

Market Information

The central bank provided foreign currency amounting to USD 2,501 million in the first quarter of the year, a drop of 51.5% yoy; still, data showed an increase of 20% qoq. March's numbers dropped by 66.4% yoy, while falling 10.3% mom, at a total of USD 735.9 million. Moreover, USD 184.6 million were made available towards so-called 'private operations' (which include wages and 'family help' transfers) and USD 77 million for the transport sector (including airlines). Currently blocked transfers of wages and airline funds remain a serious problem; paving the way for reaching a solution in these matters is essential to improve trust in the Angolan business environment. We are going to continue keeping track of these developments. **As expected, there were no changes in monetary policy by the BNA, given the fact that the central bank is still waiting to see the full effect of the recent depreciation movement on inflationary pressures.**

According to OPEC data reported by Reuters, Angolan production showed the steepest yearly drop in March, totalling 48 oil shipments, 2 shipments less than in the same month last year. For the whole of the cartel, the Angolan drop, together with stoppages in Lybia and a continued fall in Venezuela, resulted in the lowest level of production in the last 11 months, at 32.2 million barrels per day (minus 90k than in February). Brent oil was trading around USD 68 this Friday, about 3% less than one week before.

The new simplified tourism visa system was applied in the beginning of the month, regarding 61 countries of origin. The request should be submitted through the website www.smevisa.gov.ao. The country is still considerably poor in tourism-related resources and infrastructures; however, this policy change could result in a significant boost to this sector, while also easing investment-related travel.

There were no major changes in the Treasury Bills issued this week; however, there was no demand for the Bond issues on Tuesday and Friday. On the secondary market, the Eurobond 2025 yield dropped below 7%, following this year's high of 7.6%, on March 20.

Macroeconomic Forecasts

Indicator	2017*	2018**	2019**
GDP change (%)	1.1	1.8	2.0
Inflation (%)	31.7	28.0	14.8
Current Account (% GDP)	-4.8	-3.5	-2.1

*GDP: Finance Ministry estimate; Inflation: INE; Current Account Balance: IMF estimate
** Average of forecasts from Bloomberg

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B	Stable	23/09/16
Moody's	B2	Negative	07/02/18
Standard & Poor's	B-	Stable	08/11/17

Monetary and ForEx data

	05/04/18	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	20.12%	0.02	3.72	-3.55
USD/AOA*	215.64	-0.70%	-23.06%	-23.06%
EUR/AOA*	264.38	0.00%	-29.87%	-29.88%
EUR/USD	1.22	-0.49%	1.96%	14.79%
USD/ZAR*	11.98	-1.17%	3.37%	15.26%

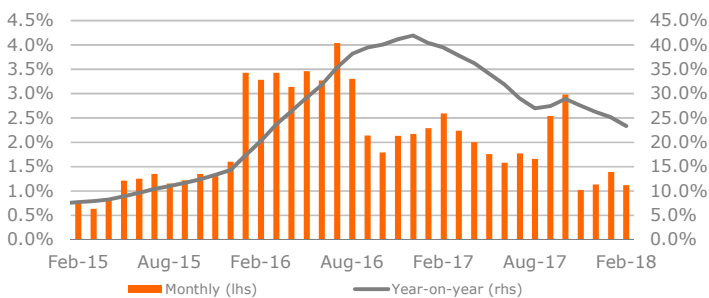
* USD/AOA, EUR/AOA and USD/ZAR change is calculated inversely in order to directly evaluate the appreciation/depreciation of the Kwanza/Rand relative to the other currency

Weekly auctions of Treasury bonds and bills

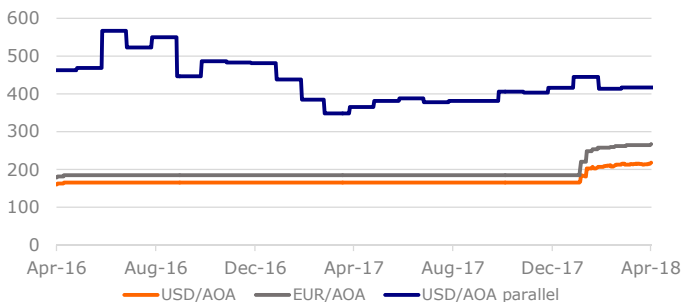
Maturity	Rate	Supply	Demand	Allocated
BT (180 days)	20.25%	9,000	5,721	2,436
BT (182 days)	20.25%	9,000	7,848	4,485
BT (362 days)	23.87%	9,495	9,495	9,495
BT (364 days)	23.85%	9,752	9,752	9,752

BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanza.
* Bond linked to the exchange rate ** Bond linked to treasury bills

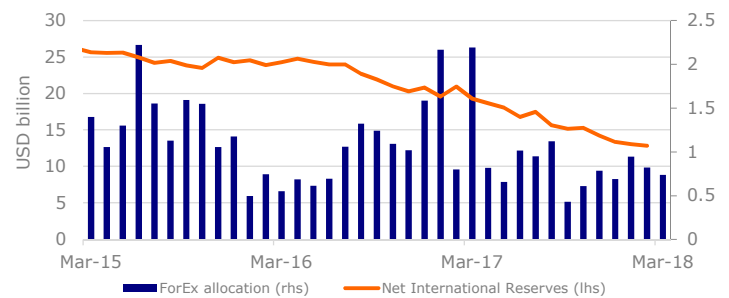
Inflation



Exchange rate (official and parallel)



Net International Reserves and forex allocation



Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry