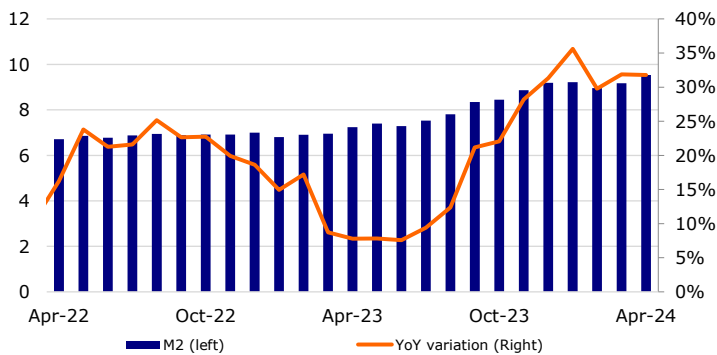
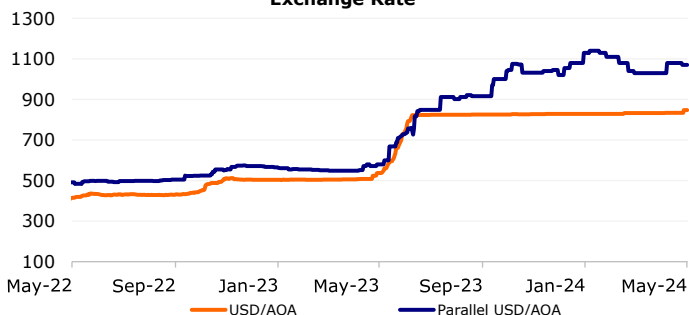


Market Information

At the meeting of the Monetary Policy Committee (MPC) held on the 16th and 17th of last week, in Luanda, the BNA decided to increase the basic interest rate by 50 basis points (bp) to 19.50%, increase the Marginal Lending Facility rate to 20.5% (+100bp) and increase the coefficient of mandatory reserves, in local currency, 21%, +1 percentage point (pp). According to the MPC, the decisions were motivated by the persistence of inflationary pressures in the economy and aim to contribute to the control of liquidity in circulation. Current levels of the basic interest rate are still well below inflation, -8.68pp, which amounts to a negative real interest rate. The monetary authority also decided to revise the inflation target upwards to 23.4% (+4pp), at a time when there was an increase in the prices of diesel and public urban passenger transport. Thus, the BNA predicts that inflation will begin to fall from the second half of the year. Even with the revised target, for inflation to reach the BNA target, the monthly growth in the general price level in accumulated terms from June to December must be at least not equal to or less than 8.9%, which we believe difficult, mainly because of inflationary inertia that will take longer to fade away – that is, inflation expectations could support the continuation of an accelerated rise in prices.

The monetary base in local currency contracted 1.2% in April compared to the previous month. In relation to the same period last year, the operational variable of monetary policy grew 50.1%. At the same time, M2, a more comprehensive measure of money in circulation, stood at AOA 9.5 trillions (T), which represents a monthly growth of 4.0% and a year-on-year growth of 31.8%. The increase in the mandatory reserves coefficient could remove around AOA 1.96T (+AOA 93 billion MoM) from June onwards, which is necessary, at a time when preliminary data on monetary aggregates show that M2 in monthly terms and counterparts continues to grow above inflation, signaling long-term inflationary pressure coming from the demand side, justifying a worsening of the already restrictive monetary policy position.

According to ANPG data, total oil production in April was 32 million barrels, which amounts to around 1.07 million barrels per day (mbd), an increase of 2% compared to the same period last year. The 6-month moving average indicates a trend towards a slowdown in production and the 1.07 mbd represent the lows of April 2023 – even so, it will be necessary to wait for the next few months for a more accurate impression; For now, year-on-year growth between January and April remains at 6%. In relation to associated gas production during the same period, it stood at 82,580 million cubic feet (mcf), corresponding to a daily average of 2.7 mcf.

Monetary Aggregate M2 (AOA Trillions)

Exchange Rate

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

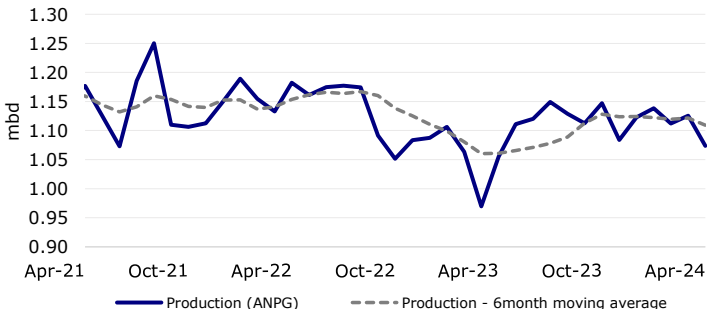
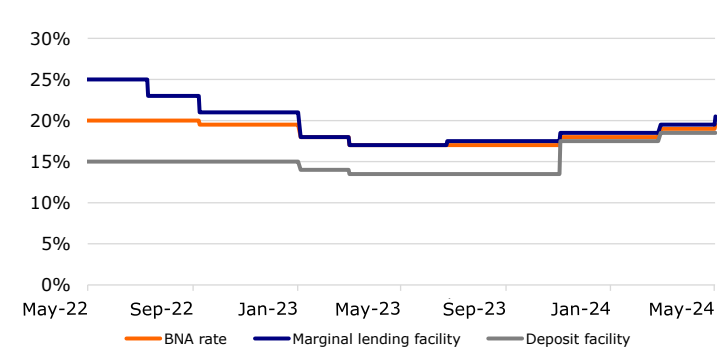
Sovereign Rating

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*

	17/05/2024	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	20.95%	0.49%	16.41%	12.25%
USD/AOA	847.4	1.60%	2.25%	57.83%
AOA/USD	0.00118	-1.58%	-2.20%	-36.64%
EUR/AOA	918.8	1.97%	0.30%	58.56%
EUR/USD	1.087	0.74%	-1.53%	0.60%
USD/ZAR	18.17	-1.11%	-1.06%	-6.61%

*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.

Oil Production

Reference interest rates

Oil Price (Brent) and Eurobond Yield 2025
