

Angola Weekly | 06/11

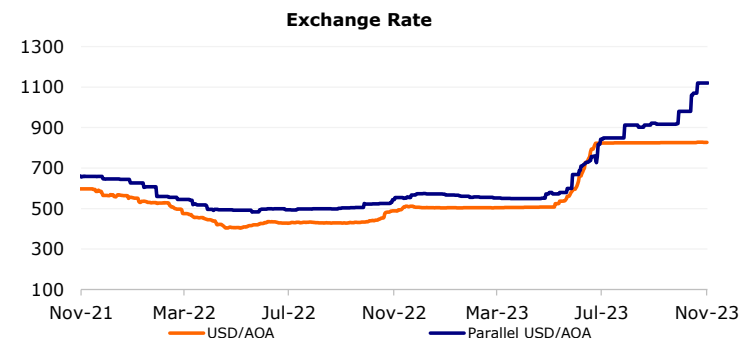
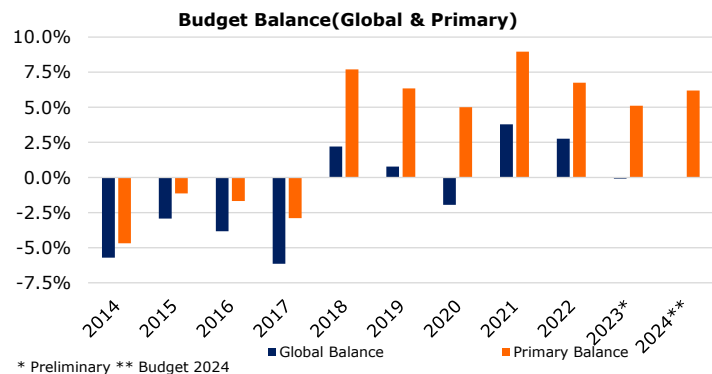
Market Information

The 2024 State Budget has been submitted to Parliament, assuming the price of Brent at USD 65 per barrel, around USD 20 below what is currently traded. The Budget for 2024, which was submitted to the National Assembly last week, estimates tax revenues of AOA 14.70 Trillion(T) and tax expenses at AOA 14.69T. The proposal presents a balanced fiscal balance, close to 0% of GDP, resulting from tax revenues and expenses of 20.1% of GDP. In relation to public debt, the government debt ratio is expected to reduce to 69.2% of GDP, against the expectation of ending 2023 at 79.9%. The macroeconomic projections described in the document indicate, for the current year, a slowdown in GDP to a growth of just 0.4% and an acceleration in inflation, with prices growing 17.8% in December 2023 compared to the same month of 2022. For 2024, the Government forecasts economic growth of around 2.8%, strongly influenced by growth in the non-oil economy of around 4.6% and a drop in the oil economy of -2.6%.

In the month of October, the Angolan Stock and Debt Exchange traded around AOA 642.9B (-64.7% compared to September). In the previous 2 months, there were historic highs in trading since the creation of BODIVA – in these months, more than 50% of the volume of operations was in a multilateral environment, and according to what we have observed, many of these operations were financed by the Ministry of Finance, through short-term repos, made on behalf of the Treasury by the BNA, together with securities exchange operations.

International reserves ended October at USD 14.2B, a growth of 3.2% compared to the previous month. According to our calculations, based on data from the BNA, these reserves cover approximately 7 months of imports of goods and services.

The price of a barrel of Brent oil, the benchmark for Angolan exports, ended last week trading at USD 84.9, -USD 5.6 compared to the end of the previous week, influenced by concerns that the Israel-Hamas conflict would interrupt the supply in the Middle East. At the same time, demand prospects remain uncertain: the US services PMI index fell more than expected and factory activity in China contracted again in October, contradicting more positive expectations after the surprise rise in GDP in the 3rd quarter .



Macroeconomic Forecasts

Indicator	2022*	2023**	2024**
GDP change (%)	3.0	-1.4	4.3
Average Inflation (%)	21.7	15.6	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	26/06/2023
Moody's	B3	Positive	20/10/2022
Standard & Poor's	B-	Stable	04/02/2022

Monetary and Forex data*

	03/11/2023	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	5.00%	-0.93%	-5.00%	-10.00%
USD/AOA	827.1	-0.05%	64.20%	69.47%
AOA/USD	0.00121	0.05%	-39.10%	-40.99%
EUR/AOA	872.1	-0.54%	62.27%	79.86%
EUR/USD	1.057	0.04%	-1.26%	7.02%
USD/ZAR	18.5	-3.19%	8.67%	1.58%

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

Weekly domestic debt securities auctions

Term	Yield	Offer	Demand	Allocated
BT (91 days)	10.5%	15,000	15,000	15,000
OT AOA (7 years)	16.3%	91	90	90
OT AOA (10 years)	17.0%	10,757	10,757	10,757

BT are treasury Bills, OT are Treasury Bonds; Note: amounts (except for yield) are in million Kwanza. OT USD (Dollar Treasury Bonds) are shown in million Dollars

