

## Angola Weekly | 16/11

### Market Information

**Annual inflation continued to accelerate, reaching 24.4%, its highest value since November 2017, according to the INE.** In monthly terms, prices rose 1.81% compared to September, in a similar fashion to previous months. Inflation is expected to continue to rise until the end of the first quarter of 2021, and may reach close to 26%; during the rest of 2021, inflation will be conditioned to the manner and timing of the implementation of the new fuel price regime, which still lacks proper regulation.

**Imports of goods listed in PRODESI decreased in September relative to August, totaling USD 146 million (-19.9% mom), according to data from the Ministry of Finance.** Exports of these goods, on the other hand, continued to represent a small amount, at around USD 2 million in September, having been largely affected by logistical difficulties related to the pandemic (these had amounted to USD 8 million in January 2020). Still, the trade deficit for these products was the lowest in 5 months. From January through September, the trade deficit in these products was USD 1.39Bn, with imports of USD 1.42Bn and exports of USD 0.03Bn. Rice trade showed the largest deficit, of USD 56 million in these 9 months, followed by palm oil (USD -27 million) and medicines (USD -23 million). On the other hand, the products with the largest surplus are clinker (USD +1.8 million), followed by disposable diapers (USD +0.5 million) and beer (USD +0.4 million).

**Diamond exports amounted to 4.4 million carats between January and September 2020, a drop of 31.2% compared to the same period in 2019.** Export revenues suffered a similar decrease (-31.9%). Tax revenues contracted by 34.8%, to a total of USD 44.5 million.

**In the oil market, Brent is trading upwards today, supported by news of the a solid performance by Moderna's vaccine:** at the end of the morning, the commodity was trading around USD 44.3 (+3.5% compared to Friday). In the foreign exchange market, the Kwanza has remained stable this week, both in the official and parallel markets - it has lost 27,0% of its value against the Dollar in 2020 so far.

### Market Information

Indicator	2019*	2020**	2021**
GDP change (%)	-0.9	-4.2	1.5
Average Inflation (%)	17.2	22.6	20.0
Current Account (% GDP)	5.8	-6.6	-5.6

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

### Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	CCC	-	04/09/20
Moody's	Caa1	Stable	08/09/20
Standard & Poor's	CCC+	Stable	26/03/20

### Monetary and ForEx data\*

	13/11/20	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LIUBOR O/N	11.64%	-0.37	-17.18	-7.78
USD/AOA	661.0	0.13%	37.06%	42.91%
AOA/USD	0.00151	-0.13%	-27.04%	-30.02%
EUR/AOA	780.9	-0.41%	44.38%	53.44%
EUR/USD	1.183	-0.34%	5.54%	7.37%
USD/ZAR	15.51	-0.61%	10.77%	4.61%

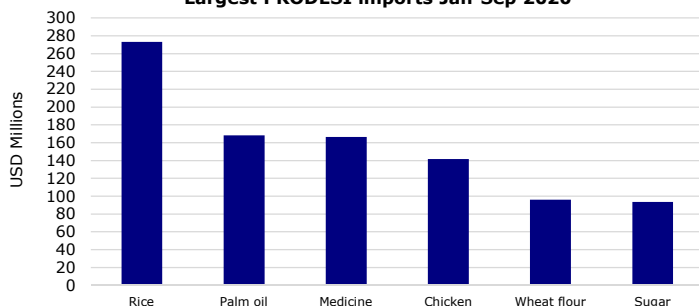
\*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

### Auctions of Treasury bonds and bills last week

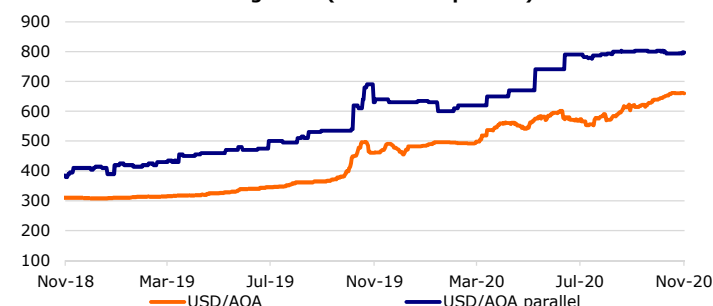
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	17.1%	25,000	30,021	30,021
BT (6 months)	18.0%	11,555	5,415	5,415
BT (12 months)	18.0%	10,000	6,663	6,663
OT (1,5 years)	23.5%	6,885	3,752	3,752
OT (2 years)	24.0%	24,521	8,077	8,077
OT-USD (2 years)	3.7%	2	2	2

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

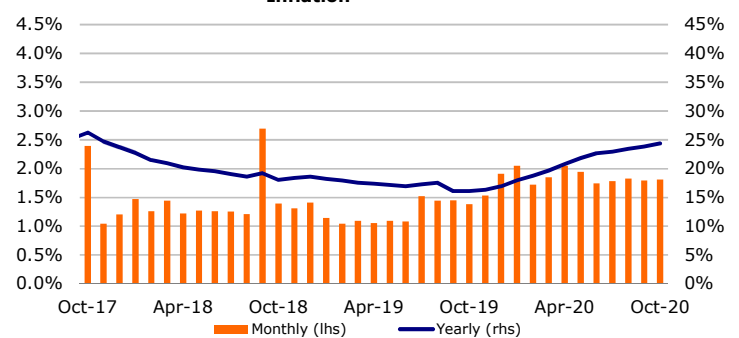
Largest PRODESI imports Jan-Sep 2020



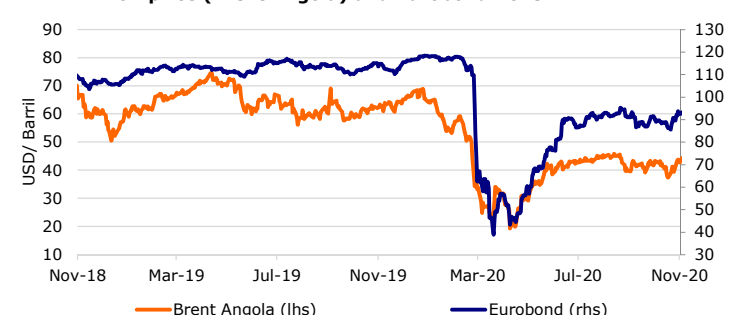
Exchange rate (Official and parallel)



Inflation



Oil price (Brent Angola) and Eurobond 2025



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