

Market Information

The central bank announced, last week, new rules and procedures for foreign exchange transactions by individuals. In Notice 17/20, BNA clarifies that as of September, the payment of wages to foreign workers should be made to accounts domiciled in Angola. Thus, transfers abroad must be made through that account and not by the employer, as it was before. **According to BNA data, in April, over USD 425 million in foreign currency were made available to retail banks (-49.2% yoy).** BNA announced that USD 600 million will be made available to the market in August and September. **In the foreign exchange market, the Kwanza had a depreciation of 0.96% against the dollar.** The depreciation against the Euro was more significant (-5.8%) as the European currency gained value against the Dollar after the US announcement of USD 1.19 million unemployment benefit applications made in the last week of July. **In the parallel market, the Kwanza remained stable, quoting at an average of USD/AOA 787 on the websites consulted by BFA; thus, the gap with the reference rate stood at 35%.**

Maria Baptista was announced, last week, as the new chairman of the board for Comissão de Mercado de Capitais. In July, the State issued around AOA 118.95 billion (Bn) in treasury bonds, 2.1% above that recorded in June; Whereas 73.2% of the amount 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. The State also issued USD 3.1 million in Treasury Bonds in Foreign Currency (OT-ME) with terms of 2 and 4 years. For the month of August, the State will make available to the market about AOA 30 Bn in BTs, AOA 60 Bn in OT-NR and USD 8 million in OT-ME.

In 2019, the Industrial Production Index (IPI) fell by 2.2% compared to 2018. According to the report from INE, this fall is essentially due to a 4.5% decrease in the activity of the extractive industry and a 8,3% decrease in the collection, treatment and distribution of water and sanitation. On the other hand, there was a year-on-year increase of 5.3% in the manufacturing industry and 11.8% in the production and distribution of electricity, gas and steam. The IPI for consumer goods also showed a growth of 15.6%, compared to 2018.

The President decreed the extension of the State of Public Calamity to 8 September. The main change to the regulation is the permission for home quarantine by nationals and foreign residents from abroad, as well as asymptomatic citizens. On the other hand, the opening hours for commercial activity were extended to 7 PM.

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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*

	07/08/20	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.40%	0.01	-13.42	1.60
USD/AOA	583.3	0.96%	20.96%	62.66%
AOA/USD	0.00171	-0.95%	-17.33%	-38.52%
EUR/AOA	709.7	6.12%	31.22%	76.69%
EUR/USD	1.179	0.08%	5.12%	5.43%
USD/ZAR	17.64	3.32%	25.99%	17.27%

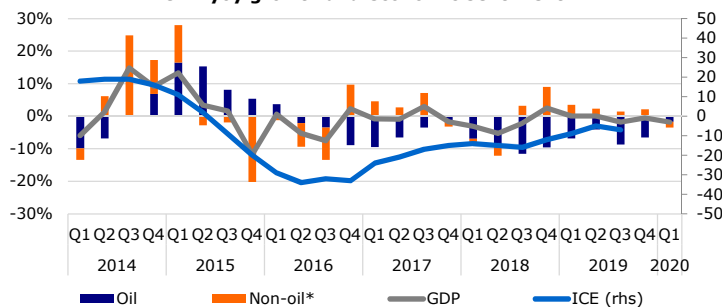
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	17.1%	15,643	23,541	23,541
BT (9 months)	17.5%	12,133	11,604	11,604
BT (12 months)	18.6%	11,251	14,128	14,128
OT (1.5 years)	23.5%	28,692	31,196	31,196
OT (2 years)	22.4%	22,011	17,613	17,613
OT (3 years)	23.3%	18,880	14,320	14,320

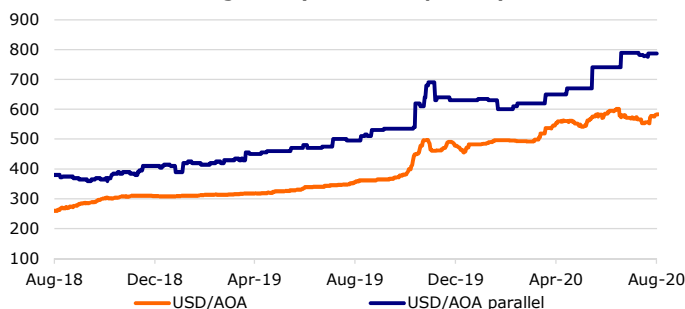
BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanza. USD OT in million Dollars * Bond linked to the exchange rate ** Bond linked to treasury bills

GDP yoy growth and economic sentiment

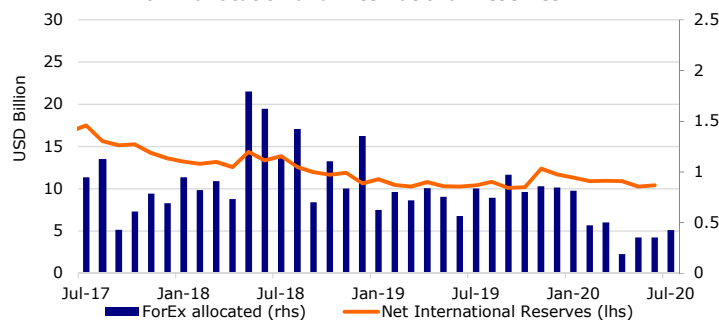


*Statistical proxy

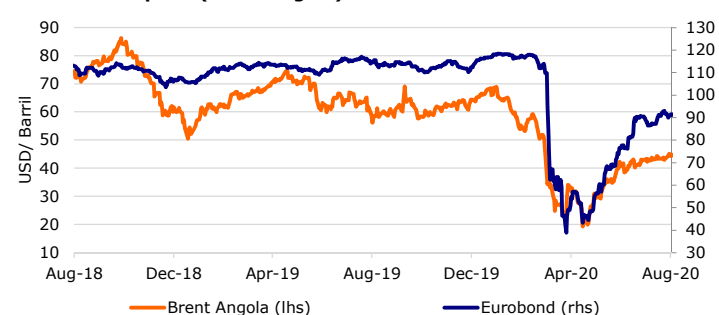
Exchange rate (Official and parallel)



ForEx allocation and International Reserves



Oil price (Brent Angola) and Eurobond 2025



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