

## Angola Weekly | 25/09

### Market Information

**The IMF released the report of the 1st post-financing evaluation for Angola.** According to the Bretton Woods institution, Angola recorded growth in the 2021/22 period, in a context of higher oil prices and successful reforms; this year the weakness of the oil sector led to significant challenges for the economy. According to the Fund's analysis, in the first 6 months of 2023, the drop in oil production and price was reflected in lower oil export revenues and a significant depreciation of the nominal exchange rate in the Q2. Thus, this evolution reflects the need for some adjustment effort to reinforce budgetary conditions, after last year's fiscal easing. The Fund also reinforced that the completion of the full removal of the fuel subsidy, announced by the government at the beginning of June, will help improve fiscal balances in the medium term. In conclusion, the institution highlighted that the risks to the outlook remain high, considering the dependence on the oil sector and that the medium term largely depends on the recovery of the non-oil sector and the authorities' progress with the diversification plan.

**Since 2000, the Chinese Government has lent Angola around USD 45 Billion (Bn), more than ¼ of the total amount for Africa.** According to data from Boston University's Center for Global Development Policy, the largest loan in the last two decades went to the Angolan oil company Sonangol. Between China and Angola, 258 loan contracts were concluded, valued at a total of USD 45 Bn, around 26.5% of the total amount lent by China to Africa. The "energy" and "transport" sectors were those that consumed the most Chinese money – USD 25.9Bn and USD 6.2Bn, respectively, absorbing more than half of the loans.

**In August, the Monetary Base (M0) in National Currency grew for the second consecutive month, when compared to the same months in 2022, after having shown year-on-year declines since October 2022.** In monthly terms, there was a contraction in the order of 0.13 % to around 1.6Bn, after having achieved in July the biggest monthly expansion of the last three years, 10.95%. The M2 aggregate registered a monthly and year-on-year expansion of around 3.72% and 12.37%, respectively to AOA 7.5Bn in August.

**Luibor rates are now falling, with emphasis on Luibor Overnight which fell by around 118 basis points compared to the highs recorded in July.** The trajectory of Luibor rates was strongly impacted by the maturity of a very significant volume of debt securities and this event is contributing to the extra liquidity seen in the market: rates are being pushed down as the foreign exchange market is unable to absorb this liquidity.

### Macroeconomic Forecasts

Indicator	2022*	2023**	2024**
GDP change (%)	3.0	-1.4	4.3
Average Inflation (%)	21.7	11.2	21.7
Current Account (% GDP)	12.0	-1.7	2.8

\*Inflation - INE; GDP & Current account - BFA forecast  
 \*\*Forecasts

### Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B-	Stable	6/26/2023
Moody's	B3	Positive	10/20/2022
Standard & Poor's	B-	Stable	2/4/2022

### Monetary and Forex data\*

	9/22/2023	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	6.82%	-0.33%	-3.18%	-4.83%
USD/AOA	825.4	0.02%	63.87%	91.00%
AOA/USD	0.00121	-0.02%	-38.98%	-47.65%
EUR/AOA	879.6	0.04%	63.67%	106.54%
EUR/USD	1.065	-0.04%	-0.49%	8.31%
USD/ZAR	18.8	-1.34%	10.08%	6.58%

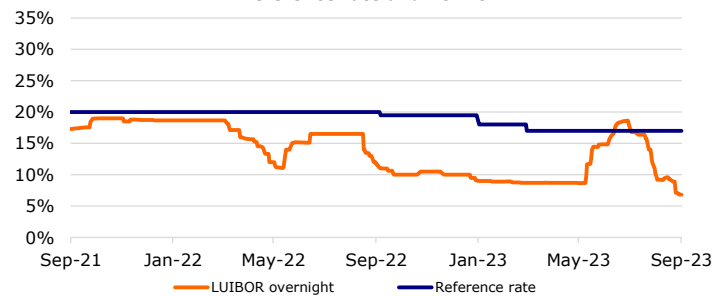
\*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

### Weekly domestic debt securities auctions

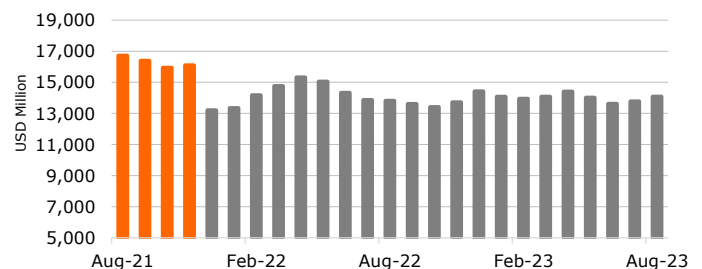
Term	Yield	Offer	Demand	Allocated
BT (182 days)	11.2%	2,011	2,006	2,006
BT (364 days)	12.2%	5,000	4,000	4,000
OT AOA (8 years)	16.6%	5,333	5,333	163
OT AOA (5 years)	16.0%	5,000	14,946	14,946
OT USD (4 years)	4.8%	1	1	1
OT USD (2 years)	4.5%	11	11	11

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

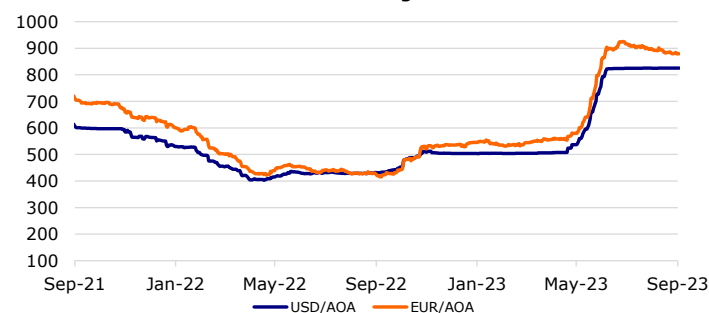
Reference rate and LUIBOR



International Reserves



Official exchange rate



Oil Price (Brent) and Eurobond 2025

