

Angola Weekly | 04/05

Market Information

The Government enacted last Tuesday the extinction of the state-owned mineral resources firm (Ferrangol) and the creation of a National Agency for Mineral Resources. Thus, the mining sector will have a regulatory scheme similar to that of diamonds and the oil sector, with the state entity progressively assuming only the role of concessionaire, ceasing to operate in the market.

According to BNA data, USD 500 million in foreign currency was sold to commercial banks in March, USD 35 million more than in February. In the first quarter of 2020, BNA sold USD 1.78 billion (Bn) to retail banks, down 17% yoy. On average, USD 592 million were sold monthly, USD 121 million less than in the same period last year. Adding the sales made by oil companies to commercial banks, more than USD 759 million were made available in March. **In May and June together, the central bank plans to sell about USD 700 million to the market.**

Also last week, the central bank established a regime of "simplified" bank accounts, aimed at people who previously did not meet all conditions to open a bank account. Moreover, rules were updated so that informal market salespeople also have access to Point of Sale terminals.

The BNA announced that it will anticipate its Monetary Policy Committee to May 7 (the meeting was to take place on May 27). It is likely that the meeting should result in new measures by the central bank to stabilize the market.

According to Reuters news agency, Angola revised down its exports scheduled for May, from 45 to 41 cargoes, which corresponds to a decrease of 1.39 million barrels per day (mbd), to 1.27mbd. This 10% drop in production is due to compliance with the agreement between the international oil cartel and its allies, OPEC+, a cut that amounts to 9.7 mbd. In June, according to the news agency, a reduction to 39 cargoes is expected, which corresponds to 1.25 mbd - the Angolan production quota under the agreement is below this level, at 1.18mbd. In the international market, Brent recovered - having closed the week above USD 26, an increase of 18.9% relative to the previous week.

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Indicator	2019*	2020**	2021**
GDP change (%)	-0.9	0.3	1.2
Average Inflation (%)	17.2	24.1	18.0
Current Account (% GDP)	5.8	-1.3	-1.5

*GDP, Inflation - INE; Current Account - BNA with BFA calc.
** Average of forecasts from Bloomberg

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B-	Stable	09/03/20
Moody's	B3	Stable	27/04/18
Standard & Poor's	B-	Negative	11/02/20

Monetary and ForEx data*

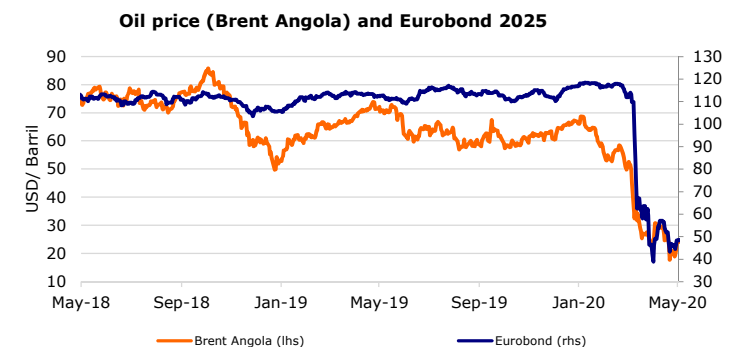
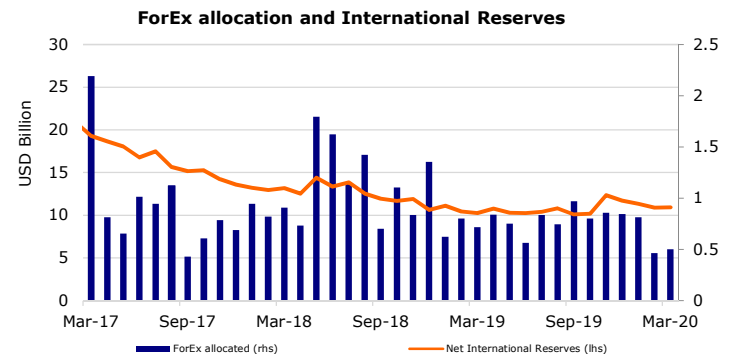
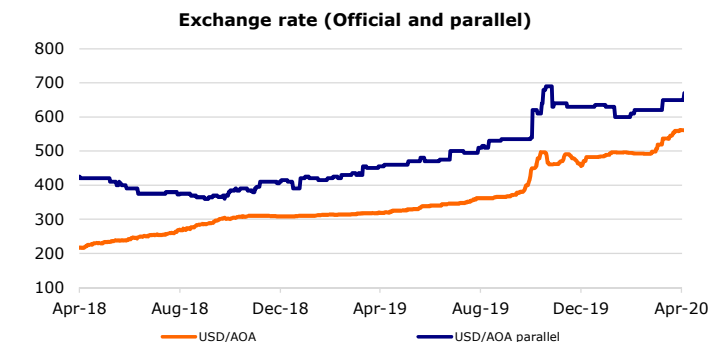
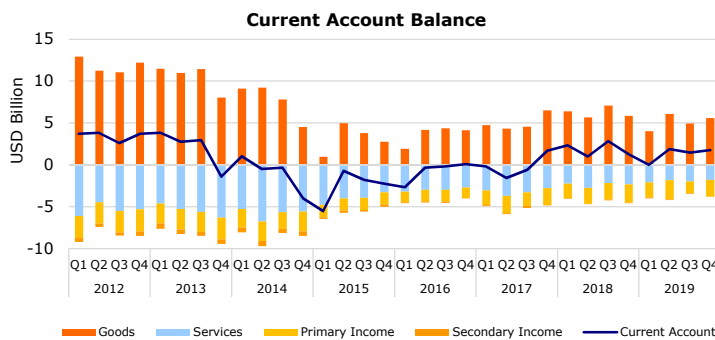
	01/05/20	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.50%	0.00	-13.32	-0.23
USD/AOA	552.3	-1.66%	14.53%	69.87%
AOA/USD	0.00181	1.69%	-12.69%	-41.13%
EUR/AOA	601.0	-0.46%	11.13%	65.04%
EUR/USD	1.098	1.46%	-2.07%	-1.71%
USD/ZAR	18.81	-1.23%	34.36%	29.41%

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

Auctions of Treasury bonds and bills last week

Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	15.50%	5,000	4,312	4,312
BT (6 months)	16.50%	6,471	3,500	3,500
OT (3 years)	22.50%	2,500	1,556	1,556

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



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