

Market Information

In May, the year-on-year inflation stood at 10.88%, approaching the lowest levels recorded in May 2023. Inflation has been following a disinflationary trend since the middle of the third quarter of 2024, reflecting the pattern of less accelerated monthly changes in the Consumer Price Index (CPI). The CPI recorded a monthly increase of 0.54%, representing a slight deceleration of 0.04 percentage points (pp) compared to the figure registered in April. Among the categories with the highest price increases, "Communications" led with 0.96%, followed by "Alcoholic Beverages and Tobacco" and "Food and Non-Alcoholic Beverages", with increases of 0.89% and 0.68%, respectively. In Luanda, the monthly variation of the CPI decelerated by 0.12pp, settling at 0.50%. Year-on-year inflation in the capital stood at 10.62%, the lowest level since May 2023, when it was recorded at 11.33%.

From January to May, foreign exchange supply grew by 23.43% YoY, reaching USD 5.7 billion(b). Although oil operators remained the main source of foreign exchange supply, accounting for approximately 35.60% of the total, their allocations declined by 5.36% YoY. On the other hand, the other clients and the local Treasury contributed around 26.73% and 22.64% of total supply, respectively, and have been driving the performance of the foreign exchange market. In particular, supply from other clients reached USD 1.5b from January to May, representing growth of 32.70% YoY, while supply from the local Treasury rose to USD 1.3b, up 86.24% YoY.

The price of diesel increased by AOA 20 per litre, rising from AOA 400 to AOA 420 per litre, as part of the strategy for the gradual removal of fuel subsidies. Prices of gasoline, kerosene, and liquefied petroleum gas remained unchanged, as announced by the Petroleum Derivatives Regulatory Institute. Since the beginning of the subsidy removal process, diesel prices have accumulated an increase of 211.11% (from AOA 135 to AOA 420 per litre), while gasoline prices have risen by 87.50% (from AOA 160 to AOA 300 per litre).

In Q1 2026, the stock of external debt stood at USD 52.8b, representing an increase of USD 2.1b compared to the previous quarter. In terms of composition, debt issued in the London markets—mainly Eurobonds and other instruments—continued to grow, reaching USD 17.1b (+USD 1.4b quarter-on-quarter). As a result, the London markets, which constitute the country's main source of external financing, account for approximately 32.3% of total external debt. Debt owed to China, the second-largest creditor and representing 23.7% of the total, continued to decline, standing at USD 12.5b (-USD 204.8 million compared to Q4 2025). Debt owed to the United States of America, the third-largest creditor, increased again, rising by USD 53.8 million to USD 5.0b.

Macroeconomic Forecasts

Indicator	2025*	2026**	2027**
GDP change (%)	3.1	3.3	4.0
Average Inflation (%)	20.2	12.6	11.6
Current Account (% GDP)	5.3	4.5	3.8

*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*

	12/06/2026	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	12.04%	0.04%	-6.75%	-8.21%
USD/AOA	913.12	0.00%	0.09%	0.13%
AOA/USD	0.00110	0.00%	-0.09%	-0.13%
EUR/AOA	1063.2	0.28%	-0.59%	2.68%
EUR/USD	1.166	0.48%	-0.74%	2.54%
USD/ZAR	16.23	-1.45%	-2.02%	-8.91%

*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Weekly domestic debt securities auctions

Term	Yield	Offer	Demand	Allocated
OT AOA (4 years)	16.75%	5,000	15,000	15,000
OT AOA (4 years)	16.75%	5,000	4,515	4,515
OT AOA (4 years)	16.75%	12,000	9,648	9,648
OT AOA (5 years)	17.25%	5,000	15,000	15,000
OT AOA (7 years)	17.75%	12,000	9,753	9,753
OT USD (7 years)	7.00%	13	12	12

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

