

**Market Information**

**The International Monetary Fund (IMF) lowered its growth forecast for the Angolan economy downwards (-2.6pp), expecting a 4% recession in 2020.** In its Sub-saharian Africa regional economic outlook update, the IMF projects a 3.2% (+ 1.6pp) recession for the region this year. The Fund expects the Angolan economy to continue to decline for the fifth consecutive year as a result of declines in oil output and prices, tightening credit conditions and declining domestic commercial activity. **For 2021, the fund now expects a growth of 3.2% - 0.5pp above the projected in April.** This growth will be possible with an improvement in oil prices in international markets and adjustments in the government's policies with the implementation of the new Revised State Budget of 2020.

**The implementation of the Value Added Tax (VAT) generated around AOA 256.16 billion (Bn) between October 2019 and March 2020.** In the first 180 days of VAT report, published recently, AGT reports that almost 62% of this amount corresponds to VAT collected on imports, while the remainder comes from VAT collected on internal transactions. The agency also informs that almost AOA 51.22 MM were recorded as a debt related to VAT collected in internal transactions, the collection of which will be made in the context of tax enforcement. Adding the Special Consumption Tax (SCT), almost AOA 323 Bn were collected in the first six months of these taxes.

**In June, the Government issued around AOA 116.56 Bn in Treasury Bills; 43.6% below the amount recorded in May.** Of this amount, 22.2% corresponds to Treasury Bills (BT) for 3, 6 and 12 months while the remainder corresponds to Non-Readjustable Treasury Bonds (OT-NR) in various terms, from 18 months to 4 years. **For the month of July, the Government will make available to the market about AOA 30 Bn in BT, AOA 50 Bn in OT-NR and USD 12 million in Treasury Bonds in Foreign Currency (OT-ME).**

**Banco de Poupança e Crédito (BPC) announced last week that it will close about 53 branches from July 13th.** This measure is the first step towards the dismissal of more than a third of its workforce, announced by the Board of Directors of the public bank in June.

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Indicator	2019*	2020**	2021**
GDP change (%)	-0.9	-2.25	0.95
Average Inflation (%)	17.2	25.0	20.0
Current Account (% GDP)	5.8	-6.95	-5.2

\*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	06/03/20
Moody's	B3 *-	-	31/03/20
Standard & Poor's	CCC+	Stable	26/03/20

**Monetary and ForEx data\***

	03/07/20	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.39%	0.03	-13.43	0.38
USD/AOA	571.4	-1.49%	18.49%	66.19%
AOA/USD	0.00175	1.51%	-15.61%	-39.83%
EUR/AOA	641.5	-1.45%	18.62%	65.31%
EUR/USD	1.125	0.26%	0.31%	-0.33%
USD/ZAR	17.04	-1.47%	21.72%	21.40%

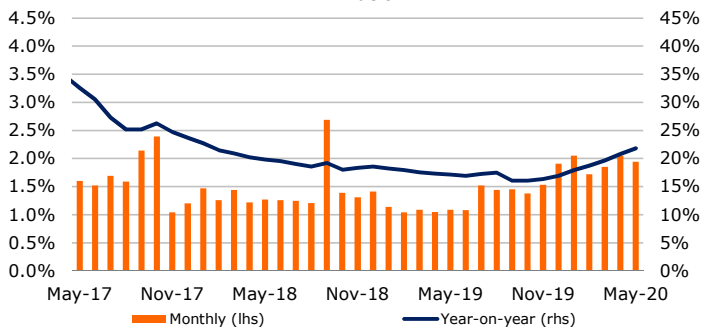
\*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

**Auctions of Treasury bonds and bills last week**

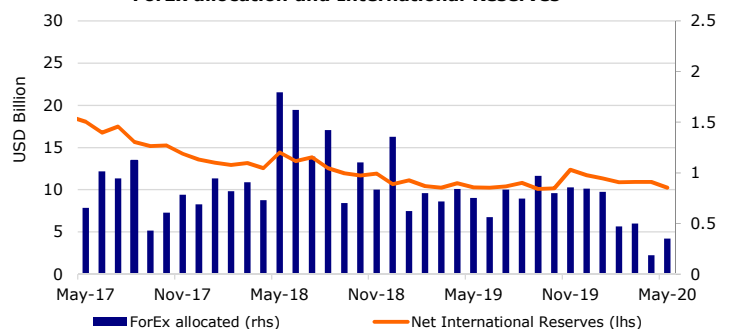
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	17.00%	20,000	19,000	19,000
OT (2 years)	22.50%	3,920	3,200	3,200
OT (3 years)	23.50%	1,007	4,800	4,800

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

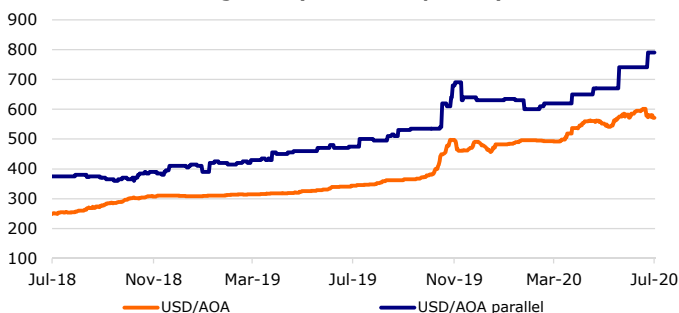
**Inflation**



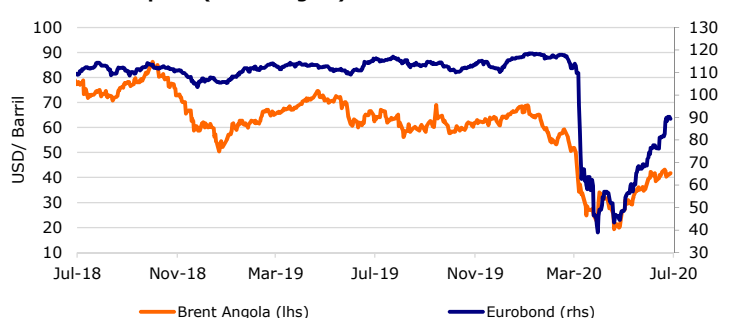
**ForEx allocation and International Reserves**



**Exchange rate (Official and parallel)**



**Oil price (Brent Angola) and Eurobond 2025**



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