

## Angola Weekly | 17/02

### Market Information

**In January, the central bank sold USD 814 million in foreign currency to retail banks, a drop of USD 31 million compared to December 2019, year-on-year, there was an increase of USD 190 million (+30.5%).** At the same time, according to data released by the central bank, oil operators sold about USD 278 million to banks; the total of both amounts adds up to the largest value sold in foreign currency to banks since December 2018. **In the forex market, the Kwanza remained stable, appreciating slightly (+0.3%) against the Dollar - the appreciation against the Euro (+1.3%) was higher due to a loss in the value of the European currency, as a result of data released last week, indicating weakness in the Eurozone economy.** In the parallel market, the Kwanza also remained stable, trading at USD/AOA 600, according to Kinguila Hoje; thus, the gap against the reference exchange rate is just over 21%, virtually unchanged from the previous week.

**The State will resume issuance of domestic debt securities, and is due to auction T-Bills (BT) at 3, 6 and 12 months.** In addition, a Treasury Bond (OT) auction should also take place this Thursday, with a maturity of 2 to 5 years; Bonds are expected to be issued in local currency (not linked to the exchange rate), as well as some in Dollars, also within planned domestic issues this year (albeit a lower quantity), according to the legislation recently published in the official gazette.

**Data collected independently by OPEC points to a 4.8% yoy reduction in production in January, totaling 1.37 million barrels per day (mbd).** According to the same source, the average production in 2019 was around 1.40mbd. The January figures are, however, slightly better than the average of the last quarter of 2019 (1.35mbd), also according to OPEC. According to our forecasts, in 2020 production will decline again, although by a much lesser rate than in 2019, when the decline was around 7%. In fact, the new investments in Block 15/06 and the arrival at the production plateau in Block 32 should jointly add about 0.10mbd, compared to 2019, which will mitigate the drops in other blocks, in particular in Block 17, which represented more than 30% of production in 2019.

**In international markets, Brent recovered - trading today above USD 57 - with news of some calm regarding the evolution of COVID-19 (coronavirus); Chinese authorities expect to completely tame the epidemic by April.**

### 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 Agency	Rating	Outlook	Last change
Fitch	B	Negative	12/07/19
Moody's	B3	Stable	27/04/18
Standard & Poor's	B-	Negative	08/02/19

### Monetary and ForEx data\*

	14/02/20	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	20.19%	0.16	-8.63	4.44
USD/AOA	494.8	-0.32%	2.60%	57.47%
AOA/USD	0.00202	0.32%	-2.53%	-36.50%
EUR/AOA	536.5	-1.30%	-0.79%	51.48%
EUR/USD	1.083	-1.02%	-3.38%	-4.08%
USD/ZAR	14.89	-1.17%	6.34%	5.36%

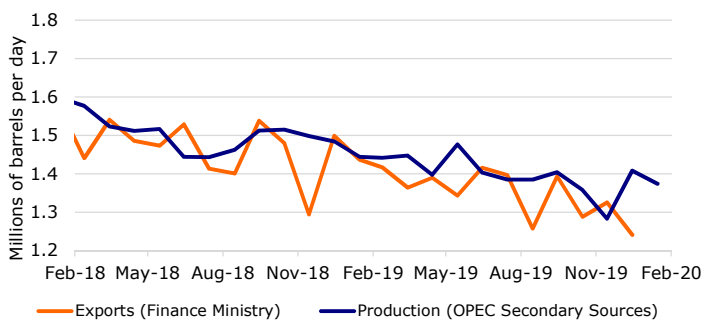
\*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

### Auctions of Treasury bonds and bills last week

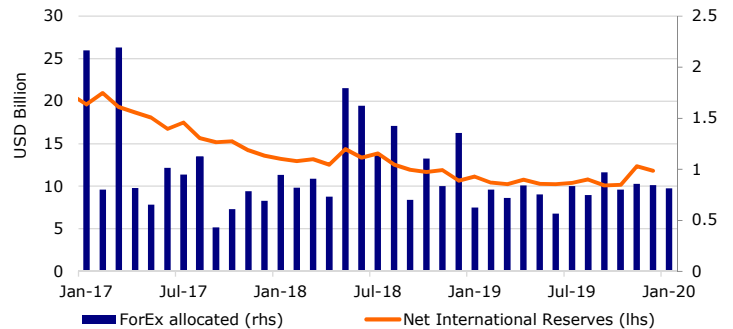
Maturity	Rate	Supply	Demand	Allocated
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BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanza. USD OT in million Dollars \* Bond linked to the exchange rate \*\* Bond linked to treasury bills

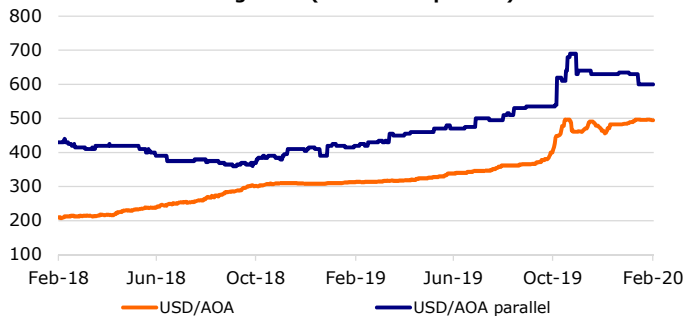
Oil Production and Exports



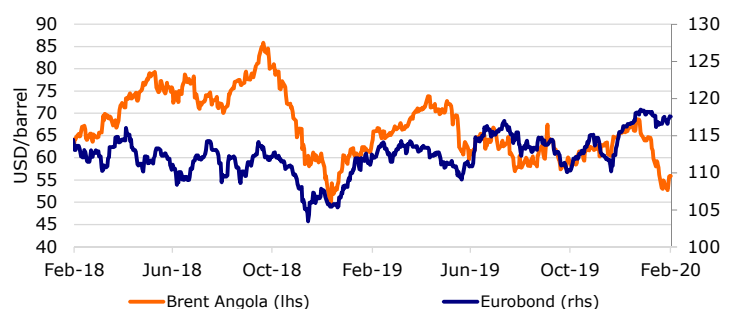
ForEx allocation and International Reserves



Exchange rate (official and parallel)



Oil price (Brent Angola) and Eurobond 2025 price



Sources: Bloomberg, BNA, INE, Finance Ministry, OPEC