

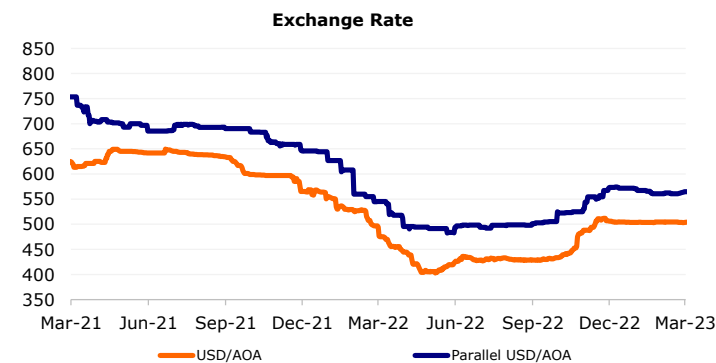
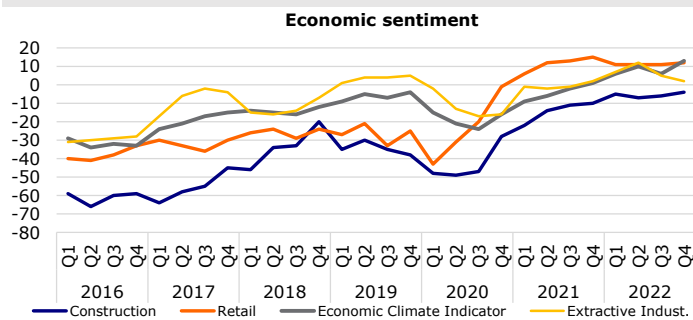
## Angola Weekly | 06/03

### Market Information

**In the 4th quarter of 2022, economic sentiment improved, having risen 12 points compared to the same period in 2021, according to INE data.** All sectors saw year-on-year improvements, except for Retail, which saw a 3 point decrease and the Extractive Industry, which stagnated compared to the same period in 2021. Tourism (+37 points) registered the largest change, followed by Transport (+19 pts), Manufacturing Industry (+12 pts) and Construction (+6 pts). In quarterly terms, economic sentiment rose by 7 points, with the indicator now at its highest level since the last quarter of 2014. On the other hand, if we consider the constraints to economic activity reported by firms, among the 4 sectors in which "insufficient demand" is listed, in Retail, Transport, and Construction this limitation has eased, indicating economic growth. For example, in the Transport sector, 25% of companies reported insufficient demand in Q4 2022, compared to 46% who reported it in Q4 2021. This acceleration converges with our expectations, which point to an improvement in non-oil economic activity in the 4th quarter, supported by the following factors: improvement in the labor market – the unemployment rate fell year-on-year for the 3rd consecutive quarter; and the performance of high-frequency economic indicators followed by BFA, such as deposits in local currency or payments and withdrawals reported by EMIS, which register positive real variations – more importantly, these have shown acceleration in real year-on-year growth, compared to what occurred in previous quarters.

**International Reserves closed the month of February valued at USD 13.9Bn, minus USD 162.5 million compared to January.** We estimate that this number represents about 6 months of imports.

**Last week, three financing agreements were approved, totaling USD 542.5 million, through decrees n° 39, 40 and 41/23 of 28 February.** A financing agreement was approved with the Spanish bank BBVA for USD 108 million for the construction of the 220KV Gove-Matala electricity transmission line. Another agreement includes EUR 146 million from the HSBC bank for the construction of a Photovoltaic Solar Energy plant in Cabinda. Finally, the World Bank will lend USD 250 million in support of "increasing the volume and reliability of transfers of fiscal powers to municipalities to strengthen their capacities in financial and land management".



### Macroeconomic Forecasts

Indicator	2022*	2023**	2024**
GDP change (%)	3.4	1.3	5.9
Average Inflation (%)	21.7	13.2	16.8
Current Account (% GDP)	11.5	3.2	3.8

\*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\*

	3/1/2023	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	8.79%	-0.15%	-1.21%	-9.89%
USD/AOA	503.9	0.01%	-9.21%	5.81%
AOA/USD	0.00198	-0.01%	10.14%	-5.49%
EUR/AOA	535.5	0.75%	-14.87%	0.43%
EUR/USD	1.064	0.82%	-6.46%	-3.89%
USD/ZAR	18.1	-1.55%	13.83%	19.37%

\*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

Term	Yield	Offer	Demand	Allocated
OT AOA (7 years)	16.4%	5,000	11,930	11,930
OT AOA (6 years)	16.3%	4,696	4,696	4,696
OT AOA (6 year)	16.3%	10,000	16,647	16,647
OT AOA (5 years)	16.0%	19,000	16,592	16,592
OT AOA (4 years)	15.0%	4,905	4,905	4,905
OT AOA (2 years)	13.5%	2,914	2,914	2,914

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

