

Angola Weekly | 13/03

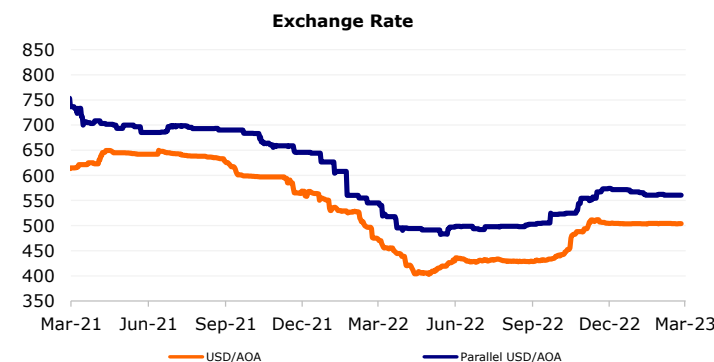
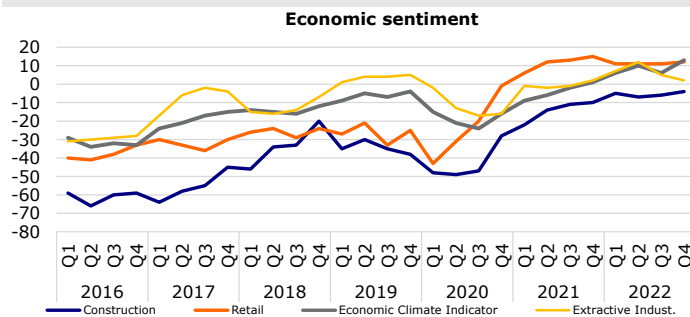
Market Information

Last week, the Angolan central bank updated the rules for carrying out foreign exchange operations by individuals. The inspection of the legality and compliance of operations is now required of banks based on a risk-based approach, instead of a generalized inspection approach, as pointed out by the previous rule. On the other hand, the absence of limits for non-commercial individual operations, such as the purchase of goods and services, is clarified, with the USD 250 thousand annual limit remaining for bank transfers that do not qualify. Finally, it is still mandatory to open a bank account in Angola for non-residents with an employment contract, but only if it lasts longer than 12 months.

Interest rates on the Interbank Money Market continue to fall, with the overnight Luibor falling 122 basis points (bp) since the beginning of the year, having reached the minimum of April 2021 last week. Notice the 12 and 9 months rates, which saw the largest contractions since the beginning of the year, that is, 295bp and 237bp, respectively. These generalized downward movements in interbank rates are in line with the drop in interest rates on open market operations with repurchase agreement (repo), which at this point are well below Luibor Overnight.

The price of a barrel of oil continues to trade mixed, with several factors pulling it up and down. Brent, which serves as a benchmark for Angolan exports, ended the week trading close to USD 82.79, representing a loss of almost USD 3.05. WTI, traded in New York, also dropped USD 3 and ended the week close to USD 76.68. Concerns about demand and supply which boil down, on the one hand, to fears of further increases in interest rates and the risks of economic recession in the major economies becoming more and more likely, and on the other hand, the announcement that Russia will cut its production, have weighed heavily, as well as some uncertainty about the demand for oil by the Chinese economy.

The National Petroleum, Gas and Biofuels Agency (ANPG), Chevron and partners from the Block 0 contractor group announced the start of oil production in the Lifua field, through the Lifua-A facility. According to ANPG, the Lifua-A platform, in Block 0, is interconnected to existing facilities in the Takula area and is expected to produce a total of 6,500 barrels of oil per day.



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

Monetary and ForEx data*

	10/03/2023	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	0.00%	-8.79%	-10.00%	-18.68%
USD/AOA	504.2	0.06%	-9.16%	6.59%
AOA/USD	0.00198	-0.06%	10.08%	-6.19%
EUR/AOA	535.7	0.05%	-14.83%	2.40%
EUR/USD	1.064	0.08%	-6.39%	-3.12%
USD/ZAR	18.3	0.97%	14.93%	21.75%

*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 (2 years)	13.5%	20,000	19,757	19,757
OT AOA (4 years)	15.0%	5,000	1,906	1,906
OT AOA (5 years)	16.0%	1,976	1,976	1,976

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

