Angola Weekly |17/08

Banco de Fomento Angola
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Market Information

Angola's public debt, measured in US Dollars, stood at USD 76.9 billion (b) in the second quarter, representing an increase of approximately USD 5.2b compared to the first quarter. External public debt, which accounts for approximately 72.6% of the total, stood at USD 55.8b (+USD 3.4b QoQ). The debt stock of state-owned enterprises, namely Sonangol and TAAG, which had remained around USD 2b since the first quarter of 2024, accelerated to USD 4.9b, an increase of 93.4% QoQ, reaching its highest level since mid-2020. According to the Ministry of Finance's Quarterly Budget Execution Report, this increase was essentially driven by the incorporation of transactions related to new financing raised by Sonangol, which made a significant contribution to the increase in the debt stock. On the domestic public debt side, which accounts for the remaining 27.4% of the total, the stock stood at USD 21.1b in the second quarter, representing an increase of USD 1.7b compared to the previous quarter. In local currency, domestic debt rose to AOA 19.2 trillion, corresponding to an 8.8% increase compared to the first quarter and the highest level since the beginning of the series. We estimate that public debt represents 54.1% of GDP, an increase of 4.9 percentage points (pp) compared to the immediately preceding quarter, driven by the increase in debt, particularly external debt, which has provided greater room for further borrowing.

In the labour market, the unemployment rate stood at 21.5% in Q2, representing a slight increase from the 21.3% recorded in the previous quarter. The employment rate stood at 44.2%, corresponding to an increase of 1.9pp compared to the first quarter, with the employed population reaching approximately 10.1 million people. The increase in employment continues to be heavily concentrated in the informal sector. Of the total jobs created between the first and second quarters, approximately 80.1% were informal jobs, highlighting the still-high level of informality in Angola's labour market. Between the two periods, the employed population increased by approximately 608 thousand people. Of this increase, approximately 565 thousand corresponded to informal employment, while formal employment increased by around 43 thousand people.

Macroeconomic Forecasts

Indicator	2025*	2026**	2027**
GDP change (%)	3.1	3.3	4.0
Average Inflation (%)	20.2	10.2	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*

	14/08/2026	Change 7 days (%)	Change YTD (%)	Change 12 months (%)
LUIBOR O/N	12.24%	0.00%	-6.55%	-6.75%
USD/AOA	912.79	0.02%	0.06%	0.09%
AOA/USD	0.0011	-0.02%	-0.06%	-0.09%
EUR/AOA	1070.9	1.57%	0.13%	-0.98%
EUR/USD	1.157	0.10%	-1.50%	-0.67%
USD/ZAR	16.20	0.34%	-2.17%	-7.93%

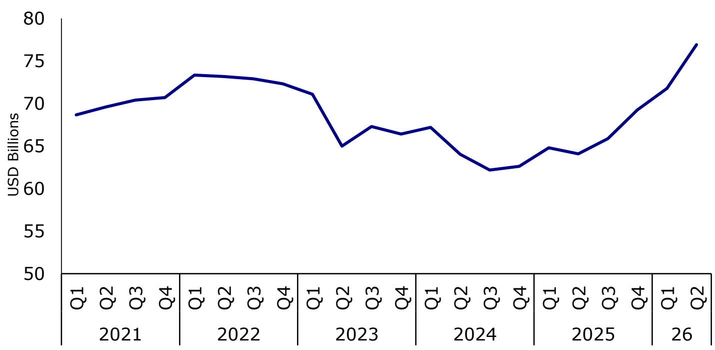
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Weekly domestic debt securities auctions

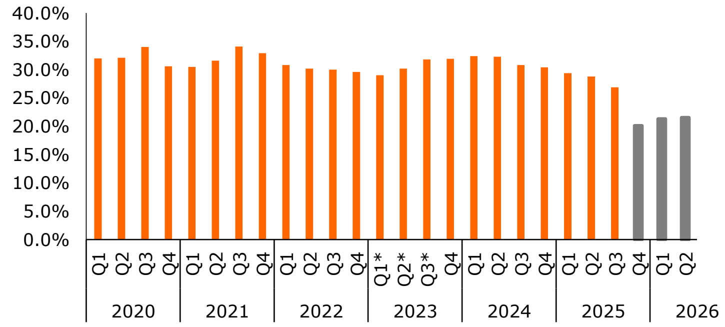
Term	Yield	Offer	Demand	Allocated
OT AOA (4 years)	16.75%	5,000	4,522	4,522
OT AOA (4 years)	16.75%	10,000	10,000	10,000
OT AOA (5 years)	17.25%	12,000	9,642	9,642
OT AOA (5 years)	17.25%	5,000	4,520	4,520
OT USD (3 years)	4.00%	3.0	2.2	2.2
OT USD (8 years)	7.00%	3.5	3.5	3.5

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

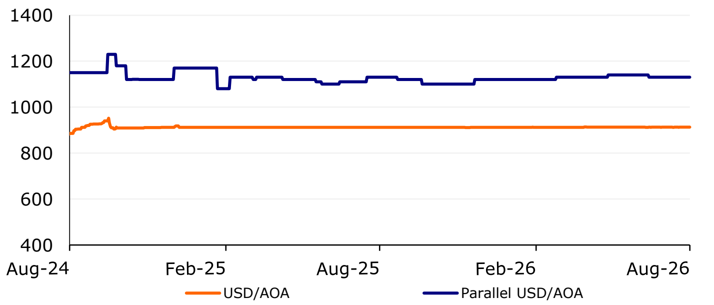
Public Debt



Unemployment rate



Exchange Rate



Oil Prices (Brent) and Eurobond Yield 2032