

Angola Weekly | 31/10

Market Information

In the first 9 months of 2022, Angolan crude exports increased by 3.0% year-on-year, to an average of 1.16 million barrels per day (mbd). The rise was particularly expressive in the 3rd quarter, when exports increased by 6.5% yoy, which points to a growth of similar magnitude in the Oil GDP between July and September. The average export price was USD 100.1 in these 9 months, 46.7% higher than in the same period last year. As a result, export earnings grew by 68.8% yoy to USD 32.9 billion; on the fiscal side, revenues for the State were USD 15.1 billion, more than doubling from USD 6.6 billion in the first 9 months of 2021. Data obtained by OPEC point to an average production of 1.17 mbd between January and September, an increase of 4.5% compared to 2021. The largest increases occurred in Block 18 (+0.04mbd; +90.0% yoy), with the investment in the Platina Field, and in Block 17 (+0.03mbd; +9.7% yoy), with investments in Clov 2 and Zinia 2. Our perspective is that production should be somewhat lower in the last quarter of the year, with lower growth, or a possible decrease year-on-year; it is possible that oil companies anticipated exports to the time when the price of Brent was higher. For the entirety of 2022, we expect a moderate increase in exports, which will result in a growth close to 2.0% of Oil GDP. The trend will likely not continue into 2023, since, except for new production in Block 0 and 15/06, all other blocks should see production fall. Our expectation is for a significant drop, possibly greater than 5%, which will be reflected in the Oil GDP. The price of oil traded higher in the last week, closing the week above USD 96, about 3 Dollars higher than the previous week; the rise is partly due to a weaker Dollar.

The President of the Republic decreed the nationalization of 3 private stakes in companies, which resulted in the possession of of Unitel and Sociedade Mineira de Catoca by the State. The holdings had previously been seized and under State management, within the scope of ongoing legal proceedings. In particular, the State now owns the 25% interest in Unitel previously owned by Vidatel, from Isabel dos Santos, 25% of Unitel previously owned by Geni, from General Leopoldino do Nascimento, and 18% of Sociedade Mineira de Catoca, previously owned by Leviev Internacional, from China Sonangol. The purpose of the measure, according to the Presidency, is to ensure the maintenance of sounds business within these firms, through a more efficient and transparent management, aligned with the strategic interest of the referred companies.

The Kwanza depreciated quite significantly last week, 6.2% against the USD and 7.9% against the EUR. Since the beginning of the year, the Kwanza is gaining 15.0% against the Dollar.

Macroeconomic Forecasts

Indicator	2021*	2022**	2023**
GDP change (%)	0.7	4.6	2.4
Average Inflation (%)	25.8	21.2	12.2
Current Account (% GDP)	10.5	9.0	3.3

*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	Positive	20/10/2022
Standard & Poor's	B-	Stable	04/02/2022

Monetary and ForEx data*

	29/10/2022	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	10.00%	0.00	-8.68	-9.00
USD/AOA	482.6	6.61%	-13.04%	-19.16%
AOA/USD	0.00207	-6.20%	15.00%	23.70%
EUR/AOA	481.4	8.64%	-23.47%	-30.46%
EUR/USD	0.997	1.04%	-12.36%	-14.69%
USD/ZAR	18.1	0.25%	13.78%	19.82%

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

Auctions of Treasury bonds and bills last week

Maturity	Rate	Supply	Demand	Allocated
BT (12 months)	9.7%	20 000	2 643	2 043
OT AOA (8 years)	19.5%	5 000	376	376
OT AOA (10 years)	21.0%	900	841	841

BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanza. USD OT in million Dollars * Bond linked to the exchange rate ** Bond linked to treasury bills

