

Angola Weekly | 19/12

Market Information

In the third quarter of 2022, consumer confidence increased 13 points compared to the same quarter a year earlier, to a score of -2, the highest figure since the beginning of the series, in Q4 2019.

The improvement was slightly lesser than in Q2, where the annual increase had been 15 points. Compared to the previous quarter, the index rose 1 point and has been up since the second quarter of 2021. Consumer prospects have improved in particular in relation to the future of households' financial situation (+23 points for a score of +3) and the economic situation of the country (+16 points for score of +8). Looking at the current economic situation of households, there have been positive yearly changes since the third quarter of 2021, but it is currently showing signs of stagnation. On the other hand, all measures of perception of the economic situation in the recent past have seen significant improvements, regarding to prices, economic situation of households and country, and unemployment.

In November, annual inflation was 15.24%, representing the tenth month of fall since February 2022. According to INE data, monthly inflation has been showing signs of stability since June, at 0.8%. Nevertheless, there was a small monthly acceleration, and the class with the highest increase was Health, with 1.87%, followed by Clothing & Footwear, Various goods and services and Leisure, Recreation and culture with 1.82%, 1.34% and 1.18%, respectively. Prices for Food & non-alcoholic beverages, which are the largest share of the basket used to assess price changes, rose 0.71%, up from a 0.65% rise in October. The high inflationary pressures in international markets and the depreciation in the Kwanza that have occurred in recent months lead us to expect a trend of slight acceleration in 2023, which is expected to lead to a resumption of annual inflation growth sometime in the second quarter of next year.

Last week, central banks in the United States and Eurozone economies decided to raise key interest rates by 50 basis points as a measure to combat inflation. The Federal Reserve raised the target rates to 4.25%-4.50%, values close to September 2008 (4.90%); similarly, the European Central Bank (ECB) decided to change the three main reference interest rates that is, refinancing (2.5%), deposit facility (2%) and credit facility (2.75%).

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)	9.8	9.6	1.2

*GDP and inflation - INE; Current account - BFA forecast
**Forecasts

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B-	Positive	7/15/2022
Moody's	B3	Positive	10/20/2022
Standard & Poor's	B-	Stable	2/4/2022

Monetary and ForEx data*

	12/17/2022	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	10.50%	-0.50	-8.68	-8.73
USD/AOA	504.4	0.04%	-9.12%	-10.43%
AOA/USD	0.00198	-0.04%	10.03%	11.65%
EUR/AOA	536.6	0.84%	-14.69%	-15.67%
EUR/USD	1.059	0.44%	-6.90%	-6.57%
USD/ZAR	17.7	1.90%	10.96%	10.92%

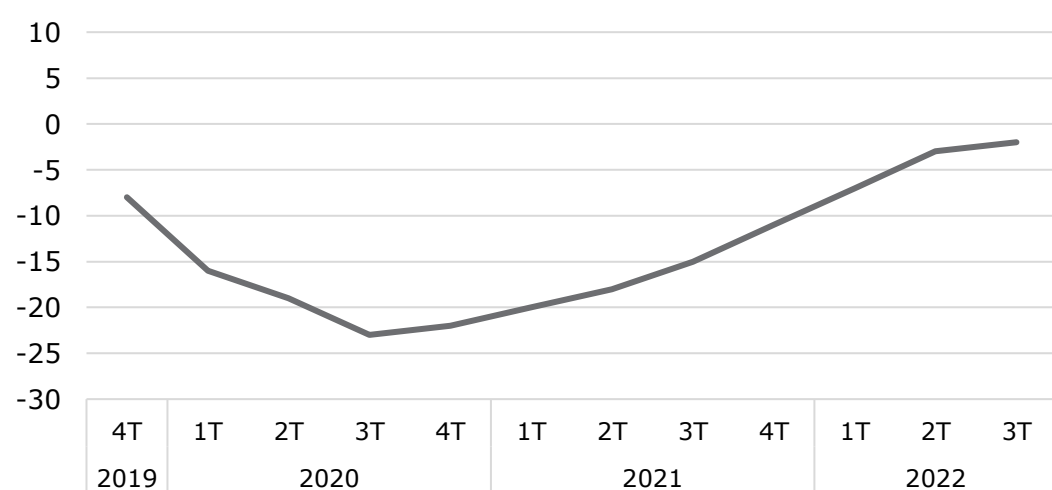
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

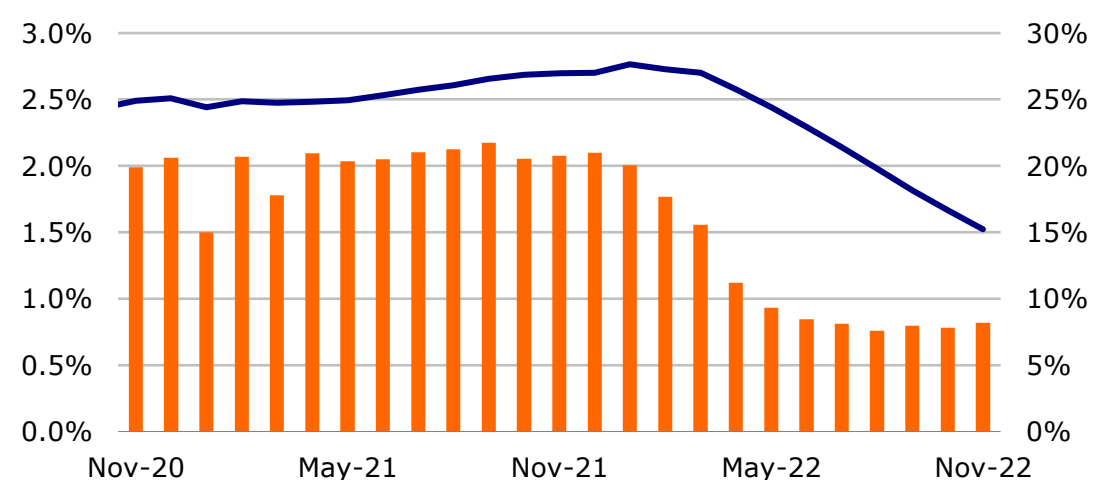
Maturity	Rate	Supply	Demand	Allocated
BT (91 days)	9.7%	19,327	19,327	19,327
BT (365 days)	11.0%	11,543	843	843
BT (182 days)	9.5%	28,649	15,723	15,723
OT USD (7 years)	5.7%	7	1	1
OT AOA (10 years)	21.0%	5,000	2,047	2,047
OT AOA (10 years)	21.0%	13,129	9,629	9,629

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

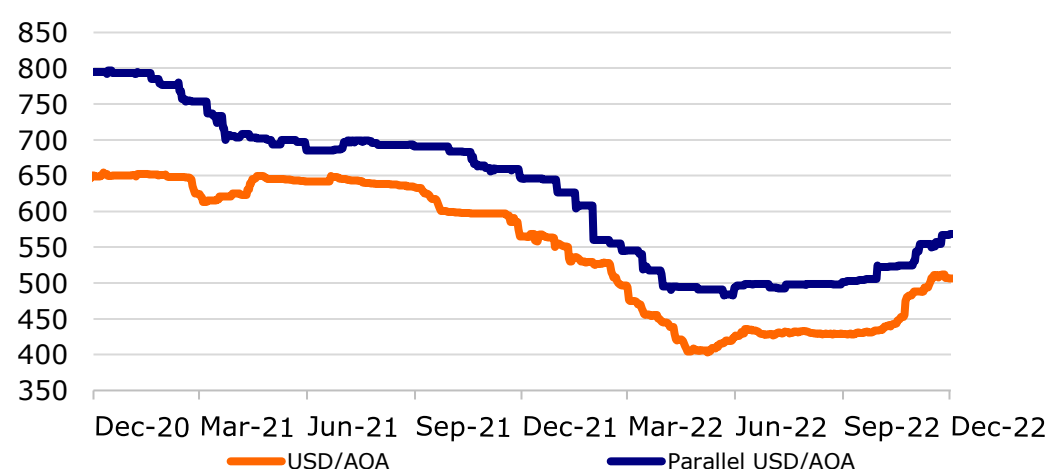
Consumer Confidence indicator



National Inflation



Exchange rate



Oil price (Brent) and Eurobond 2025

