Angola Weekly |03/11

Market Information

The Ministry of Finance released last week the proposal for the 2026 State Budget, which forecasts a fiscal deficit of 2.8% of GDP. For next year, the government estimates tax revenues of AOA 18.2 trillion (t) and tax expenditures of AOA 16.6t, assuming an average Brent oil price of USD 61, slightly below the current price of USD 64. The forecast for gross financing needs is estimated at AOA 15.0t (approximately 11.0% of GDP), resulting from the sum of the fiscal deficit of AOA 3.8t, debt amortization needs set at AOA 10.9t (of which AOA 6.2t refers to external debt and the remaining AOA 4.7t to domestic debt), and AOA 0.3t for the acquisition of financial assets. **As for economic performance, projections point to an acceleration of the economy in 2026, with global GDP growth expected to reach 4.2%, after the revision of projections for 2025, now set at 3.0%.** This development is supported by a downward revision of the estimates for the oil and gas sector, which is expected to contract by 3.3% (compared to the previous growth estimate of 2.9%), and by a more moderate growth of the non-oil sector, now projected at 4.5%, down from the previous estimate of 5.2%. The Ministry of Finance expects a growth of 1.1% in the oil and gas GDP, supported by a 0.9% contraction in the oil sector GDP (projecting a production of 1.05 million barrels per day) and a significant 12.7% growth in the gas sector. The outlook for the non-oil GDP is positive, with a projected growth of 4.7% in 2026. **The Ministry expects inflation to end this year at 17.5%, in line with estimates from the Central Bank of Angola (BNA), continuing its downward trajectory to 13.7% in 2026. A 10% increase in the public sector wage bill is also planned, along with an exemption from the Personal Income Tax for workers with monthly income of up to AOA 150,000.**

Between January and September, the Ministry of Finance strengthened its presence in the foreign exchange market, placing about USD 1.15 billion (b) in the market. Compared to the same period last year, National Treasury sales decreased by approximately 44.9%, according to our calculations based on the data released by the Ministry. BAI, BFA, and SBA were the largest foreign exchange buyers during this period, with purchase quotas of 37.0%, 17.4%, and 16.4%, respectively, of the total placed with commercial banks. If we include the sale of foreign exchange to the BNA, which occurred only in August, the Ministry of Finance has placed about USD 1.22b in the foreign exchange market to date. Although the National Treasury is not a regular participant in the foreign exchange market, its involvement has been essential in alleviating the growth of the backlog in the financial system, playing a key role in stabilizing the supply of foreign exchange.

International reserves closed the month of October at USD 15.3 billion, a slight increase of USD 92.6 million compared to the previous month.

Macroeconomic Forecasts

Indicator	2024*	2025**	2026**
GDP change (%)	4,4	1,9	2,9
Average Inflation (%)	28,2	20,2	13,9
Current Account (% GDP)	9,3	9,1	8,5

*Inflation - INE/ GBP and Current Account - BFA Forecast; BFA **Forecast

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B-	Stable	26/06/2023
Moody's	B3	Stable	29/11/2024
Standard & Poor's	B-	Stable	04/02/2022

Monetary and Forex data*

		Change		
	31/10/2025	7 days (%)	YTD (%)	12 months (%)
LUIBOR O/N	18,75%	-0,04%	-3,94%	-3,42%
USD/AOA	911,98	0,00%	0,00%	0,32%
AOA/USD	0,00110	0,00%	0,00%	-0,32%
EUR/AOA	1068,4	0,90%	12,52%	8,33%
EUR/USD	1,154	-0,77%	11,43%	6,00%
USD/ZAR	17,33	0,39%	-8,02%	-1,54%

*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 (4 years)	16,75%	10.000	6.634	6.634
OT AOA (4 years)	16,75%	10.000	8.200	8.200
OT AOA (4 years)	16,75%	10.000	2.942	2.942
OT AOA (6 years)	17,25%	10.000	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