

Market Information

According to the Angolan newspaper *Expansão*, the country requested an additional another USD 740 million from the IMF, under the current Extended Fund Facility program; USD 369 should be disbursed with the expected approval of the EFF's 3rd review, which is expected to take place this Thursday. Also according to the newspaper which had access to the still private report, the IMF reports an amount of USD 2.3 billion (Bn) this year in suspended debt repayments (resulting from the G20 agreement, but also from bilateral renegotiation with creditors). Despite the increased risks, the IMF staff reported a positive feedback, calling for the Board approval of the review and the request for extra funding. The increase in funding will raise the debt owed to the Fund to the equivalent of 6.2% of GDP - a ratio quite high by the institution's past standards. **Despite praise for the efforts of the Government, and the fulfillment of the performance targets, the IMF reports that 5 out of 12 structural targets have not been met** - the remaining 7 were achieved, although 2 of those with delay. The IMF also urges the BNA not to counter the depreciation of the Kwanza.

Net International Reserves (NIR) increased by USD 162 million in June - to USD 10.4 Bn. In relation to December 2019, NIRs have contracted around USD 1.3Bn, an average drop of USD 217 million per month - a harsher drop than in the 1st half of 2019, where NIRs observed an average monthly decrease of USD 67.6 million. **In the foreign exchange market, the Kwanza appreciated slightly against the Dollar, 1.62% compared to the previous week.** Thus, the Angolan currency traded at USD/AOA 556.8 and EUR/AOA 645.8 last Friday. In the parallel market, the Kwanza appreciated slightly (+0.4%) against the Dollar, being sold at an average of USD/AOA 780 on the sources queried by BFA; thus, the gap against the reference rate is around 40%. **The central bank has postponed for tomorrow its Monetary Policy Committee session (CPM), which should have taken place last Friday, without changes in the agenda.**

According to Deloitte's annual report on the banking system, **total banking assets grew 11% in 2019, to a total of AOA 14.1 billion.** On the other hand, the profits were 76% lower than in 2018, standing at AOA 78.4 Bn. Deposits increased by 25%; conversely, net credit decreased by 10% in the same period, partly due to significant credit impairments recorded; thus, the loan-to-deposit ratio decreased to 26%, a drop of 8p.p. compared to the 2018 ratio. NPL stood at 38.2%, 5.1p.p. above the previous year. The sector's equity increased by 10%; the average solvency ratio stood at 24.1%, practically unchanged compared to 2018.

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Indicator	2019*	2020**	2021**
GDP change (%)	-0.9	-2.25	0.85
Average Inflation (%)	17.2	24.0	19.3
Current Account (% GDP)	5.8	-6.4	-4.7

*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	Under Review	31/03/20
Standard & Poor's	CCC+	Stable	26/03/20

Monetary and ForEx data*

	24/07/20	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.39%	0.00	-13.43	1.57
USD/AOA	556.8	-1.59%	15.46%	60.15%
AOA/USD	0.00180	1.62%	-13.39%	-37.56%
EUR/AOA	645.8	-0.10%	19.42%	66.90%
EUR/USD	1.162	1.66%	3.61%	4.23%
USD/ZAR	16.69	-0.05%	19.19%	18.50%

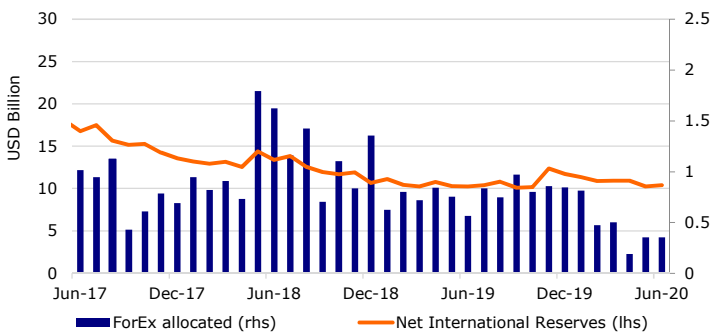
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

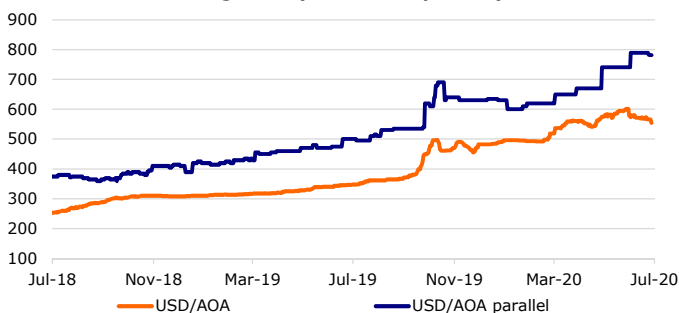
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	17.1%	2,662	4,085	4,085
BT (6 months)	17.6%	9,996	3,650	3,650
BT (12 months)	18.6%	3,467	3,590	3,590
OT (2 years)	23.5%	8,931	1,100	1,100
OT (3 years)	24.5%	7,698	985	985

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

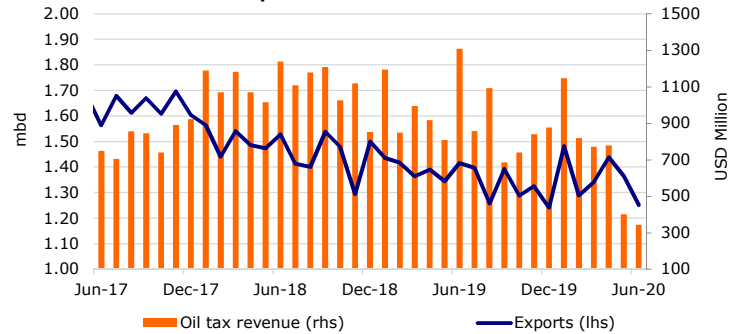
ForEx allocation and International Reserves



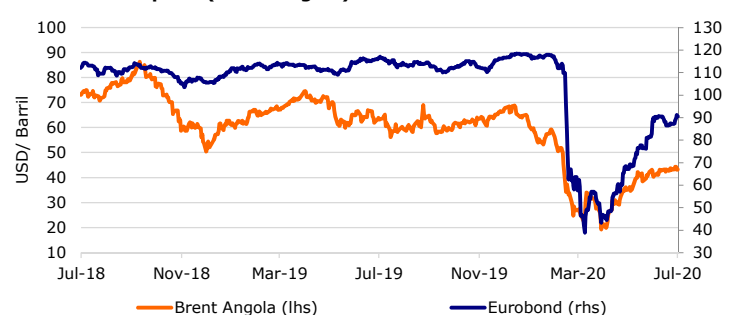
Exchange rate (Official and parallel)



Oil exports and oil tax revenue



Oil price (Brent Angola) and Eurobond 2025



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