# BFA Angola Weekly | 27/01

Net International Reserves (NIR) amounted to USD 11.8 billion (Bn) at the end of 2019, a yoy increase of USD 1.2 Bn (+11.2%) and USD 2.8 Bn above the agreed floor target with the IMF for the end of 2019 (USD 9.4 Bn). Month-on-month, NIR declined slightly (USD -0.5 Bn), representing, according to our estimates, just over 6½ months of imports. According to BNA data, the NPLs were 34.6% of total loans in September 2019, an increase of 6.9 pp compared to the same period of 2018 - YTD the increase is similar (+6.3 pp). Conversely, as of June, nonperforming loans net of provisions became negative, at -13.7% of regulatory own funds in September.

Angola's score in the Corruption Perceptions Index went up 7 points, to 26 points in 2019. The country saw its score improve for the second year in a row; following a rise from 167th to 165th place in 2018, in 2019 Angola climbed to the 146th position on the list - the largest increase among Portuguese-speaking countries. Although this is a significant improvement, with particular relevance for the country's image, Angola is still below the average of sub-Saharan African countries (32/100).

Until September, Angolan fiscal accounts saw a surplus of AOA 684 Bn, which would be equivalent to around 2.8% of GDP during the period. On the other hand, the primary balance was positive, at AOA 1,617 Bn in the period, amounting to about 6.6% of GDP. We expect a less positive last quarter, with a high concentration of debt interest payments. For the whole year, the Government should achieve a surplus between 1.0-2.0% of GDP, depending on the execution of investment-related expenses - the surplus had reached 2.2% of GDP in 2018. The primary balance is expected to post a surplus between 6.0-7.0%, below the 7.7% recorded in 2018.

Production in the Agogo field, in Block 15/06, started in the middle of January, at around 0.01 million barrels per day (mbd), rising to 0.02 mbd during 2020. The Block likely produced around 0.13 mbd in 2019, which should increase to 0.17 mbd in 2020, due to this investment and that of the Vandumbu field. Blocks 27, 28 and 29, from the October 2019 auction, were awarded. The first was allocated to Sonangol, with 35%; the second has Eni with 60% and Sonangol with 20%; the latter has Total with 46%, Equinor with 24.5%, and Sonangol with 20% and BP with 9.5%. The percentages not allocated in Blocks 27 and 28 are expected to be negotiated with ANPG (the oil & gas agency) by April.



Jan-19

Mav-19

USD/AOA parallel

Sep-19

100

Jan-18

Mav-18

USD/AOA

Sep-18

## **Market Information**

Indicator	2019*	2020**	2021**	
GDP change (%)	-0.6	1.2	2.4	
Average Inflation (%)	17.5	15.0	10.0	
Current Account (% GDP)	0.8	-0.3	-0.5	
*GDP - IMF forecast; Inflation - INE; Current Account - BNA with BFA calc.				

\* Average of forecasts from Bloomberg

#### Sovereign Rating

Rating	Outlook	Last change
В	Negative	12/07/19
B3	Stable	27/04/18
B-	Negative	08/02/19
	B B3	B Negative B3 Stable

### Monetary and ForEx data\*

		Change		
	24/01/20	7 days (p.p./%)	YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	19.95%	0.01	-8.87	3.45
USD/AOA	496.6	1.46%	2.97%	59.76%
AOA/USD	0.00201	-1.44%	-2.89%	-37.41%
EUR/AOA	548.1	0.73%	1.35%	55.41%
EUR/USD	1.103	-0.60%	-1.68%	-2.47%
USD/ZAR	14.39	-0.53%	2.81%	4.90%
*Change of USD/AOA (or FUR/AOA) shows the appreciation/depreciation of the USD (or FUR) against the Kwanza: the				

change of OSD/AOA (or EOA/AOA) shows the appreciation/depreciation of the Kwanza against the USD.

## Auctions of Treasury bonds and bills last week

•	Maturity	Rate	Supply	Demand	Allocated
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BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanza. USD OT in million Dollars \* Bond linked to the exchange rate \*\* Bond linked to treasury bills



Oil price (Brent Angola) and Eurobond 2025 price



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Jan-20