

**Market Information**

**Year-on-year inflation in April stood at 28.2%, an increase of 2.1 percentage points (p.p.) from the previous month.** Monthly inflation accelerated again, standing at 2.6%, up 0.07pp mom and countering the slight slowdown that occurred in March. The classes with the highest change were "Health", "Food and Non-alcoholic Beverages" and "Clothing and Footwear" with 3.3%, 3.1% and 2.8%, respectively. Luanda's monthly inflation accelerated by 0.04pp, standing at 3.3%, thus raising the year-on-year to 38.8%. We expect the price growth movement to continue for the next few months at a time when the price of diesel has increased to AOA 200, about 48%, together with the entry into force of the new customs tariff, which has increased the tariff for several products.

**After registering highs in the first three months of the year, because of the outbreak of tensions between Israel and Iran, the oil market is softer, and a downward trend is expected in the short term.** The price of oil has been falling, returning to the levels expected at the beginning of the year by the market: uncertainties in terms of demand from the largest consumers, China and the United States, combined with the easing of tensions in the Middle East, have pulled prices down. Last week, more precisely, prices were also pressured after representatives of the Federal Reserve indicated that interest rates will remain elevated for longer, as there is uncertainty that monetary policy will be restrictive enough to push inflation to 2%, the United States target. This permanence of the high-interest rate environment for longer than expected tempers expectations of a recovery in oil demand from major consumers. Thus, Brent crude, the benchmark for Angolan exports, ended the last week trading at USD 82. This represents an increase of 9%YTD (about USD 7 more), however it translates to a decrease of 8% when compared to the same period of the previous month. WTI follows the same movement and closed last week around USD 78.

**Angola has agreed a financing package worth USD 1.3 billion (B) for infrastructure in the Lobito corridor, with the support of EXIM Bank of the United States.** The largest financing, valued at USD 872 million, will be for the construction of two solar power plants and includes ING Capital Bank. Another loan, shared with Standard Chartered Bank, will finance the construction of 186 steel bridges. The agreements were signed on the sidelines of a business summit in Dallas as part of the Global Partnership on Investment and Infrastructure, an initiative by G7 countries to finance projects in developing economies.

**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\***

	10/05/2024	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	20.46%	-0.64%	15.92%	11.76%
USD/AOA	834.1	0.00%	0.63%	64.28%
AOA/USD	0.00120	0.00%	-0.63%	-39.13%
EUR/AOA	898.7	-0.04%	-1.89%	62.29%
EUR/USD	1.077	0.09%	-2.43%	-1.33%
USD/ZAR	18.45	-0.35%	0.46%	-3.95%

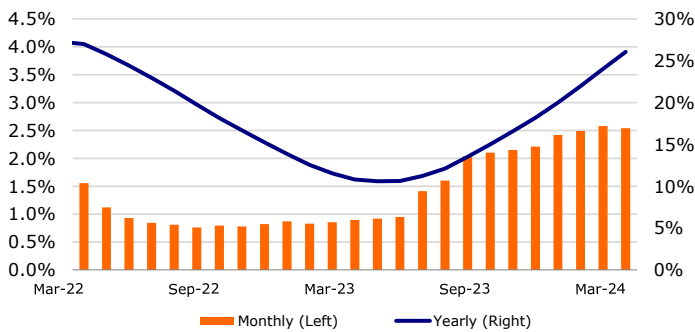
\*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

**Weekly domestic debt securities auctions**

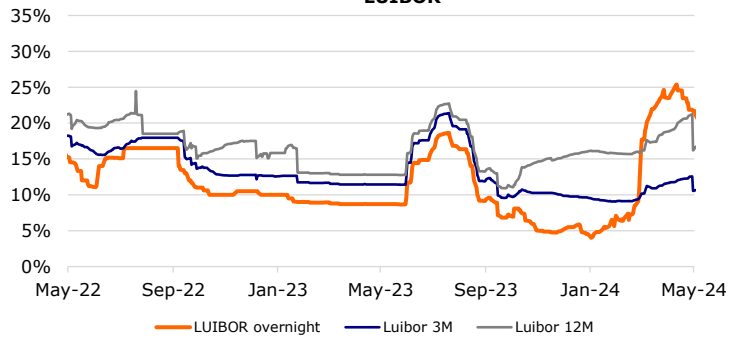
Term	Yield	Offer	Demand	Allocated
OT AOA (10 years)	23.0%	9,633	9,633	9,633
OT USD (3 years)	4.5%	16	16	16
OT USD (4 years)	5.0%	16	16	16
OT USD (5 years)	5.3%	21	21	21

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

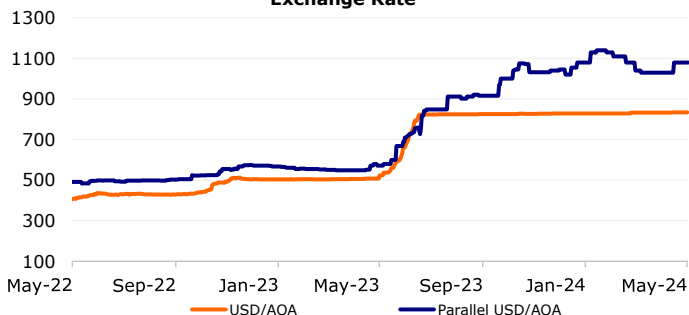
**Inflation**



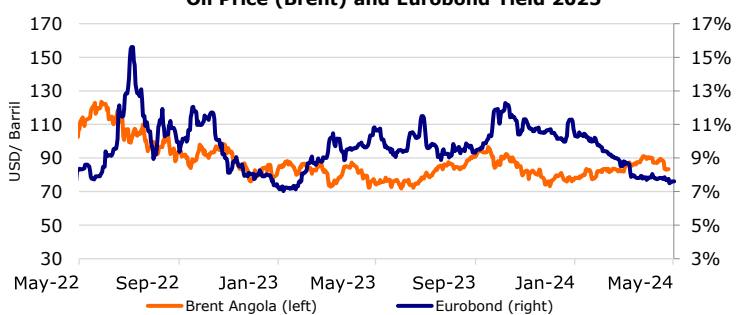
**LUIBOR**



**Exchange Rate**



**Oil Price (Brent) and Eurobond Yield 2025**



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