

Angola Weekly | 30/01

Market Information

The Dalia oil field, in Block 17, is expected to go into maintenance for around 35 days on February 20th, removing around 0.11 million barrels per day (mbd) of production in March. According to industry news portal Energy Capital Power, the maintenance period in the TotalEnergies-operated Block will include inspections of equipment, submarine cables, among others. Expectations are of an absence of Dalia cargoes Dalia in March; the field has exported an average of around 0.11mbd in the last 12 months, according to Bloomberg. Block 17, the main operating block in Angola, exported an average of 0.39mbd in 2022, an increase of 6.7% compared to 2021, mainly due to new production in projects such as Zínia Phase 2, CLOV Phase 2 and Dalia Phase 3. In addition to Dalia crude, there are also exports of Pazflor and CLOV crude. At this point, the main new investment in the Block will be the CLOV Phase 3 project, which should add around 0.03mbd to production from 2024 onwards. Until then, 2023 should see a significant drop in exports from Block 17, possibly around 6-8%. As a whole, we expect a decrease in oil production this year, in a magnitude similar to that of Block 17; there should be new production only in Block 0 and Block 15/06 (in the latter case only at the end of the year), which will not compensate for the natural drop in production in the remaining blocks.

The State issued domestic debt securities last week for the first time in 2023, issuing AOA 10.7Bn at just over 2 year maturity, with a yield of 14.5%, a decrease compared to the last 2-year issue, at 15%, which occurred in 2022. In our perspective, 2023 should lead to new reductions in yields in the primary market, albeit more smoothly than in 2022. The Treasury also offered bonds in foreign currency, of various maturities, but there was no demand. On the other hand, the BNA announced that it concluded the sale period of domestic Dollar bonds in its possession, having sold around USD 202 million on BODIVA, 40% of the USD 500 million offered. In Kwanzas, the amount corresponds to 101 billion.

LUIBOR rates have fallen again in the last two weeks, particularly in the case of the longer 12-month rate, now close to 13%, at a minimum since January 2016. The overnight rate traded last Friday at 9.0%, the lowest since April 2021, when it traded below 6% for about 3 months.

Macroeconomic Forecasts

Indicator	2022*	2023**	2024**
GDP change (%)	3.6	1.3	4.6
Average Inflation (%)	21.8	13.2	16.9
Current Account (% GDP)	11.4	3.0	2.3

*Inflation - INE; GDP & 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*

	1/28/2023	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	9.00%	-0.05%	-1.00%	-9.68%
USD/AOA	504.3	0.14%	-9.14%	-4.70%
AOA/USD	0.00198	-0.14%	10.06%	4.93%
EUR/AOA	548.4	0.57%	-12.81%	-7.13%
EUR/USD	1.087	0.11%	-4.42%	-2.49%
USD/ZAR	17.2	0.33%	7.85%	11.16%

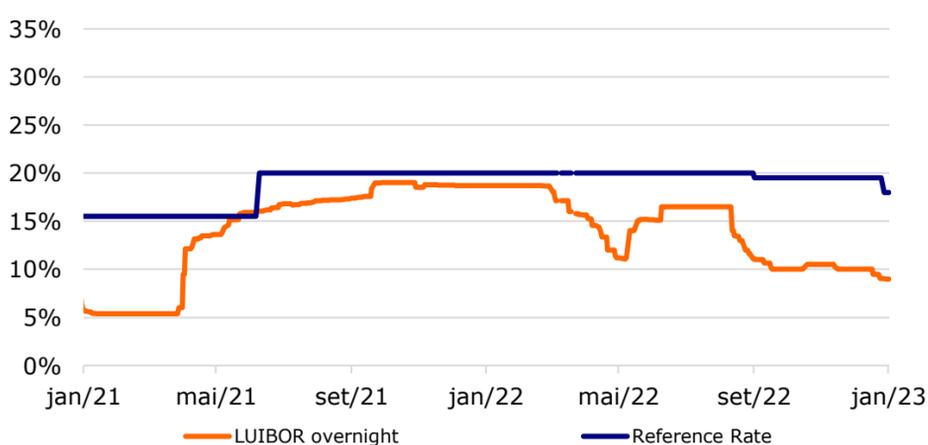
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Weekly domestic debt securities auctions

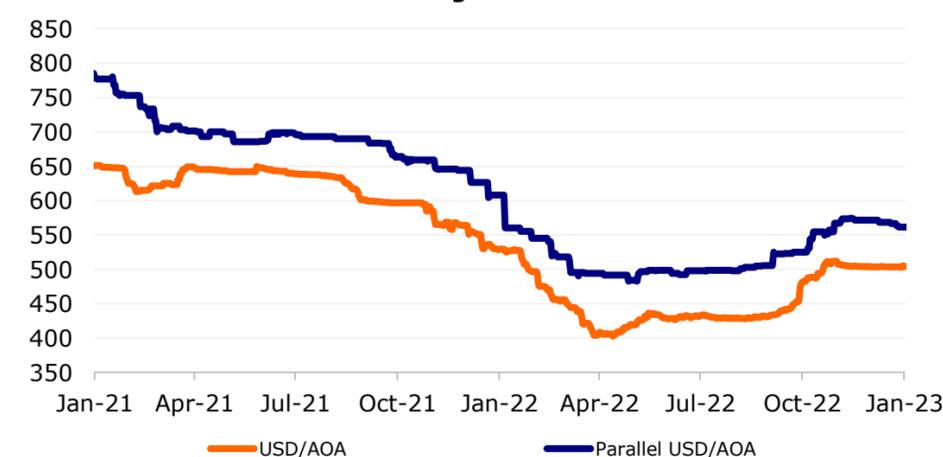
Tenor	Yield	Offer	Demand	Allocated
OT AOA (2 years)	14.5%	5,000	9,000	5,500
OT AOA (2 years)	14.5%	10,000	5,220	5,220

BT are treasury Bills, OT are Treasury Bonds; Note: amounts (except for yield) are in million Kwanzas. OT USD (Dollar Treasury Bonds) are shown in million Dollars

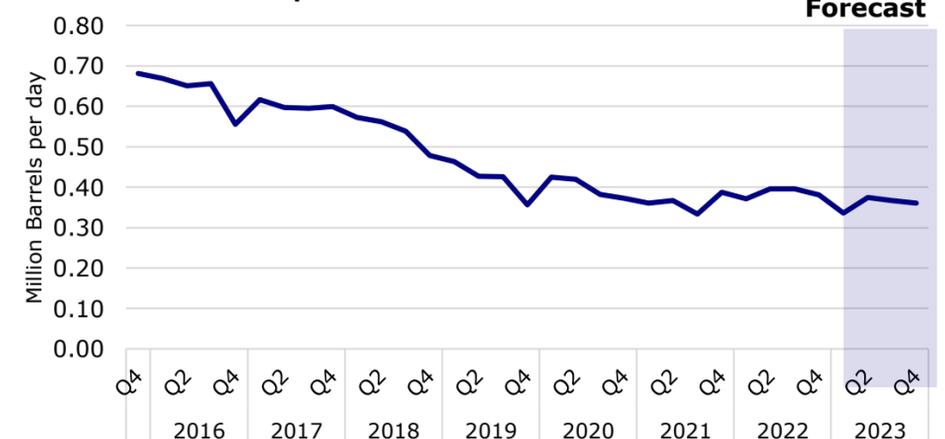
Reference Rate and LUIBOR



Exchange Rate



Oil Exports from Block 17



Oil Price (Brent) and Eurobond 2025

