

**Market Information**

According to the ANPG, total oil production in February was 32 million barrels, around 1.11 million barrels per day (mbd), an increase of 5% compared to the same period last year. Oil production has already grown 3.7% in this two-month period when compared to the same period last year. Such data point to an increase in national crude exports when compared to the first quarter of 2023, due to the double impact: in terms of prices and quantities. It should be noted that Brent is now trading at USD 90, making a cumulative increase of 14% YTD. Brent crude futures hit the highest level since October 2023 amid rising tensions between Israel and Iran, disruptions at Russian refineries that have added to the malaise in the product market, and OPEC+ pressures on some member countries to increase compliance with voluntary production cuts agreed until Q2 2024 – the latter factor puts on non-OPEC+ producers, led by the Americas, the mission to drive growth in the world's oil supply. It's important to consider that OPEC+'s market share has already fallen to all-time lows after the alliance removed about 2 mbd of supply from the market since the end of 2022, while non-OPEC+ increased by almost the same amount. Overall, the black gold market is expected to remain under pressure throughout the year, influenced by geopolitical risks and concerns about the security of oil supply.

In March, national year-on-year inflation was 26.1%, an increase of 1.6 percentage points compared to February, continuing the growth trend and reaching April 2022 highs. According to INE data, the monthly increase in prices was 2.5% (a deceleration of 0.04pp compared to February). The classes with the highest changes were "Health", "Food and Non-alcoholic Beverages" with 3.1% each, and "Clothing and Footwear" with 2.7%. On the other hand, the classes that recorded the lowest changes were "Education", "Transport" and "Communications" with 0.0%, 0.5% and 0.7%, respectively. Prices of goods in Luanda province rose by 3.2%, a decrease of 0.2pp; Even so, the interval between the capital's year-on-year inflation (35.7%) and the rest of the country continues to extend, now standing at 10pp, the highest since the beginning of the time series.

In the forex market, the USD/AOA pair is currently around 832. The Kwana has been stationary at 828 for the last 3 months, however, slight increases have been verified. The EUR/AOA pair has more volatile behaviors and closed the week at 893. We note that the interval between the official and parallel exchange rates has been reducing, which is currently around 24%.

**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\***

	12/04/2024	7 days (%)	Change	
			YTD (%)	12 months (%)
LUIBOR O/N	24.55%	0.74%	20.01%	15.80%
USD/AOA	832.8	0.02%	0.49%	64.61%
AOA/USD	0.00120	-0.02%	-0.48%	-39.25%
EUR/AOA	886.0	-1.34%	-3.27%	58.42%
EUR/USD	1.068	-1.45%	-3.25%	-3.31%
USD/ZAR	18.74	0.21%	2.07%	3.85%

\*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.

