

Angola Weekly | January 4

Banco de Fomento Angola
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Market Information

Sonangol posted a net income of AOA 24.7 billion in 2017, about double of the AOA 13.3 billion posted in 2016. This rise in profit was achieved mainly due to an increase in oil prices during 2017. Despite this result, Sonangol will not pay dividends to its shareholder (the Angolan State), as there is the need to fully cover losses of previous years.

Brent is trading around USD 57, slightly above the levels of the previous week. According to some analysts, this uptick is occurring as signs emerge of an effective implementation of output cuts by the part of OPEC and other oil-producing countries.

According to Angolan weekly newspaper Expansão, BANC and Banco Mais are the only 2 banks not complying with the central bank deadline for a rise in equity. There were 8 banks needing fresh money to abide by the new rules (some other banks needed only to reallocate retained earnings to equity); 6 of these banks did so within the BNA's deadline (end-2018); however, 2 of them have not: BANC, which is still under the central bank's intervention and Banco Mais. As for the latter, according to statements from people at the bank to the same newspaper, there is a capital raise already planned, with the relevant authorizations and registry being agreed with the central bank. **The BNA has approved a new limit for foreign exchange position of retail banks, at 5% (long or short) of regulatory own funds.** Previous regulation allowed for a position up to 10% of own funds. **Moreover, according to central bank data, non-performing loans were 26.7% of total credit in November last year, a slight decrease against the level in the previous month (27.1%).**

IHS Markit forecasts a 1.9% GDP growth in 2019, supported in the significant stability sign provided by the IMF agreement, according to Lusa news agency. This forecast is more conservative than what is expected by the Executive (2.8%) or the IMF (2.5%).

Macroeconomic Forecasts

Indicator	2018*	2019**	2020**
GDP change (%)	-1.7	2.5	3.0
Inflation (%)	20.7	15	14.4
Current Account (% GDP)	2.0	2.4	0.75

*IMF forecasts

** Average of forecasts from Bloomberg

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B	Stable	25/04/18
Moody's	B3	Stable	27/04/18
Standard & Poor's	B-	Stable	11/08/17

Monetary and ForEx data

	04/01/19	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	16.75%	0.00	0.00	-1.02
USD/AOA	309.18	0.19%	0.19%	86.34%
AOA/USD	0.0032	-0.19%	-0.19%	-46.33%
EUR/AOA	352.75	-0.08%	-0.08%	90.26%
EUR/USD	1.140	-0.38%	-0.58%	-5.54%
USD/ZAR	14.12	-2.16%	-1.57%	14.77%

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

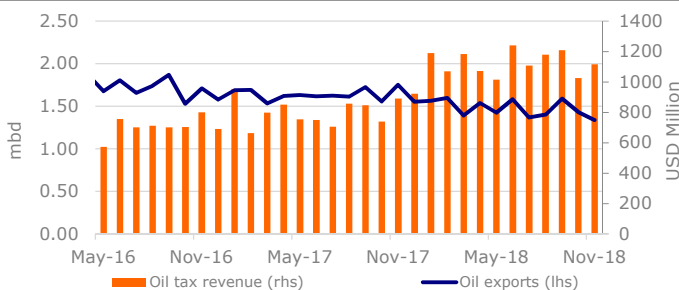
Weekly auctions of Treasury bonds and bills

Maturity	Rate	Supply	Demand	Allocated
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No auctions were held this week

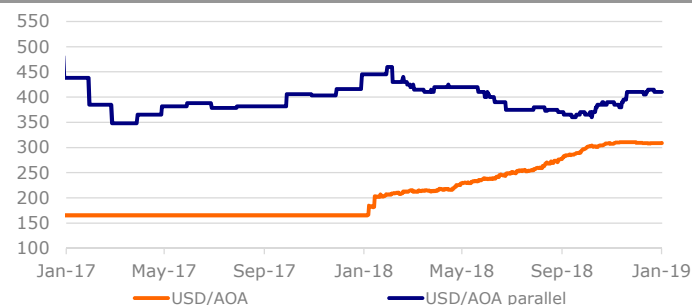
BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanzas. USD OT in million Dollars * Bond linked to the exchange rate ** Bond linked to treasury bills

Oil exports and tax revenues*

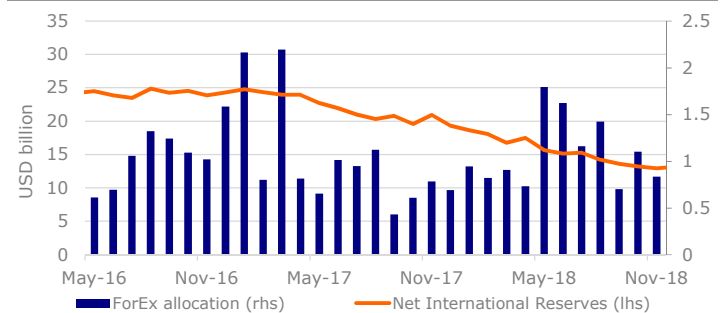


*Includes revenue collected by Sonangol

Exchange rate (official and parallel)



International Reserves and ForEx allocation



Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry

