

Market Information

The International Monetary Fund (IMF) has revised their global economic growth forecasts for 2024 upwards, due to greater resilience in the North American economy and several large emerging markets, as well as fiscal support in China. According to the IMF, the forecast for 2024-25 is around 3.2%, however, it is below the historical average (2000-19) of 3.8%, largely due to the impact of central bank interest rates, still combating high inflation, coupled with the effect of the withdrawal of budgetary support in a context of high debt, as well as low underlying productivity growth. On the inflation side, the Fund highlighted faster-than-expected prices falling in most regions, with the resolution of supply-side issues and the effect of restrictive monetary policy. Therefore, the Bretton Woods institution predicts that global inflation should fall to 5.8% in 2024 and to 4.4% in 2025.

The volume of credit to the private sector, in December, stood at close to AOA 4.1 trillion, registering a nominal increase of 24% yoy, which corresponds to around 805 billion (B). According to our calculations based on BNA data, credit in real terms grew 4% yoy. Credit to individuals, wholesale and retail trade, as well as manufacturing and extractive industries, represent, respectively, around 22%, 21% and 16% of the total. In terms of credit growth by sector of activity, we note that credit to individuals is the one that has grown the most, around 15% on average in the last two years, followed by credit to the manufacturing and extractive industries, growing 14%.

International reserves ended the month of January at close to USD 14.6B, a growth of 3.6% compared to the same month in the previous year. According to our calculation, based on BNA data, reserves cover approximately 7 months of imports of goods and services.

In January 2024, the Angolan securities exchange traded around AOA 766 B, around 671 B more than the same period of the previous year. Operations in a bilateral environment continue to represent more than 60% of the market as a whole, and in the month under analysis the weight was almost 98%.

The Federal Reserve's Monetary Policy Committee (FOMC) met on the 30th and 31st and decided to keep interest rates unchanged, in accordance with market forecasts. The FOMC considered that the risks to achieving its employment and inflation objectives are evolving towards a better balance and that it is not yet appropriate to reduce the target range until it gains greater confidence that inflation is evolving sustainably towards 2%.

Macroeconomic Forecasts

Indicator	2023*	2024*	2025*
GDP change (%)	0.8	2.1	3.2
Average Inflation (%)	13.7	21.7	15.7
Current Account (% GDP)	0.1	7.9	8.1

BFA **Forecast

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*

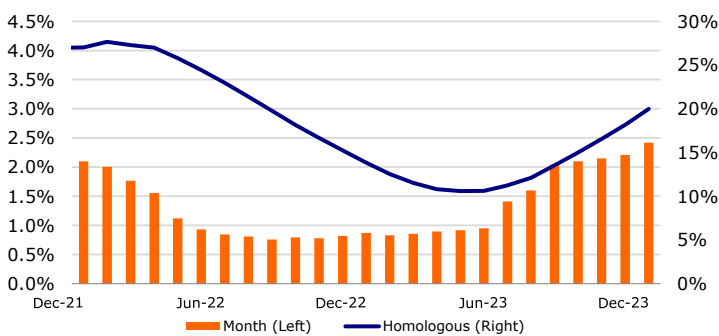
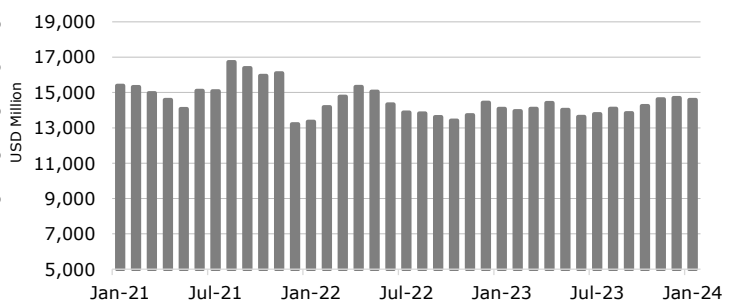
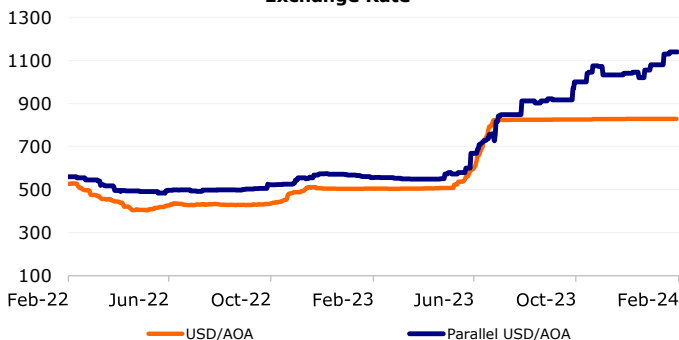
	02/02/2024	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	4.16%	-2.36%	-0.38%	-4.84%
USD/AOA	828.8	0.00%	0.00%	64.35%
AOA/USD	0.00121	0.00%	0.00%	-39.16%
EUR/AOA	902.1	0.13%	-1.51%	62.67%
EUR/USD	1.079	-0.60%	-2.27%	-1.12%
USD/ZAR	18.90	0.59%	2.93%	10.72%

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

Weekly domestic debt securities auctions

Term	Yield	Offer	Demand	Allocated
OT AOA (7 years)	21.0%	5,000	9,250	9,250
OT AOA (10 years)	21.0%	20,000	8,500	8,500
OT AOA (10 years)	23.0%	5,000	517	517

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

Inflation

International Reserves

Exchange Rate

Oil Price (Brent) and Eurobond 2025
