

Market Information

In Q1 2024, the Economic Climate Indicator (ECI) recorded a positive advance compared to the previous quarter, signaling a relatively good performance of the Angolan economy in that period. The ECI was up 3 points from the previous quarter's levels, indicating an economic recovery, although it was also down 3 points from Q1 2023. The year-on-year changes in the sectors were mixed: manufacturing, transport and mining sectors recorded increases of around 3, 7 and 16 points, respectively. On the other hand, trade, tourism, construction and communication recorded decreases of 2, 11, 16 and 25 points, respectively. However, when analyzed on a quarterly basis, we note that there was a significant improvement in almost all sectors, mainly transport (+14 points) and manufacturing (+9 points). Overall, these results bring a prospect of gradual improvement for the economic activity of several sectors in Q1 2024, particularly in transport and manufacturing.

The monetary base (M0) in local currency, in May, stood at AOA 2.2 trillion (T), an expansion of around 42.2% when compared to the same period last year. It should be noted that there was a slight monthly drop of around 1.7%. At the same time, M2 stood at 9.5T, registering a year-on-year growth of 28.8% yoy, but there was a monthly drop for the first time since August 2023 (-1.3%). It should be noted that, in the month of May, the currency in circulation grew at a slower pace than inflation, both on a monthly and annual basis.

Sonangol and Chevron last week signed contracts for oil exploration in the Lower Congo. The national oil company and Cabinda Gulf Oil Company Limited (CABGOC), Chevron's subsidiary in Angola, signed last Tuesday in Luanda two risk service contracts for the concession of blocks 49 and 50, both in the Lower Congo Basin. The investment in each of these blocks is valued at US\$3.6 trillion, with a production of around 200,000 barrels per day for each of them, according to the ANPG. Work is expected to start later this year.

Fitch maintained Angola's rating at B-, also keeping the outlook stable. Rating stability was mainly influenced by the levels of International Reserves, current account surpluses and the reduction in manageable debt repayment risks.

Economic Sentiment 30 20 10 0 -10 -20 -30 -40 -50 2019 2020 2021 2022 Economic Climate Construction Real Trade xtractive Ind. Economic Climate Transport Real Trade Extractive Ind **Exchange Rate** 1300 1100 900 700 500 300 100

Jun-23

Oct-23

Feb-24

Jun-22

Oct-22

Feb-23

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 | В3 | Positive | 20/10/2022 |
| Standard & Poor's | B- | Stable | 04/02/2022 |

Monetary and Forex data*

| | | | | Change | |
|---|------------|------------|---------------|---------|------------------|
| | | 21/06/2024 | 7 days (%) | YTD (%) | 12 months (%) |
| | LUIBOR O/N | 24.97% | 0.23% | 20.43% | 10.11% |
| | USD/AOA | 852.5 | 0.00% | 2.86% | 9.18% |
| • | AOA/USD | 0.00117 | 0.00% | -2.78% | -8.41% |
| | EUR/AOA | 910.8 | -0.01% | -0.57% | 6.25% |
| | EUR/USD | 1.069 | -0.09% | -3.13% | -2.40% |
| | USD/ZAR | 17.97 | -2.27% | -2.14% | -2.99% |

*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 |
|------------------|-------|--------|--------|-----------|
| OT AOA (3 years) | 14.0% | 10,000 | 9,276 | 9,276 |
| OT AOA (5 years) | 15.3% | 10,000 | 12,037 | 12,037 |
| OT USD (5 years) | 5.1% | 15 | 15 | 15 |
| BT (364 days) | 8.2% | 11,000 | 3,000 | 3,000 |

BT are treasury Bills, OT are Treasury Bonds; Note: amounts (except for yield) are in million Kwanza. OT USD (Dollar Treasury Bonds) are shown in million Dollars

Monetary Aggregate M2 (AOA Trillions)



Oil Price (Brent) and Eurobond Yield 2049



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