

Market Information

Monthly inflation stood at 2.5% in May, with the same rate rising to 30.1%. When compared to the increase in April, this is a slowdown of 0.1 percentage points (pp). Year-on-year inflation in Luanda stood at 41.6%, the highest since December 2016. The gap between Luanda and National inflation continues to grow and is currently at 11.4pp, signaling a movement of continuous acceleration in prices at National level, especially in the short term. The categories "Transport", "Health" and "Clothing and footwear" were those that registered the biggest variations with 11.2%, 3.3% and 2.8%, respectively; the "Transport" class registered the biggest variation in prices and is now close to the highs of January 2016: this increase is consistent with the increase in freight prices in public taxis, which occurred due to the 48% increase in the price of diesel for AOA 200 per liter - this measure is part of the Government's strategy with the aim of gradually removing fuel subsidies by 2025, which began last year with the increase in the price of gasoline by 87.5% to AOA 300 per liter. Conversely, "Education", "Communications" and "Leisure, recreation and culture" recorded the smallest variations with 0.0%, 0.8% and 1.3%, respectively.

The International Energy Agency (IEA) predicts a slowdown in oil production in Angola to 1.04 million barrels per day (mbd) by the year 2030. According to the report released by the IEA, Angola reached peak production between 2008 and 2016, with 1.7 mbd to 1.8 mbd, before the start of a decline worsened by operational problems in its ultra-deep and high-cost wells. The agency's forecasts see 1.11 mbd in 2024, 1.08 in 2025 and 2026, 1.09 mbd. For 2027, production is expected to rise to 1.10 million, but then fall to 1.08 in 2028; 1.06 mbd in 2029 and 1.04 in 2030. The report also highlights 2028 as the first year of production from TotalEnergies' Cameia and Golfinho wells, which are expected to add 70 thousand barrels per day.

The barrel of Brent oil, a reference for Angolan exports, ended the week trading at USD 82.6 (+USD 3.0 compared to the end of the previous week). WTI, a reference for North American exports, ended the week trading at USD 78.5 (+USD 2.9 compared to the previous week). Expectations point to a slight rise in the price of black gold, considering the prospects of a tighter market in the third quarter due and the extension of production restrictions by OPEC+.

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

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*

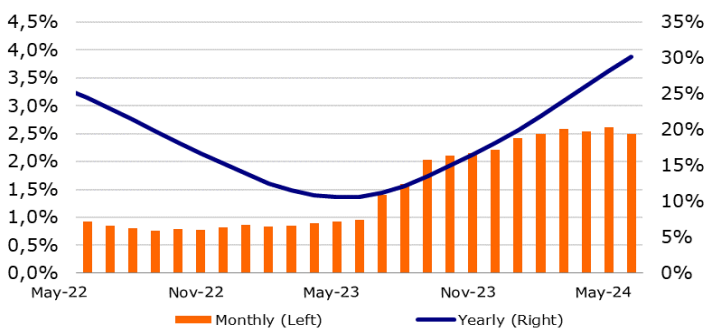
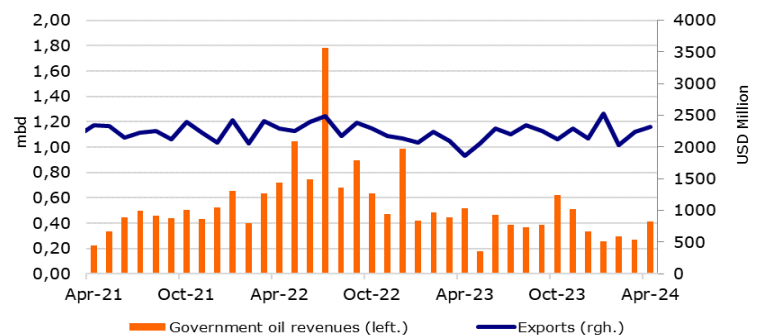
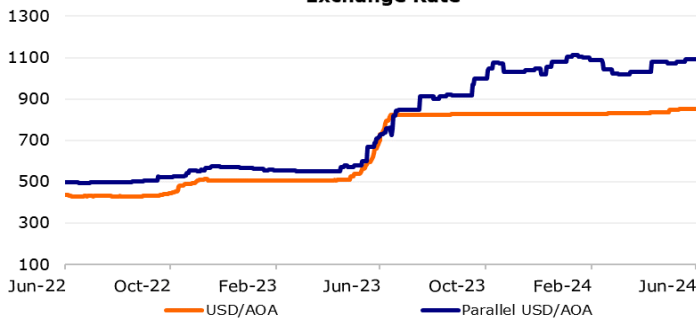
	14/06/2024	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	24.74%	0.56%	20.20%	9.92%
USD/AOA	852.5	0.00%	2.86%	21.89%
AOA/USD	0.00117	0.00%	-2.78%	-17.96%
EUR/AOA	910.9	-1.95%	-0.56%	19.59%
EUR/USD	1.070	-0.91%	-3.04%	-2.21%
USD/ZAR	18.39	-2.74%	0.13%	0.90%

*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 (3 years)	14.0%	5,000	4,479	4,479
OT USD (5 years)	5.1%	0.500	0.500	0.500

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

Oil exports and Tax revenues

Exchange Rate

Oil Price (Brent) and Eurobond Yield 2049
