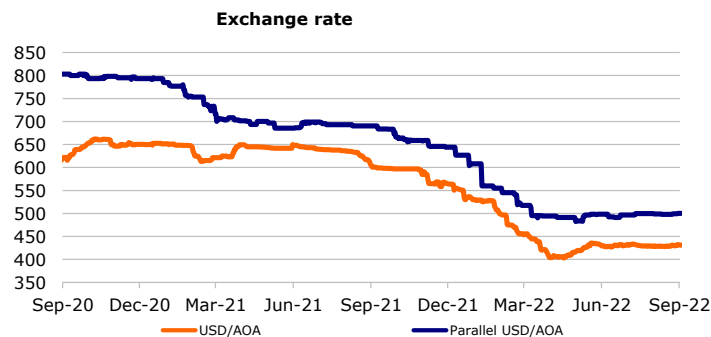
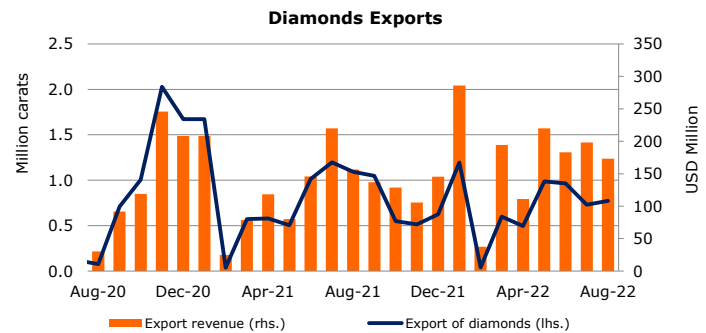
### Market Information

From January to August 2022, Angola exported a total of 5.8 million carats of diamonds, which represents a drop of 13,3% compared to the same period in 2021. According to data from the Finance Ministry and ours calculations, the average accumulated price remains at its pace of growth since the beginning of the year, reaching around USD 242.5 (+75.6 yoy), which led to a growth of 35.9%yoy in gross export revenues, reaching USD 1.4 billion (bn), with the Government collecting around USD 104.1 million in tax revenues (+34.3% year on year). **The National Diamond Company (ENDIAMA) announced this Wednesday the discovery of another diamond with more than 100 carats in the Lulo mine.** According to the Institution's statement, it is a white diamond of 131 carats, considered the 4th of the more than 100 carats discovered this year, a total of 29 diamonds of this nature extracted in this mine.

**Last week, Sonangol collected around AOA 20.1 billion related to the Public Offer for Sale of Banco Caixa Geral de Angola (BCGA).** According to information from BODIVA, the share price was set at AOA 5,000 for the general public, legal persons and workers, who could access 10% of the share capital, and AOA 3,399 for Angolan shareholders, to whom the remaining 15%.

**The capital and financial balance of Angola's balance of payments ended Q2 2022 with a negative balance of around USD 3.1 billion (bn).** Compared to Q1 2022, there was an improvement in the deficit by 34.1%, as this sub-balance had ended Q1 2022 with a negative balance of USD 4.6 bn. According to the BNA report, with the exception of medium and long-term capital, all other categories of the financial account performed negatively. Due to the reduction of new investments and greater recovery of capital invested in the oil sector, the deficit in terms of net direct investment worsened further to USD 1.8bn, against USD 1.3bn in Q1 2022. The USA, France and Italy are the countries that stood out in the origin of foreign direct investment destined for the oil sector. On the other hand, in the non-oil sector, South Africa, Belarus, Portugal and China stand out. The net international investment position improved in terms of deficit to USD 16.9bn (-15.9%) in Q2 2022, this improvement is essentially explained by the increase in financial assets.

**The Federal Reserve (FED) raised the benchmark interest rate to 2008 levels.** After inflation ended August above expectations, the Fed raised the interest rate by 75 basis points, settling in the range of 3% to 3,25%. Shortly after the announcement of monetary policy tightening, the 10 and 2 years US Treasury yield curves inclined, rising to more than 3.5%, indicating imminent risks of an economic recession.



### 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\*

	23/09/2022	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	11.65%	-1.35	-7.03	-5.66
USD/AOA	431.2	0.26%	-22.31%	-28.54%
AOA/USD	0.00232	-0.26%	28.72%	39.93%
EUR/AOA	420.7	-1.81%	-33.12%	-40.49%
EUR/USD	0.969	-3.28%	-14.80%	-17.48%
USD/ZAR	18.0	1.93%	12.63%	21.69%

\*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	10,072	3,500
OT AOA (4 years)	17.2%	17,900	20,100	20,100
OT USD (3 years)	3.7%	1.00	0.58	0.58

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

