

Angola Weekly | 13/02

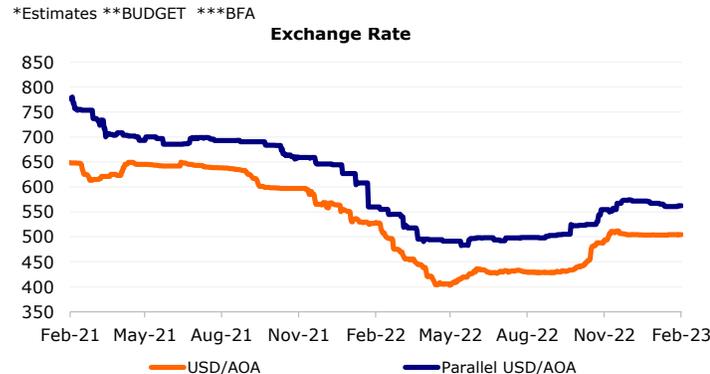
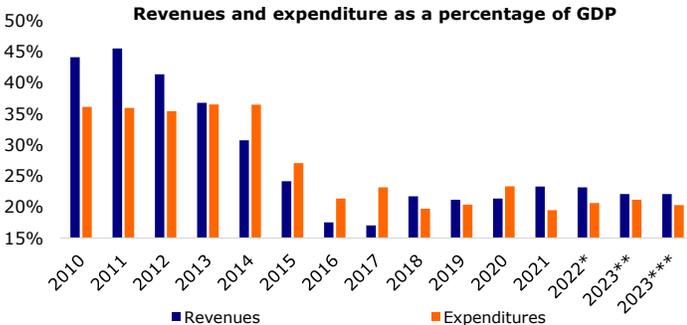
Market Information

Interest rates on the interbank money market continue to fall, with emphasis on Luibor overnight, which since the beginning of the year has fallen by 110 basis points (bp). Last week the overnight rate contracted by 10bps in line with the downward movement in open market rates with repurchase agreements. In the remaining maturities, despite little weekly variation, they show a steeper curve compared to the end of last year. At 12, 9 and 6 months, the accumulated drops are 283bp, 225bp and 205bp, respectively; the shorter maturities had less accentuated falls.

The prices of a barrel of oil appreciated more than 6% in an environment of fears of a drop in supply, at a time when Russia is reacting to the sanctions imposed by the West. Brent, which serves as a reference for Angolan exports, accumulated gains of around 6.7%, with a peak of USD 86.39 being reached last Friday. WTI, a benchmark for the North American market, had a similar behavior, having accumulated gains of over 7.5% ending the week at USD 79.72. Oil infrastructure appears to have escaped serious damage from an earthquake that devastated parts of Turkey and Syria; despite an increase in stocks in the USA, there are fears of a smaller offer on the side of Russia, since in response to the sanctions imposed by the West, the Kremlin announced a production cut of around 500 thousand barrels a day from the month of March.

The State Budget for 2023 goes to the final vote today in parliament. After the deliberation of the Conference of Presidents of the Parliamentary Groups, the plenary of the National Assembly will proceed to the final global vote on the Proposal of Law approving the 2023 budget, which foresees revenues of AOA 13.5 trillion and expenditures around AOA 12.9T. According to our calculations, in Dollars, the Executive expects revenue of 26.1 billion and budget expenditure of around USD 25.1bn, which will result in a positive budget balance. The balance should be positive for the 3rd consecutive year: excluding 2020, the year the pandemic began, budget accounts have been in surplus since 2018.

Portuguese oil company Galp Energia has announced that it will sell the oil exploration and production operation in Angola to Somoil, for USD 830 million. Interests in Blocks 14, 14-K and 32 are included.



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	15/07/2022
Moody's	B3	Positive	20/10/2022
Standard & Poor's	B-	Stable	04/02/2022

Monetary and ForEx data*

	10/02/2023	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	8.90%	-0.10%	-1.10%	-9.78%
USD/AOA	504.3	-0.02%	-9.13%	-4.62%
AOA/USD	0.00198	0.02%	10.05%	4.85%
EUR/AOA	539.8	-2.15%	-14.19%	-10.71%
EUR/USD	1.068	-1.08%	-6.09%	-6.56%
USD/ZAR	17.9	2.19%	12.05%	17.72%

*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.

Weekly domestic debt securities auctions

Tenor	Yield	Offer	Demand	Allocated
OT AOA (2 years)	14.0%	3,000	300	300
OT AOA (2 years)	14.0%	15,000	13,000	13,000
OT AOA (7 years)	19.4%	5,000	6,506	3,506
OT USD (3 years)	4.5%	1	3.5	3.5
OT USD (5 years)	5.1%	1	0.6	0.6
OT USD (8 years)	6.0%	1	2.0	2.0

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

