

**Market Information**

**In June, year-on-year inflation was 31.0%, representing an increase of 0.8 percentage points (pp) compared to May.** According to INE data, monthly inflation in June stood at 2.1%, a deceleration compared to the previous month. In fact, we note that this is the second consecutive slowdown and although we believe that there are still inflationary factors, monetary expansion may be slowing. The Health class was the one with the highest price increase, with a change of 2.7% - currently, the class has a year-on-year change rate of 39.4% -, followed by the classes of "Clothing and Footwear", "Miscellaneous Goods and Services" and "Hotels, cafes and restaurants" with 2.7%, 2.6% and 2.6%, respectively. On the other hand, inflation in Luanda stood at 2.6%, bringing the year-on-year to 42.8% - the gap between the Capital and the other provinces is at 12pp. After Luanda, the provinces of Bengo and Zaire recorded the largest increases: 2.1% and 2.0%, respectively. We note that the current year-on-year national inflation reached the highs of May 2017.

**The President of the Republic authorized by Presidential Order the partial privatization of the shares that the State holds in Standard Bank Angola.** The privatization of the 34% of shares held by the State will be carried out via an Initial Public Offering (IPO) and the operation is expected to take place within the current year or in 2025.. Still on the privatization process, IGAPE concluded the privatization process of the IU, IKA and BINA hotel chain. According to the statement, four establishments located in Luanda, Huambo and Namibe were privatised, allowing the State to collect around AOA 14.1 billion.

**In the foreign exchange market, the week was marked by a slight depreciation of the national currency against the Dollar and the Euro, having closed the week at USD/AOA 871 and EUR/AOA 943.** Since the beginning of 2024, the Kwanza has depreciated by around 5.0% against the Dollar and 3.6% against the Euro. We see that the gap between the official exchange rate and the parallel exchange rate remains sharp, and is now at 28.3%, a slight reduction compared to the differential at the end of June, 30%.

**A barrel of Brent oil, a benchmark for Angolan exports, closed the week trading close to USD 85 – a decrease of USD 1 compared to the beginning of the week and the first drop after 4 weeks on the rise.** Similarly, WTI, the benchmark for American exports, ended the week trading close to USD 82.

**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\***

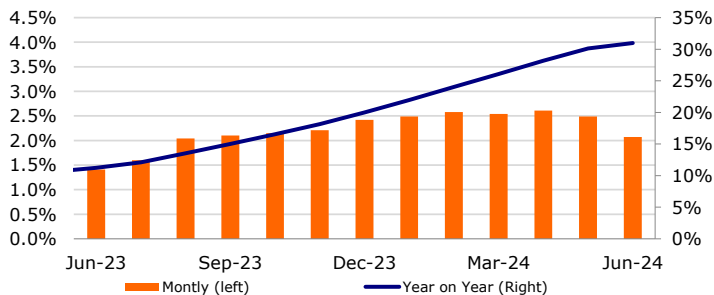
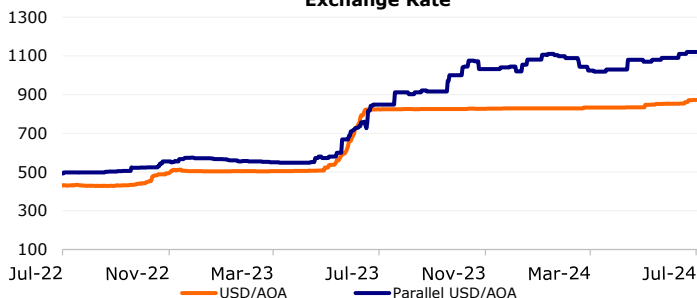
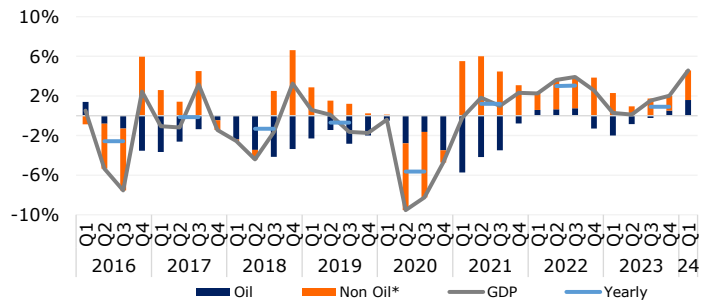
	12/07/2024	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	19.05%	-0.34%	14.51%	0.59%
USD/AOA	872.6	0.16%	5.29%	5.91%
AOA/USD	0.00115	-0.16%	-5.02%	-5.58%
EUR/AOA	950.2	0.75%	3.74%	3.10%
EUR/USD	1.091	0.62%	-1.20%	-2.84%
USD/ZAR	17.95	-1.25%	-2.22%	0.15%

\*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
BT AOA (364 days)	19.0%	10,717	20,717	9,710
BT AOA (364 days)	19.0%	5,000	25,183	25,183
BT AOA (364 days)	19.0%	15,000	17,656	17,656
BT AOA (364 days)	19.0%	10,000	2,500	2,500

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

**Inflation**

**Exchange Rate**

**YoY change of GDP and sector contributions**

**Oil Price (Brent) and Eurobond Yield 2049**
