

Angola Weekly | 14/11

Market Information

In October, year-on-year inflation was 16.68%, a drop of 1.48 percentage points (p.p) compared to September, the tenth consecutive month of decline in 2022. According to INE data, monthly inflation stood at 0.78%, representing stability compared to September values (0.79%) and a decline of 1.28pp compared to the same period last year. Costs with "Clothing and footwear" and "Health" were the ones that rose the most, 2.33% (+0.14pp than the increase in October/2021) and 2.31% (+0.31pp than the increase in October/2021), respectively. In the opposite direction, the "Transport" category registered a variation of 0.21%, followed by "Food and non-alcoholic beverages" which increased by 0.59%, and "Furniture, domestic equipment and maintenance" which rose by 0.74%, the smallest increase since October 2014 and 1.42pp less than in the same period last year. As expected, year-on-year inflation was already below the BNA target for the end of the year in October (18%). For the next two months, we expect further declines in year-on-year inflation, ending the year at close to 14%, despite a probable increase in monthly inflation in December, due to seasonality effects.

The National Agency for Petroleum, Gas and Biofuels (NAPG), ExxonMobil Angola and other partners in Block 15, announced last Monday, November 7, a new discovery in the Bavuca South-1 exploration well. According to information released by Exxonmobil, the discovery in the Bavuca Sul-1 exploration well is part of the requalification project for Block 15 in Angola, a project that should result in an additional production of 40,000 barrels of oil per day; this is the eighteenth discovery on that block, but the first in nearly 20 years. The price of a barrel of oil that serves as a reference for Angolan exports continues to trade mixed, with several ups and downs, but ended the week at USD 95.99 per barrel, representing losses of 2.68% compared to the previous week. WTI, the benchmark for American exports, had a similar behavior, with days of ups and downs, and closed the week at USD 88.96/barrel (-4.10% compared to the previous week). Several factors contributed to the fluctuation of black gold, from US oil inventories data that increased more than expected, the uncertainties associated with Covid-19 in China, as well as the release of US inflation data that supported the investor hopes that the Federal Reserve will moderate its interest rate hikes, which could support demand for oil.

The annual volume of trading on the Angolan Debt and Securities Exchange (BODIVA) reached a new record, having reached AOA 1,232 billion already this year, the highest value ever recorded since the exchange's opening. According to the note released by BODIVA, regular Treasury Bonds and Dollar-indexed Treasury Bonds were the most traded instruments, representing 78.0% and 19.4% of the amount traded.

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*

	11/11/2022	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	493.8	1.17%	-11.03%	-17.28%
AOA/USD	0.00203	-1.16%	12.40%	20.89%
EUR/AOA	491.0	3.16%	-21.94%	-28.86%
EUR/USD	1.021	4.72%	-10.21%	-11.06%
USD/ZAR	17.4	-5.67%	8.95%	12.51%

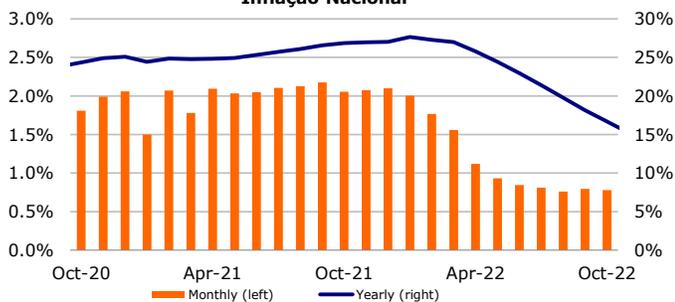
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

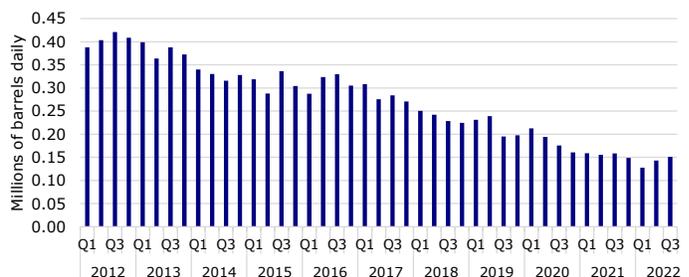
Maturity	Rate	Supply	Demand	Allocated
BT (6 months)	11.5%	10,000	13,500	8,500

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

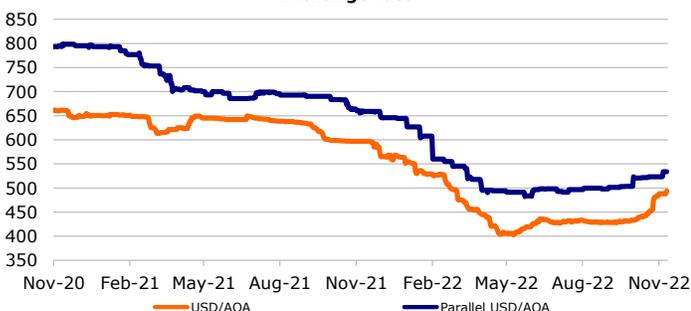
Inflação Nacional



Block 15 oil production



Exchange rate



Oil price (Brent) and Eurobond 2025

