

## Angola Weekly | 11/12

### Market Information

**The current account posted a surplus of USD 2.5 Billions (B) in Q3 2023, an increase of USD 2.3B compared to Q2.** This is a return to significant surpluses, more than double compared to the sum of the previous 3 quarters (USD 0.9B). Still, it represents a drop from the USD 3.0B surplus in Q3 2022. A little more than half of this quarterly improvement in the balance is due to the USD 1.4B increase in oil exports, which registered an increase of 17.3% compared to Q2; still, these decreased by 25.5% year-on-year. In cumulative terms, exports of goods in the first 9 months of 2023 totaled USD 26.7B, -12.8B compared to the same period of the previous year (-32.5%). On the other hand, the decrease of USD 0.4B in imports of goods and services also supported the improvement in the balance, as well as a decrease in the level of interest paid abroad, by USD 0.6B. Looking in more detail, it should be noted that exports of goods outside the petroleum and diamond sector, despite representing only 1.8% of total exports between January and September 2023, saw the highest value in this period since the beginning of the statistical series in 2012.

**External public debt fell by USD 1.0B in Q3 2023 compared to the previous quarter, the largest quarterly decrease since the end of 2016.** This is also the 3rd consecutive quarter of significant decline, with the nominal amount of public debt abroad standing at USD 49.4B, the lowest since Q2 2020. In particular, debt to Chinese institutions decreased by 2.5B in the last 3 quarters, now representing USD 18.4B (37.3% of total external public debt). In total, according to our calculations with data from the Treasury and the central bank, public debt in Q3 stood at around USD 67.0B, close to 95% of GDP.

**Brent hit lows on Thursday when trading around USD 74, and is trading just above USD 75-76 today.** The commodity opened the week trading at around USD 78, and recorded a reduction of about 3.9% over the course of the week. New York-traded West Texas Intermediate (WTI) also maintained the same trend, having closed the week trading around USD 71, a weekly drop of 3.8%. Behind this price drop there are two reasons: i) the decrease in demand from the US - according to the International Energy Agency, US domestic production has reached satisfactory levels in recent times, with the US producing up to 13 million barrels per day (mbd); the increase in domestic production thus relieves the country of the need to purchase the product in foreign markets; and ii) uncertainty regarding the economic stability of the Chinese economy - following the drop in its rating by Moody's, more doubts are being raised about the progress of demand for petroleum products in China, mainly considering the weak economic indicators and the slowdown in oil orders. Oil from some independent refineries.

### 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\*

	08/12/2023	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	5.49%	0.30%	-4.51%	-5.01%
USD/AOA	828.8	0.12%	64.54%	64.20%
AOA/USD	0.00121	-0.12%	-39.23%	-39.10%
EUR/AOA	892.9	-0.84%	66.13%	68.17%
EUR/USD	1.076	-1.11%	0.54%	1.96%
USD/ZAR	18.96	1.63%	11.26%	10.43%

\*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 (91 days)	10.5%	102,520	101,906	101,906
BT (364 days)	12.2%	79,602	78,189	78,189
BT (364 days)	12.2%	56,057	55,496	55,496
OT AOA (7 years)	16.3%	5,000	5,000	2,000
OT USD (8 years)	6.0%	1,000	0,030	0,030

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

