

Angola Weekly | 04/01

Market Information

The Angolan Oil & Gas agency (ANPG) scheduled the tender of nine oil blocks for June, three in the Lower Congo basin and six in Kwanza basin - the data on the blocks had been provided in May 2020. The tender is expected to be awarded in August 2021, followed by a contract negotiation period, due to finish in November. **In the international markets, Brent ended the year trading around USD 51, remaining dependent on the evolution of the pandemic, and on the distribution of the various vaccines, some already approved and some still under evaluation.** In addition, news is also expected from OPEC, which should decide on production levels again soon.

From January through October 2020, Angola exported 5.4 million carats in diamonds, a drop of 23.9% over the same period; the average price fell 3.7% yoy to USD 137.0. Export revenues contracted by 26.7% yoy, reaching USD 742.9 million, with the Government collecting USD 53.5 million in tax revenue (-29.2% yoy). The Executive expects production to grow again in 2021, to about 9.1 million carats.

This year, 661 projects were approved through the Government's diversification program (PRODESI), valued at AOA 727 Bn, of which AOA 479.5 Bn were made available through loans, close to 10% of total banking sector credit stock and 1.5% of total assets - according to Minister of Economy and Planning, the program resulted in 54 thousand jobs and the registration of 4 thousand producers. Last week, the BNA published a Notice requiring banks to comply with the minimum of 2.5% of the total net assets for favorable loans to projects that fall under PRODESI, by April 30 this year, waving with sanctions for unjustified non-compliance.

Two state bodies in the logistics sector were eliminated last week, the Conselho Nacional de Carregadores and the Office of the Lobito Corridor; instead, the Regulatory Agency for the Certification of Cargo and Logistics of Angola was created, whose regular mission is to inspect and supervise logistical activities by sea, land and air. On the other hand, it was also reported last week that the public transport sector recorded losses in 2020 valued at AOA 673 Bn.

In the foreign exchange market, the Kwanza has remained relatively stable over the past two weeks, standing at USD/AOA 649.9; in the parallel market, it is trading close to USD/AOA 800: the gap between the parallel exchange rate and the reference rate is around 23%, and around 20% compared to the average sell rate of retail banks.

Market Information

Indicator	2019*	2020**	2021**
GDP change (%)	-0.9	-4.6	1.2
Average Inflation (%)	17.2	22.0	19.0
Current Account (% GDP)	5.8	-6.1	-3.8

*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*

	01/01/21	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LIUBOR O/N	10.25%	-0.49	-18.57	-12.23
USD/AOA	649.9	-0.06%	34.77%	34.77%
AOA/USD	0.00154	0.06%	-25.80%	-25.80%
EUR/AOA	796.7	0.45%	47.32%	47.32%
EUR/USD	1.222	0.24%	8.94%	8.95%
USD/ZAR	14.69	0.57%	4.96%	4.86%

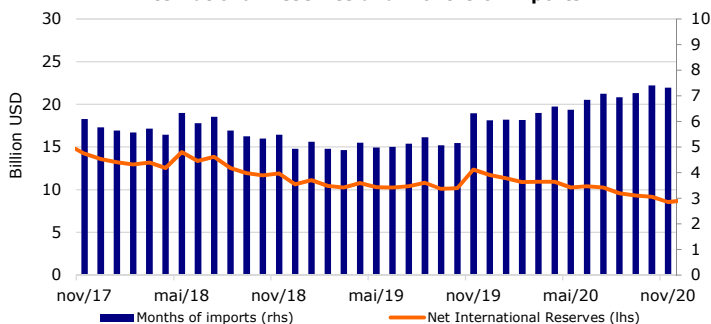
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

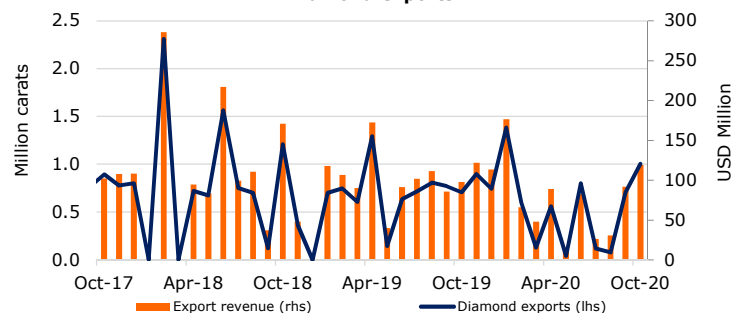
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	19.4%	20,000	22,840	22,840
BT (6 months)	20.6%	10,000	23,714	23,714
BT (12 months)	21.2%	13,790	17,505	17,505
OT (2 years)	3.7%	2	1	1
OT (3 years)	24.7%	20,000	1,800	1,800
OT (4 years)	24.8%	18,200	1,900	1,900

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

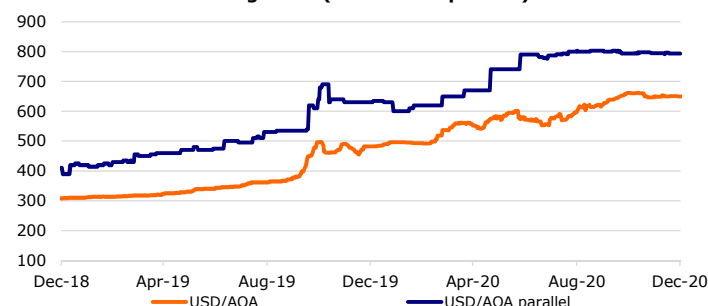
International Reserves and months of imports



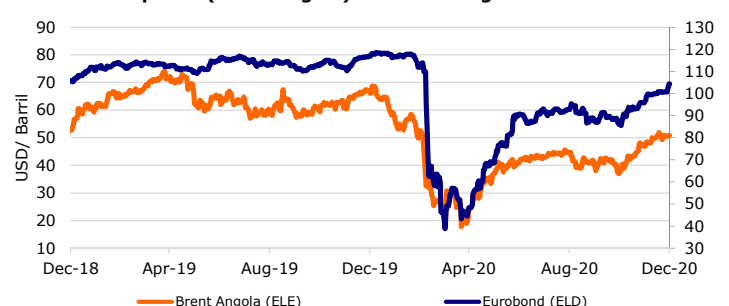
Diamond exports



Exchange rate (Official and parallel)



Oil prices (Brent Angola) and 2025 Angola Eurobond



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