

Angola Weekly | March 22

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Market Information

Preliminary data from BNA indicates that total exports stood at USD 40.4 billion (bn) in 2018 (+16.7% yoy). Exports from the hydrocarbon sector rose 17.2%, representing 96.7% of the total. In particular, LNG exports reached USD 2.4 bn (+35.8%), totalling 6.0% goods sold abroad in 2018. Outside the oil and gas sector, exports grew 3.3%. On the other hand, imports of goods increased by only 2.5% to USD 14.8 bn. Thus, the trade balance in goods showed a surplus of USD 25.6 bn, the highest since 2014 (USD 30.6 bn). **According to our analysis, these figures should allow for a current account surplus close to USD 11 bn, the highest since 2012 (USD 13.6 bn).** As a percentage of GDP, the surplus will be around 10%, similar to those recorded between 2010 and 2012, and significantly higher than international forecasts (IMF expects a 2% surplus).

Regarding economic sentiment, INE data show that it remains in negative territory in Q4 2018, although it nudged up again. The Economic Climate Indicator (ICE) rose to -12 points (-16 in Q3 2018), the highest since Q3 2015 (-9). There have been improvements in all sectors except transportation, which has stagnated. The construction sector (the most important sector in non-oil GDP, along with trade) was the highlight: the confidence indicator rose to -20 points (-33 in Q3 2018), the highest since Q4 2012. These numbers bode well for Q4 2018 GDP figures, to be released on April 10.

In the diamond sector, Australian firm Lucapa increased Lulo mine diamond resource carats, by 90%, to 80,400 carats, following an independent assessment. Also, it was reported this week that a delegation from the Israel Diamond Exchange (IDE) was in Luanda, in anticipation of a tender of rough Angolan diamonds at the exchange.

This week a new Public Private Partnerships Law was approved, along with a new Law on Oil Activity, among others. Finally, an IMF delegation arrived in Luanda for the first evaluation of the Extended Fund Facility.

Macroeconomic Forecasts

Indicator	2018*	2019**	2020**
GDP change (%)	-1.7	2.4	2.7
Average Inflation (%)	19.6	16.4	14.7
Current Account (% GDP)	2.0	0.3	0.61

*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-	Negative	08/02/19

Monetary and ForEx data

	22/03/19	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.76%	0.00	-0.99	-4.33
USD/AOA	317.26	0.52%	2.80%	47.43%
AOA/USD	0.0032	-0.52%	-2.73%	-32.17%
EUR/AOA	358.67	0.35%	1.60%	35.67%
EUR/USD	1.13	-0.19%	-1.42%	-8.11%
USD/ZAR	14.37	-0.22%	0.16%	21.24%

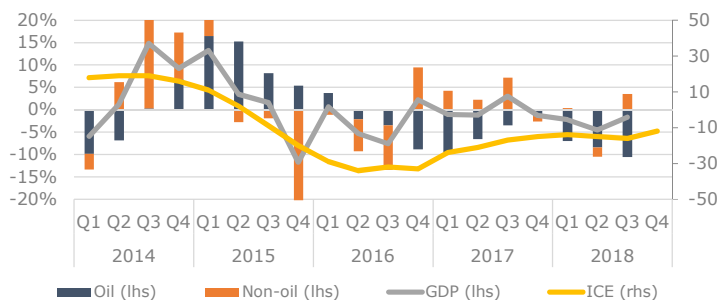
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Weekly auctions of Treasury bonds and bills

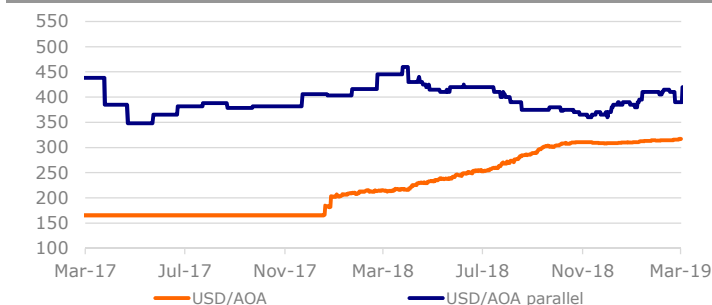
Maturity	Rate	Supply	Demand	Allocated
BT (56 days)	13.40%	17,457	17,457	17,207
BT (147 days)	16.95%	25,624	8,082	6,603
BT (329 days)	18.80%	34,527	15,043	7,500

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

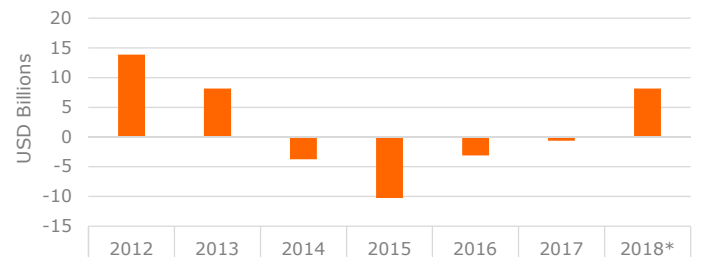
GDP (yoy growth) and economic sentiment



Exchange rate (official and parallel)



Current Account Balance



*Data from January through September 2018

■ Current Account Balance

Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry

