

## Market Information

**According to BNA, Net International Reserves (NIR) amounted to USD 11.3 billion (Bn) in January 2020, a yoy increase of USD 216 million (+1.9%).** Compared to December 2019, NIRs decreased by USD 362 million (-3.1%); however, these remain above the prudential limit of 6 months of imports.

**The Government auctioned domestic debt securities for the first time in 2020, with T-Bills placed at 91 and 364 days, in addition to Dollar Bonds at 2 and 3 years.** In T-Bills, both maturities saw a yield of 15%, although only the shortest maturity resulted in a significant amount being allocated, AOA 4 billion. This yield saw an increase of 1.65pp compared to the last 3-month issue in April 2019. An auction of Treasury Bonds saw no demand for Kwanzas Bonds (not currency linked), and a 10 million demand for Dollar Bonds, distributed equally between 2-year and 3-year maturities. The 2-year tenor came at a yield of 3.49%, while the 3-year came at 4.49%.

**ANPG signed a deal with the shareholders of Block 14 (Eni, Total, Chevron and Galp), to redefine the development area of the block.** This agreement allows, according to data published in the press, an additional investment of USD 600 million, and an additional production of 51 million barrels by 2028 - an average of 0.02 million barrels per day (mbd) during the period, according to our calculations. Block 14 exported an average of around 0.05mbd in 2019 - with exports temporarily lower at just above 0.03mbd in the final quarter of 2019. We expect exports to rise again to the level seen in the first 9 months of 2019, also boosted by small new investments, amounting to an average of 0.05/6mbd of exports in 2020. **The foundation stone of Lifua-A, the first oil platform in Angolan territory, was laid.** The platform will serve Block 0, operated by Chevron.

**In international markets, the beginning of last week was marked by an improvement in expectations in view of the evolution of COVID-19, which were reversed during the last days.** Brent is now trading around USD 54.

**In the foreign exchange market, the Kwanza appreciated again last week, around 0.36% against the Dollar, now trading at USD/AOA 493; the appreciation was 0.8% against the Euro.** At the same time, the Angolan currency depreciated in the parallel market, and now trades at USD/AOA 620, according to Kinguila Hoje. The range between the two markets thus widened, to close to 26%.

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Indicator	2019*	2020**	2021**
GDP change (%)	-0.6	0.9	1.8
Average Inflation (%)	17.5	19.9	14.6
Current Account (% GDP)	0.8	-0.5	-0.7

\*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\*

	23/02/20	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	20.19%	0.00	-8.63	4.44
USD/AOA	493.0	-0.36%	2.23%	57.16%
AOA/USD	0.00203	0.36%	-2.18%	-36.37%
EUR/AOA	532.3	-0.79%	-1.57%	49.72%
EUR/USD	1.080	-0.29%	-3.68%	-4.73%
USD/ZAR	15.09	1.23%	7.82%	7.63%

\*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

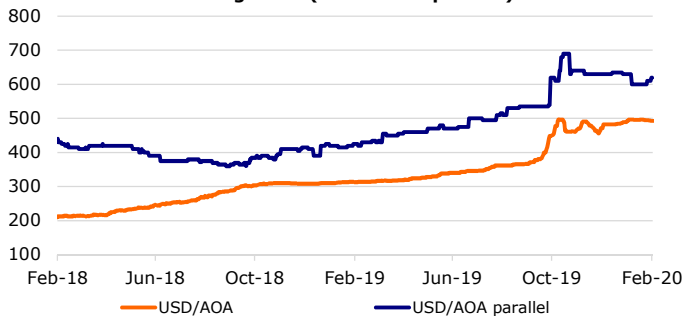
Maturity	Rate	Supply	Demand	Allocated
BT (3 Months)	15.00%	10,000	6,000	4,000
BT (12 Months)	15.00%	10,000	29	29
USD OT (2 years)	3.49%	5	5	5
USD OT (3 years)	4.49%	5	5	5

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

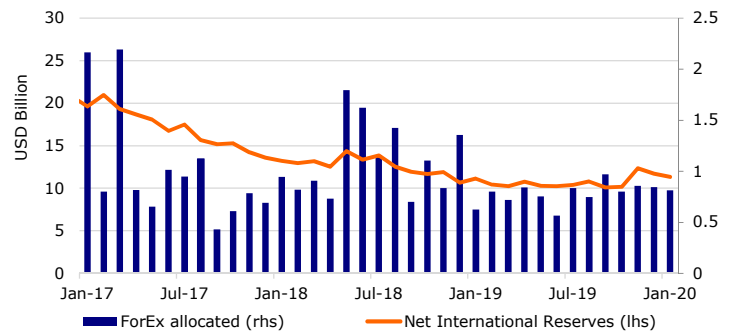
Oil Export from Block 14



Exchange rate (official and parallel)



ForEx allocation and International Reserves



Oil price (Brent Angola) and Eurobond 2025 price



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