

Market Information

BFA and Unitel's privatization processes will go forward through an initial public offering at BODIVA, in both cases for 15% of the companies' share capital, as authorized by a Presidential Decree. In the case of Unitel, the reserve of 2% of shares was also authorized for sale to the company's employees and governing bodies, under special conditions.

Credit to the private sector in Kwanzas in July stood at close to AOA 4.6 Trillion (T), having in nominal terms recorded a year-on-year increase of around 19.5%, which corresponds to AOA 750 Billion (B). According to our calculations based on BNA data, discounting inflation, credit recorded a contraction of 11.6% in real terms. In the public sector, credit in nominal terms rose 38.8% YoY, which amounts to a real increase of 7.7%. In relation to sectors of activity, credit in real terms continues to grow significantly in transport, furniture, and construction. Credit to the trade sector and to individuals (the two largest shares of credit, concentrating 38% of the value in loans) are both falling in real terms, 25.3% and 24.7%, respectively. **Credit will also be affected by the recent increase in interest rates in the interbank money market (IMM).** The overnight Luibor (O/N), which signals liquidity conditions in the economy, rose +466 basis points (bp) since the beginning of the month, ending the week at 29.9%, which represents the highs of December 2019. At the same time, the rates that serve as indexes for credit to the economy, that is, longer terms, are also rising, albeit slowly, with emphasis on Luibor 6M and 12M which ended the week close to 22.0% (+56bp) and 25.1% (+154bp), respectively. We note that, among the various rates in the IMM, only the Luibor O/N results from market transactions, meaning that the remaining rates tend to follow the movements of the overnight rate, albeit with some delay. As the O/N is rising significantly, we also expect that prices for longer terms will increase, making the cost of credit even more expensive.

Diamond exports totaled around 5.4 million carats up to July, which represents a year-on-year increase of 16.5%. During the first seven months of the year, export prices fell by 8.2% YoY to an average of USD 170 per carat. Revenues, offset by the increase in exports, rose 7.0% in the period under review to an accumulated amount of USD 907 million.

The monetary base (M0) in local currency rose 1.7% in July compared to the previous month; Compared to the same period last year, the increase was 35.5%, 4.5pp above inflation. At the same time, M2, a more comprehensive measure of money in circulation, stood at AOA 9.5 T, which accounts for a year-on-year increase of 26.8% - M2 has been growing below inflation since May. We have noticed that the amount of currency in circulation measured by M1 and M2 has been growing at increasingly slower rates and we understand that it is important to continue to restrict currency growth, contributing to controlling inflation, which remains quite high.

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*

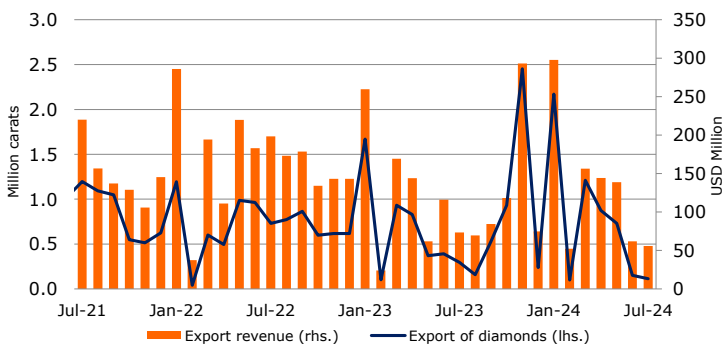
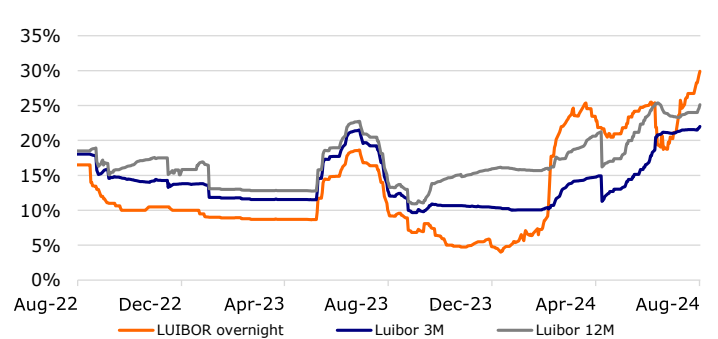
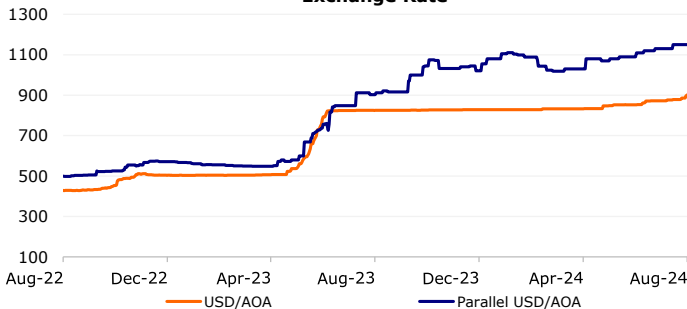
	23/08/2024	7 days (%)	Change	
			YTD (%)	12 months (%)
LUIBOR O/N	29.91%	3.18%	25.37%	20.71%
USD/AOA	904.0	2.02%	9.07%	9.59%
AOA/USD	0.00111	-1.98%	-8.32%	-8.75%
EUR/AOA	1005.2	3.24%	9.74%	12.51%
EUR/USD	1.119	1.50%	1.39%	3.53%
USD/ZAR	17.70	-0.95%	-3.59%	-5.91%

*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 (2 years)	15.0%	40,000	2,500	2,500

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

Diamonds Exports

LUIBOR

Exchange Rate

Oil Prices (Brent) and Eurobond Yield 2032
