

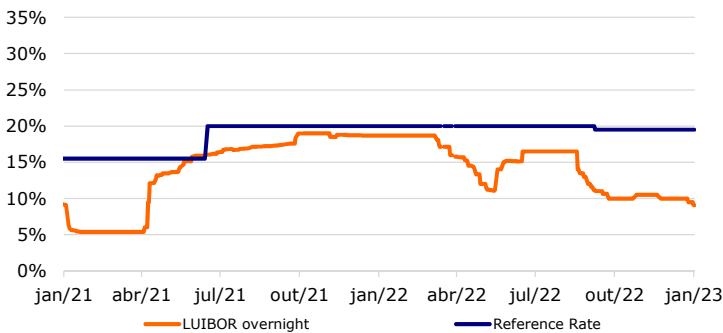
Angola Weekly | 23/01

Market Information

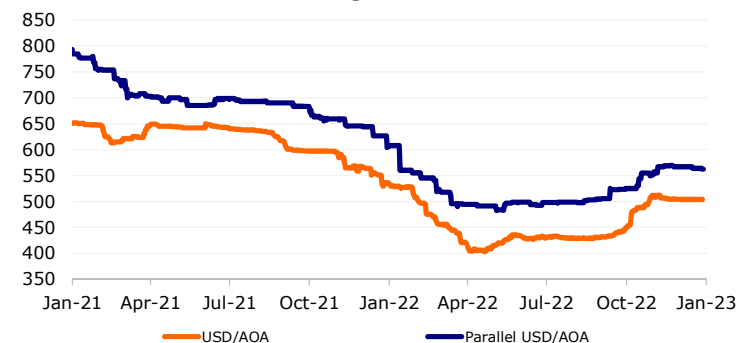
The Angolan central bank decided to reduce the monetary policy rates, signaling a favorable environment for lower interest rates in the economy. At last Friday's Monetary Policy Committee, the BNA reduced the interest rate on the Permanent Liquidity Facility from 21% to 18%, as well as the Reference Interest Rate, from 19.5% to 18%, and the interest rate of the Permanent Absorption Facility from 15% to 14%. In the current context in which the banking system's liquidity management is carried out through Open Market Operations, in which banks have been able to lend their excess liquidity at rates of around 8% between 6 months and 1 year, interbank interest rates are between 9.1% overnight and 16.6% at 12 months, so we expect this decision not to have a direct impact on banks' funding costs; however, it is clearly a sign that the BNA sees the inflation rate declining further, thus giving confidence to banks that they will be able to count on lower interest rates in the future. This Monday, the BNA is already offering 0.5% less for the 2 terms in the OMAS: 7.5% at 6 months, and 8.0% at 12 months. In this sense, despite no direct and immediate impact from Friday's decisions, the central bank is creating an environment that should lead to a drop in interbank interest rates and, by extension, the interest rates charged by banks on loans to customers. **The next CPM meeting will take place on the 21st of March.** We expect the monthly inflation rate to accelerate over the next 2 months, to values around 1.1%, which should pause the BNA's monetary easing movement; however, if inflation remains below 1%, it is possible that the BNA will ease its policy again.

In 2022, oil exports increased by 1.9% compared to 2021, registering an average of 1.14 million barrels per day (mbd). In the Q4, exports fell by 1.5% yoy, the first quarter of decline this year, which should lead to a slowdown in growth in Oil GDP between October and December. The average export price was USD 100.5 for the entire year, USD 91.0 in Q4 2022. In value, exports amounted to USD 42.0Bn, +52.9% yoy, and the highest since 2014 (USD 60.2Bn). Similarly, tax revenues amounted to USD 19.3Bn, +103.7% yoy, the highest since 2014 (USD 29.0Bn). Block 18 (+0.03mbd compared to 2021) and Block 17 (+0.02mbd) contributed the most to the growth in exports. In the opposite direction, Block 15 (-0.02mbd) saw the largest drop.

Reference Rate and LUIBOR



Exchange Rate



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

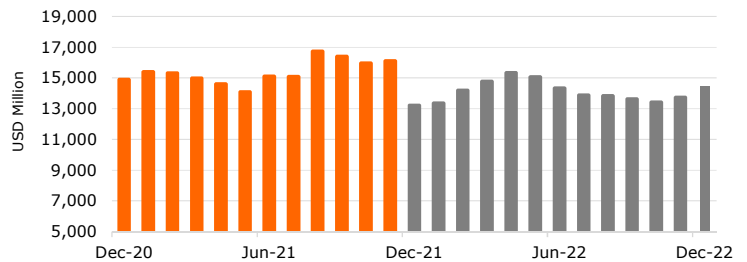
Rating Agency	Rating	Outlook	Last change
Fitch	B-	Positive	15/07/2022
Moody's	B3	Positive	20/10/2022
Standard & Poor's	B-	Stable	04/02/2022

Monetary and ForEx data*

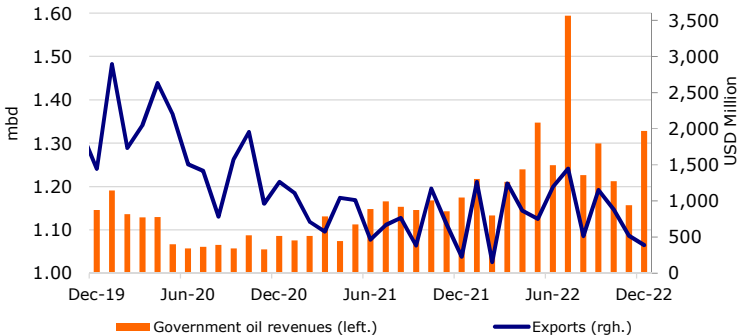
	20/01/2023	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	9.05%	-0.45%	-0.95%	-9.63%
USD/AOA	503.6	-0.05%	-9.27%	-6.14%
AOA/USD	0.00199	0.05%	10.21%	6.55%
EUR/AOA	545.7	1.05%	-13.25%	-10.84%
EUR/USD	1.079	0.51%	-5.12%	-5.43%
USD/ZAR	17.0	0.21%	6.98%	10.81%

*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.

International Reserves



Oil exports and Tax revenues



Oil Price (Brent) and Eurobond 2025

