

Market Information

In the second quarter of 2024, the Angolan economy grew by 4.1% compared to the same quarter in 2023. The oil sector grew by 2.6% yoy, adding 0.7 percentage points (pp) to the GDP growth rate. The non-oil economy grew by 4.7% yoy, the highest since Q4 2022 and added 3.3pp to the overall growth rate of the economy. The mining (+62.5% yoy), energy & water (+10.5% yoy), and transport (+9.8% yoy) sectors were among those that grew the most. The fishing sector (+12.2% yoy) also grew significantly, but its performance remains highly volatile. The communications sector (-12.9% yoy) fell significantly, accompanied by a decline in public administration (-0.9% yoy). We highlight the growth of the mining sector, of 62.5% yoy, the highest on record, at least since 2011. Much of the variation will be due to the start of operations of the Luele mine in November 2023.

Economic growth in the 2nd quarter was higher than our expectations, particularly in the case of the non-oil economy, but it is explained by smaller sectors of the economy, which account for most of the growth. On the other hand, as expected, there was strong growth in the oil economy, influenced by the very negative performance in the first quarter of last year and the fruits of investments in the sector.

Last week, Angolan central bank (BNA) made USD 250 million available to the market to cover foreign exchange operations for the import of food and medicines. The BNA announced that it sold part of the amount on Wednesday at the rate of USD/AOA 935, leading to a fall in the exchange rate in force that day. In the following days, the BNA made this supply of foreign currency available on a continuous basis, leading to a further depreciation. As a result, the Kwanza appreciated by 3.3% against the Dollar and 4.7% against the Euro. This is an exceptional intervention, with the BNA generally absent from the market in the current context. It should be noted that, despite this temporary intervention, the market is still experiencing a situation of scarcity, with the exchange rate on the parallel market significantly above the official exchange rate; at this time, the range is 35%. This should narrow down as a result of this intervention, but it will still remain quite significant, given that the Treasury has not been making frequent foreign exchange sales. On the other hand, considering this intervention in the foreign exchange market, it is expected that interest rates on the interbank market may react by rising slightly, resulting in a tightening of liquidity in kwanzas.

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*

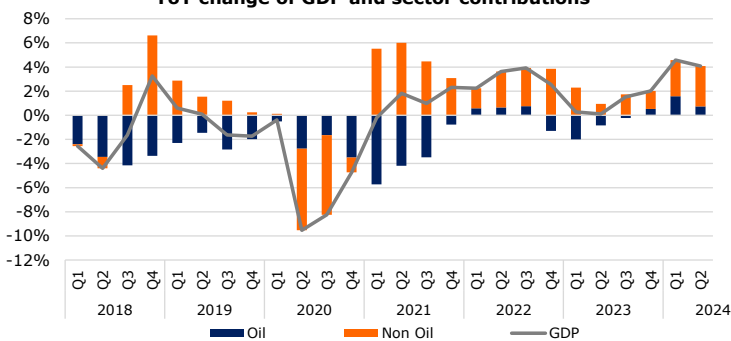
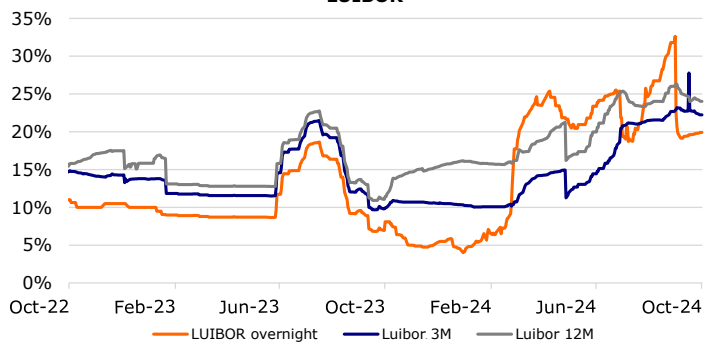
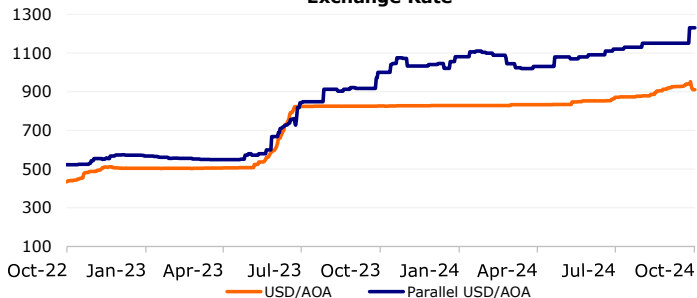
	04/10/2024	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	19.91%	0.13%	15.37%	11.81%
USD/AOA	910.0	-3.20%	9.80%	10.20%
AOA/USD	0.00110	3.31%	-8.92%	-9.25%
EUR/AOA	1004.1	-4.48%	9.62%	15.68%
EUR/USD	1.097	-1.68%	-0.59%	4.02%
USD/ZAR	17.49	2.18%	-4.76%	-10.40%

*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)	13.4%	10,000	9,977	9,977
BT AOA (182 days)	9.5%	2,000	1,164	1,164

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

YoY change of GDP and sector contributions

LUIBOR

Exchange Rate

Oil Prices (Brent) and Eurobond Yield 2032
