

Angola Weekly | 02/01

Market Information

In the third quarter of 2022, the Angolan economy grew 3.9% compared to the same period in 2021. The oil economy grew 2.7% yoy contributing positively by 0.75 percentage points (pp) to total change in Gross Domestic Product (GDP). The non-oil economy grew 4.4% in Q3 2022 compared to the same quarter, representing a slight acceleration of 0.2pp. The financial intermediation (+41.7% yoy), Transport (25.8% yoy) and Fishing (+12.3% yoy) sectors showed higher growth levels than the rest, while the largest drop occurred in communications (-8.1% yoy), showing the second consecutive drop since the beginning of 2022. With this acceleration, the non-oil economy confirms several signs of higher growth; our expectation is that it will accelerate slightly again in the fourth quarter of 2022, even with the exchange rate depreciation that occurred at the beginning of October and the reduction in the price of a barrel of oil in the last months of the year. The above factors are confirmed by the highest frequency indicators: our private transaction indicator based on EMIS data decreased by 0.5% yoy in real terms between September and November, after growing three consecutive periods, while deposits in domestic currency recorded a real year-on-year change of 5.4%.

The Industrial Production Index (IPI) in the third quarter of 2022 recorded an increase of around 3.8% compared to the same period. The Extractive Industry recorded an increase of 4.1% yoy influenced by the increase in oil extraction (+3.6% yoy), which represents 85.3% of the total. In terms of manufacturing industries, there was a year-on-year increase of around 2.4%, in particular: production of the "food, beverage and tobacco" industries rose 7.3%, while the "Manufacture of Petroleum, Chemical and Other Products" fell 6.7%, despite the expansion of Cabinda refinery capacity. The "Production and Distribution of Electricity, Gas and Steam" rose 7.4% and the "Capture, Treatment and Distribution of Water and Sanitation" rose 4.8%, showing a significant increase despite representing 1.7% and 0.9% of the index, respectively.

Somol announced last Thursday the acquisition of the stake of Thai exploration and production company, PTT Exploration and Production's in Block 17/06 "Offshore" Angola. This acquisition, scheduled for mid-2023, will make Somol join the Block with 12.5%.

International reserves ended December valued at USD 14,426 Billion. In monthly terms, this is an increase of USD 705.7 million. According to our calculations, the current international reserves represent approximately 6 months of imports of goods and services.

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*

	12/31/2022	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	10.00%	0.00%	-8.68%	-8.68%
USD/AOA	503.7	-0.04%	-9.24%	-9.24%
AOA/USD	0.00199	0.04%	10.18%	10.18%
EUR/AOA	537.4	0.42%	-14.56%	-14.56%
EUR/USD	1.071	0.83%	-5.85%	-5.85%
USD/ZAR	17.0	0.09%	6.90%	6.90%

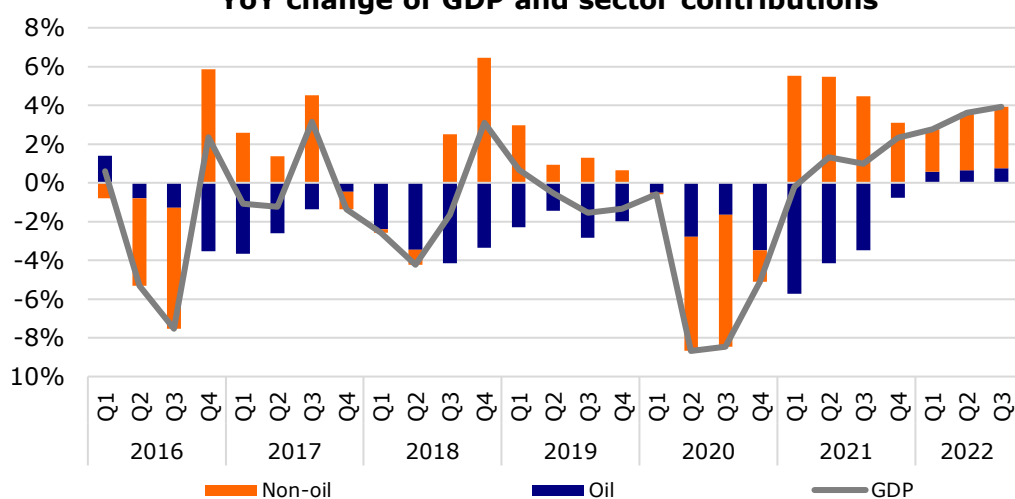
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

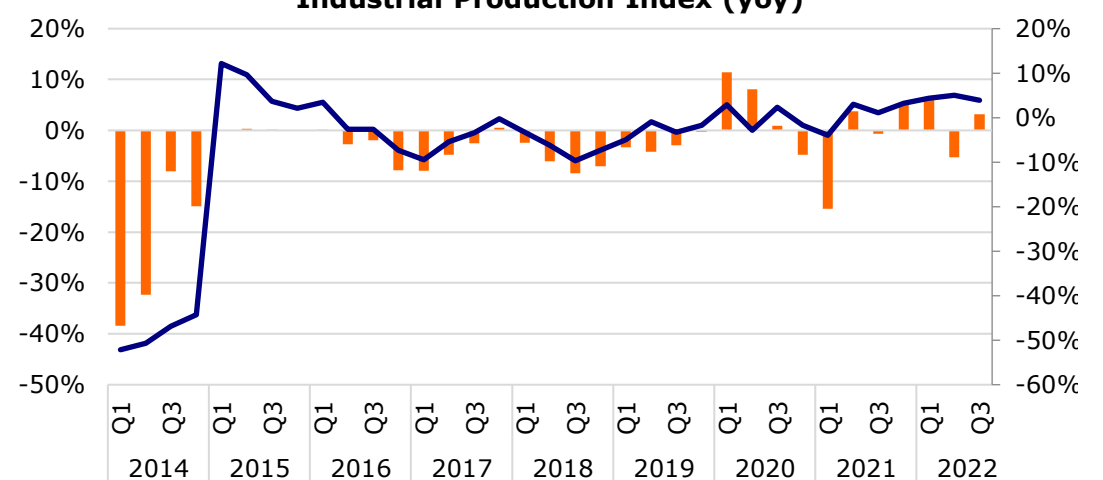
Maturity	Rate	Supply	Demand	Allocated
BT (91 days)	7.3%	2,000	10,000	2,000
OT AOA (1 year)	12.0%	10,000	17,875	17,875
OT USD (3 years)	3.7%	2	0	0
OT USD (5 years)	4.7%	2.00	2.00	2.00
OT AOA (8 years)	19.4%	2,000	1,000	30
OT AOA (10 years)	20.0%	5,000	500	500

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

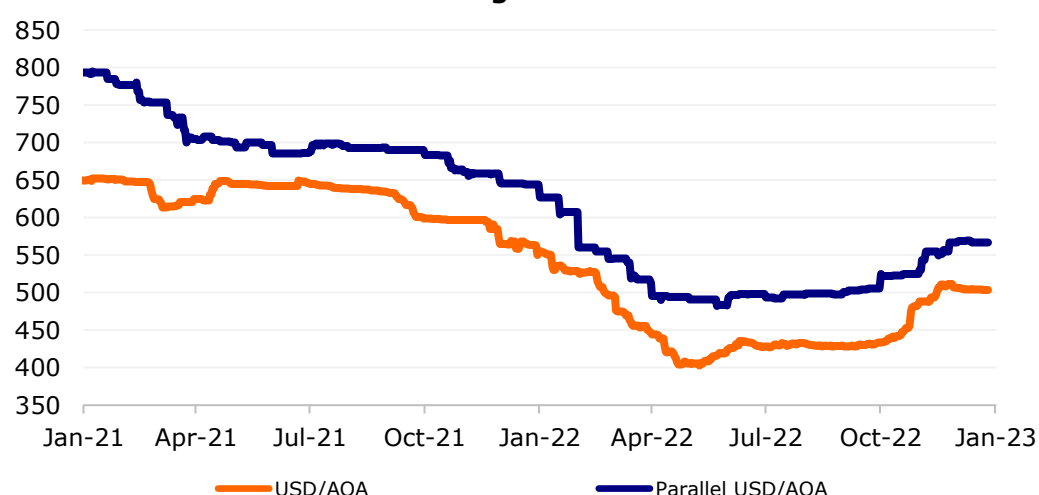
YoY change of GDP and sector contributions



Industrial Production Index (yoy)



Exchange Rate



Oil Price (Brent) and Eurobond 2025

