

Market Information

According to the central bank, net international reserves rose slightly in March, reaching USD 13,078 million (+2.06% mom). This is the first time reserves have risen since October 2017. In fact, both the rise in oil prices and exchange rate flexibility should allow reserves to recover during the year. From the beginning of the year, Kwanzas has been continuously depreciating (currently 32.15% YTD); the EUR/AOA traded at 273.269 in the auction April 26, reaching a 0.86% depreciation compared to the previous auction (April 24).

The Angolan Finance Minister was earlier this week in New York, to start a roadshow promoting the upcoming 10-year Eurobond issue. According to the Minister's statement, an issue with a rate close to 7% is expected, with a minimum amount of USD 2 billion - the issue should occur in May. In addition, the Minister anticipated that the minimum amount could be exceeded. Should a rate of around 7% be confirmed at allocation, this should be seen as a moderate success for the Angolan treasury; for now the market looks somewhat eager, at a time when Bloomberg highlighted Angola's as the best performing emerging market debt. **Fitch has revised the outlook for the Angolan rating to stable (confirming the rating at B).** As stated by the rating agency, this improvement mirrors the positive trend in decisions made by the Angolan authorities so far: better management of the exchange rate regime; and an ambitious agenda of economic reforms. In addition, the agency considered that, if confirmed, the adherence to an IMF program will also be a positive factor for the rating. This rating still leaves Angolan debt 5 notches below investment grade; nevertheless, this development increases the chances of success to the Eurobond issue mentioned above.

This week in the oil market, Brent has traded at its highest level since November 2014 (USD 75.5), costing just over USD 74.5 a barrel this morning.

When presenting the results for the first quarter of 2018 Banco BPI announced the preparation of a possible public offering, in order to decrease its current share in BFA's capital structure (48%).

Macroeconomic Forecasts

Indicator	2017*	2018**	2019**
GDP change (%)	1.1	1.8	2.2
Inflation (%)	31.7	28.0	14.8
Current Account (% GDP)	-4.8	-3.5	-2.2

*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	25/04/18
Moody's	B2	Negative	07/02/18
Standard & Poor's	B-	Stable	11/08/17

Monetary and ForEx data

	27/04/18	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	20.05%	-0.01	3.65	-2.35
USD/AOA*	225.21	-3.72%	-26.32%	-26.33%
EUR/AOA*	273.27	-1.76%	-32.15%	-32.16%
EUR/USD	1.21	-1.77%	0.55%	11.02%
USD/ZAR*	12.39	-2.29%	-0.07%	7.76%

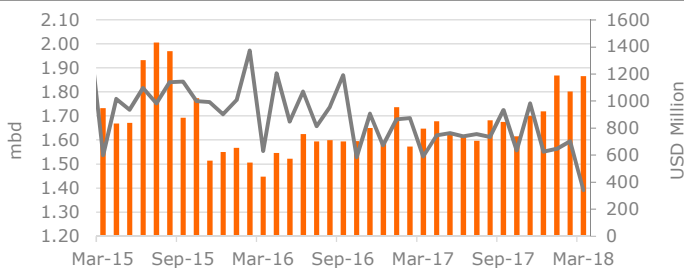
* USD/AOA, EUR/AOA and USD/ZAR change is calculated inversely in order to directly evaluate the appreciation/depreciation of the Kwanzas/Rand relative to the other currency

Weekly auctions of Treasury bonds and bills

Maturity	Rate	Supply	Demand	Allocated
OT	24.00%	600	2	2
BT (180 days)	20.25%	10,863	10,863	10,363
BT (182 days)	20.25%	9,000	6,783	6,783
BT (362 days)	23.90%	10,438	10,438	10,438
BT (364 days)	23.90%	15,315	15,315	15,315

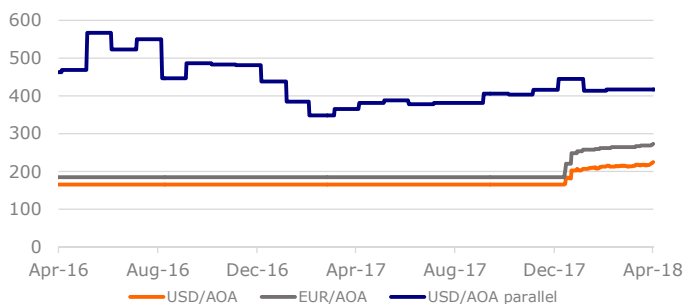
BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanzas.
* Bond linked to the exchange rate ** Bond linked to treasury bills

Oil production and government oil revenues*

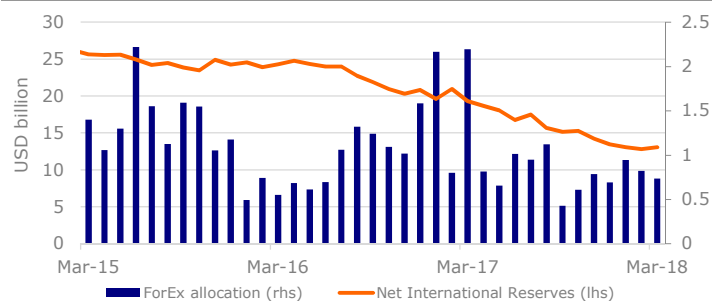


*Includes revenue collected by Sonangol

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