

Angola Weekly | 02/05

Market Information

The price of a barrel of Brent oil, which serves as a reference for Angolan exports, fell again below USD 80, after reaching a peak on Monday, the 22nd, at around USD 82.7. Brent is currently trading around USD 79-80. West Texas Intermediate (WTI), traded in New York, performed similarly, having peaked around USD 78 and is now trading around USD 75-76. Many factors have contributed to the fluctuation of black gold, creating fears around the global demand and supply of the commodity. Last week the market did not react well to US economic growth figures, indicating that the world's largest economy is losing gas, as estimates indicated growth of around 2.6% in Q1 2023, ending up growing around of 1.1%. This negative effect was, however, offset by a slight growth in the Euro Zone of around 1.3% in Q1 2023, above expectations. It became clear that oil prices lost all the gains they had made after the unexpected announcement by OPEC+ that concerted production cuts would be implemented. Starting this week, around 1.1 million barrels a day should be removed in addition to the 500,000 barrels a day that have already been removed by Russia since the beginning of March. In addition, there are still doubts as to whether the reduction announced by Russia has actually been effective, so this issue has also pressured prices downwards.

International reserves have been quite stable, fluctuating around 13.7 to 14.5 billion, well above the International Monetary Fund reserve adequacy metric. In April, reserves stood at around USD 14.4Bn, USD 329.5 million less than in March. We estimate that these reserves cover up to about 6 months of imports.

ACREP is expected to buy 55% of the Cabinda Sul Onshore Block, becoming the third Angolan oil operator. According to Expansão, the Angolan oil company is buying the stake from the Argentines of Pluspetrol, for USD 825,000, and is currently waiting for the publication of the decree that formalizes the purchase to complete the deal.

The Nigerian bank Access Bank acquired 51% of the share capital of Finibanco Angola. As reported by Jornal de Angola, the operation, announced in 2022, received the necessary authorization from the BNA at the end of last month; thus, the Portuguese bank Montepio sold all its shares, leaving the capital of the Angolan bank. This is the first entry of a Nigerian bank into the Angolan banking sector.

Macroeconomic Forecasts

Indicator	2022*	2023**	2024**
GDP change (%)	3.0	1.2	5.9
Average Inflation (%)	21.7	10.7	14.1
Current Account (% GDP)	12.5	3.7	4.3

*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*

	28/04/2023	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	8.70%	0.00%	-1.30%	-6.96%
USD/AOA	507.4	0.23%	0.74%	24.45%
AOA/USD	0.00197	-0.23%	-0.73%	-19.65%
EUR/AOA	558.6	0.45%	3.93%	30.38%
EUR/USD	1.102	0.30%	2.93%	4.95%
USD/ZAR	18.3	1.01%	7.35%	14.08%

*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation 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%	5,000	2,848	2,848
OT AOA (4 Years)	15.0%	35,000	18,083	18,083
OT AOA (7 Years)	16.3%	6,536	6,536	6,536
OT USD (5 Years)	5.1%	1	1	1
OT USD (6 Years)	5.4%	1	1	1
OT USD (8 Years)	6.0%	1	0	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

