

Market Information

Diamond exports in Q1 2024 totaled 3.5 million carats. Compared to the same quarter in 2023, there was a 28.7% growth in exported volume. On the other hand, exports were made at an average of USD 145.4 per carat in the quarter, below the USD 167.4 in the same quarter of 2023. Between taxes and royalties, around AOA 31.4 billion were collected by the State (USD 37.8 million). Note the relative volatility of diamond sales, meaning it is not possible to forecast continued high sales in the coming months solely based on data from the last 2 quarters. Even so, current data will be positive indicators for the growth of economic activity in the mining sector, which is mainly determined by diamond extraction, despite various new investments in other minerals, which are still operating in an incipient form.

The local currency in circulation, evaluated by M2 in Kwanzas, rose 0.8% in March compared to the previous month, the 3rd consecutive month in which the currency in circulation grew below inflation - in February it even registered a monthly drop of 2.4%. Even so, year-on-year growth is still 30.4%, the same as in February. This evolution follows an extended period in which monetary expansion was well above inflation and even nominal GDP growth; In 6 of the 12 months of 2023, the local currency in circulation expanded by more than 3%. In this sense, the combination of effects between monetary policy, liquidity circumstances of the banking system, among others, was inflationary. Therefore, in this 1st quarter, this trend appears to be breaking; It is not certain that the slowdown is enough to lead to a definitive reduction in monthly inflation, but it is possible that this is the case.

Credit in national currency to the economy fell 1.3% in March compared to the previous month, reaching a total of AOA 6.4 trillions. In particular, credit to the public sector in Kwanzas fell by 19.2%, while credit to the private sector rose by just 0.5%. In year-on-year terms, credit in Kwanzas rose 22.8%, a real drop of 3.3% yoy, discounting inflation. Looking also in real terms, credit to the public sector is still 32.5% higher than in March 2023, highlighting the expansion of credit to state entities outside the use of bonds. In the case of the private sector, credit fell 5.6% yoy in real terms, indicating some difficulty in maintaining financing for the economy in the current scenario. Deposit data indicate a less negative trend, with deposits in national currency growing by 1.3% mom and rising by 5.5% in real year-on-year terms in the case of the private sector.

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

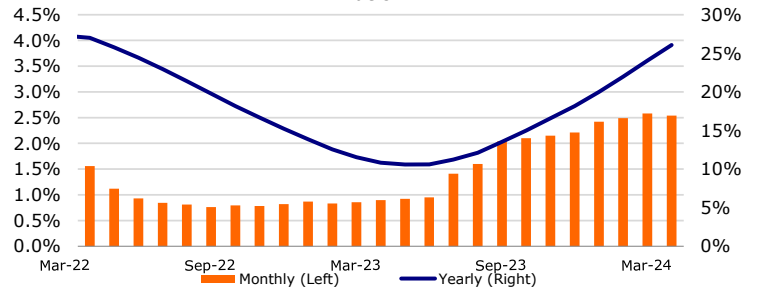
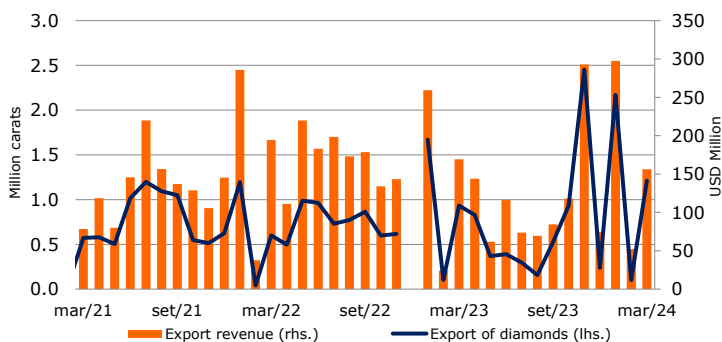
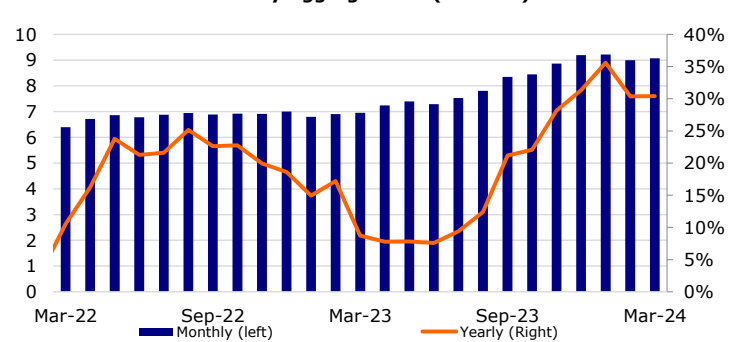
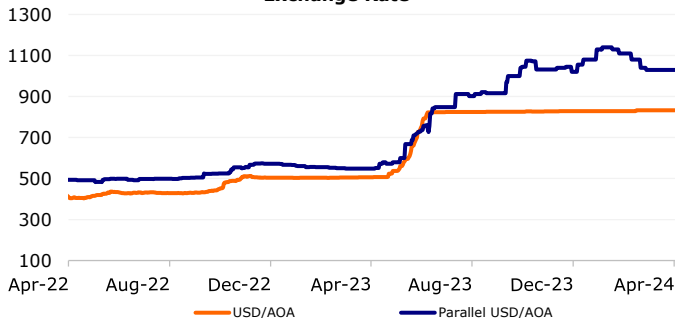
Sovereign Rating

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*

	19/04/2024	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	23.45%	-1.10%	18.91%	14.75%
USD/AOA	832.8	0.00%	0.49%	64.52%
AOA/USD	0.00120	0.00%	-0.48%	-39.22%
EUR/AOA	888.3	0.25%	-3.02%	60.00%
EUR/USD	1.066	0.12%	-3.47%	-2.86%
USD/ZAR	19.10	1.27%	4.04%	5.93%

*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.

Inflation

Diamonds Exports

Monetary Aggregate M2 (Trillions)

Exchange Rate

Oil Price (Brent) and Eurobond Yield 2025
