

Market Information

In 2023, Angola's economic activity grew by just 0.9%, (-2.1pp compared to the previous year). In Q4 2023, GDP expanded by 1.4% compared to the same period last year. The oil sector returned to growth after a period of four consecutive quarters of declines, having now recorded growth of 2.2% yoy, adding 2.5 percentage points (PP) to the GDP growth rate. The non-oil sector slowed by 1.1pp to 1.2% yoy in Q4. The agricultural sector (+6.2% yoy) and mining (+6.1% yoy) were those that grew most intensely; Conversely, the sector that recorded the biggest contraction was Financial Intermediation and Insurance (-22.5% yoy). The Commerce sector, the second largest sector of the economy after oil, grew 2.9% in the Q4, an acceleration of 1.5pp compared to 1.4% in the previous quarter. Activity in Construction (third largest component of GDP) had a sharp drop of 6.3%, -6.7pp when compared to the immediately previous quarter. In general, the performance of economic activity for the year 2023 was in line with our most recent perspectives, between 0.5%-1.0%.

Angola agreed a loan of USD 500 million with Standard Bank of South Africa for treasury needs. According to data from the Ministry of Finance, in Q4 2023 Angolan public debt stood at AOA 55.1 Trillion (T), a historic maximum, but which is also influenced by the depreciation of the national currency (affecting the value of public debt abroad when measured in Kwanzas) and high inflation. When we evaluate in Dollars, public debt decreased in Q4 2023 compared to the previous quarter, standing at USD 66.4B. According to our estimate, the value should represent around 88.9% of GDP, a significant increase compared to 69.8% at the end of 2022, but still far from the 130.6% recorded at the end of 2020. The entity to whom the The most important Angolan state should continue to be the China Development Bank, worth USD 10.2B. According to data from the BNA, debt owed to Chinese entities has been losing weight in recent years and now represents 36.1% of the total. Debt owed to North American entities has now reached its highest value since the beginning of the statistical series, at 8.2%.

The price of a barrel of Brent oil has been growing and reached five-month highs last week. This occurred after the threat of military action against Israel by Iran, following an alleged attack on an Iranian embassy in Syria. Overall, expectations continue to point to a relatively tight supply of oil compared to demand: OPEC+ recently reiterated that its production cuts will remain in place until the end of June and Russian oil production has also been disrupted by Ukrainian attacks on infrastructure of oil in the country.

Macroeconomic Forecasts

Indicator	2023*	2024**	2025**
GDP change (%)	0.9	2.1	3.2
Average Inflation (%)	13.6	21.7	15.7
Current Account (% GDP)	4.5	7.9	8.1

*INE; 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*

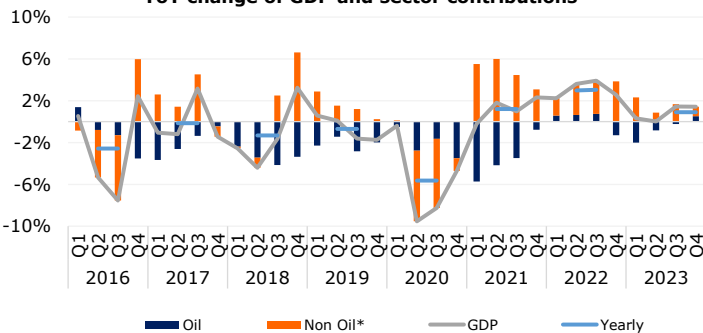
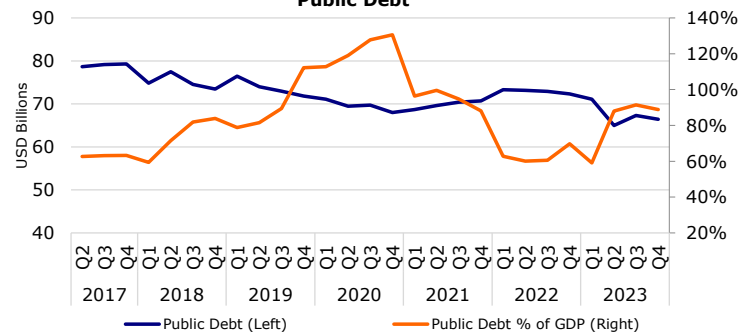
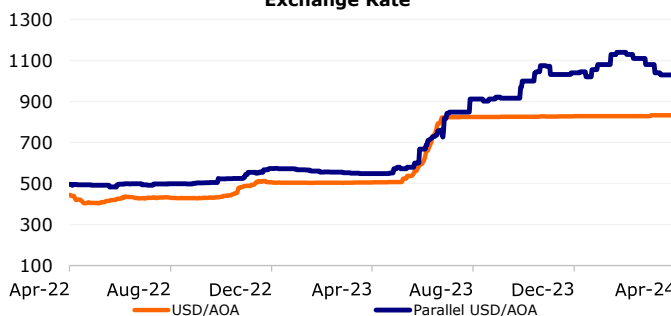
	03/04/2024	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	23.81%	0.25%	19.27%	15.11%
USD/AOA	832.6	0.00%	0.46%	64.93%
AOA/USD	0.00120	0.00%	-0.46%	-39.37%
EUR/AOA	898.0	-0.28%	-1.96%	63.39%
EUR/USD	1.084	0.07%	-1.84%	-1.07%
USD/ZAR	18.67	-1.25%	1.69%	4.14%

*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 AOA (364 days)	19.6%	9,928	8,928	8,928
OT AOA (3 years)	24.0%	14,000	11,566	11,566
OT AOA (5 years)	25.0%	5,000	29	29
OT AOA (5 years)	25.0%	5,000	121	121
OT AOA (10 years)	23.0%	5,000	274	274
OT AOA (10 years)	23.0%	5,000	793	793

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

YoY change of GDP and sector contributions

Public Debt

Exchange Rate

Oil Price (Brent) and Eurobond Yield 2025
