

## Angola Weekly | 01/03

### Market Information

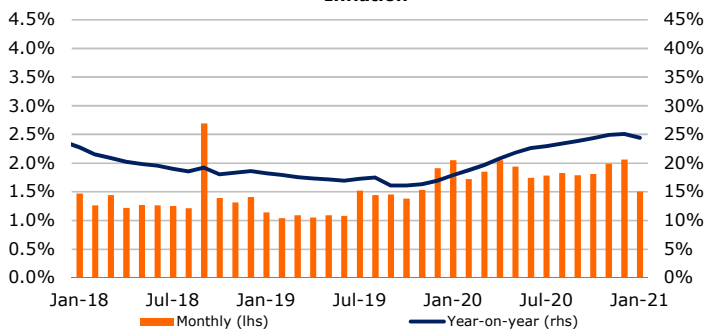
In the foreign exchange market, the Kwanza appreciated significantly last week: 3.5% against the Dollar, with the average exchange rate trading at USD/AOA 624.9 on Friday. In the parallel market, the average of the sources consulted by BFA points to an exchange rate of USD/AOA 753. Thus, the interval between the two rates has widened again and is now around 20.5%. Since the beginning of the year, against the Dollar, the Angolan currency has appreciated about 3.8% in the formal market and 5.3% in the parallel market.

According to a statement by the Minister of Transport, Ricardo D'Abreu, the Executive approved, last Monday, the restructuring and recapitalization of TAAG, valued at USD 700 million. During the virtual summit "Angola Aeronautic e-Summit", the minister clarified that this reinforcement is also due to the recommendations of the International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO), in the face of the adversities that the company is facing due to the impact of Covid-19 on airlines.

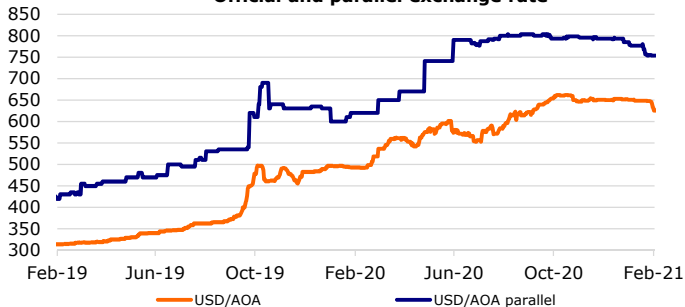
The World Bank (WB) and the French Development Agency (AFD) will lend USD 417 million for a project to support the development of the electricity sector. The financing will consist of a disbursement of USD 250 million by the BM and USD 167 million by AFD, to increase the operational, commercial and technical capacity of the three public energy companies, resulting in significant improvements in electricity services in the provinces of Luanda, Benguela, Huíla and Huambo. The project foresees the completion of 196.5 thousand new home connections, which will benefit around 1 million people.

According to the chairman of the Board of Directors of IGAPE, Patrício Vilar, 33 state assets were privatized from 2019 to 2020, which generated an amount of around AOA 355 Billion (Bn). For 2021, PROPRIV expects to sell around 20 assets, 11 by auction on the stock exchange and nine through an initial public offering. Based on Presidential Decree No. 44/21, within the divestments are several reference companies from multiple sectors, namely BCI, ENSA, BAI, Banco Caixa Geral de Angola, and also some of the major business references in the country, such as the oil company Sonangol, Transportadora Aérea Angolana (TAAG) and the national diamond exploration and marketing company - Endiama. According to the PROPRIV amendments approved on February 19th, new assets to be privatized (such as Mundial Seguros, ACREP, among others) were included, and other assets were removed from the program, including Sonair, the aviation company of the Sonangol group.

Inflation



Official and parallel exchange rate



### Market Information

Indicator	2020*	2021**	2022**
GDP change (%)	-5.6	1.6	5.3
Average Inflation (%)	22.3	19.4	19.4
Current Account (% GDP)	0.9	8.3	9.2

\*Inflation - INE; Current Account, GDP - BFA forecast  
\*\*BFA forecasts

### 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\*

	24/02/21	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	5.38%	0.00	-4.87	-14.81
USD/AOA	624.9	-3.48%	-3.84%	26.86%
AOA/USD	0.00160	3.60%	4.00%	-21.17%
EUR/AOA	756.7	-3.64%	-5.02%	40.43%
EUR/USD	1.208	-0.36%	-1.15%	9.76%
USD/ZAR	15.12	2.90%	2.90%	-2.35%

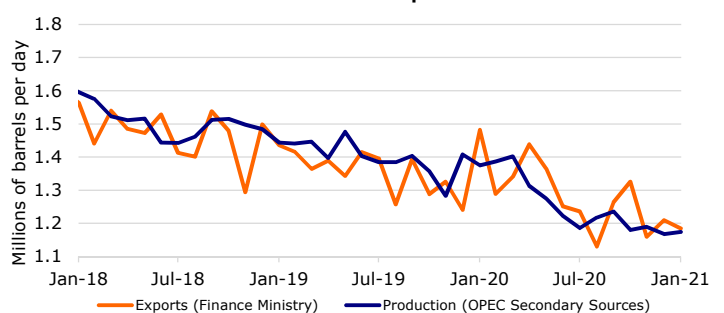
\*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

### Auctions of Treasury bonds and bills last week

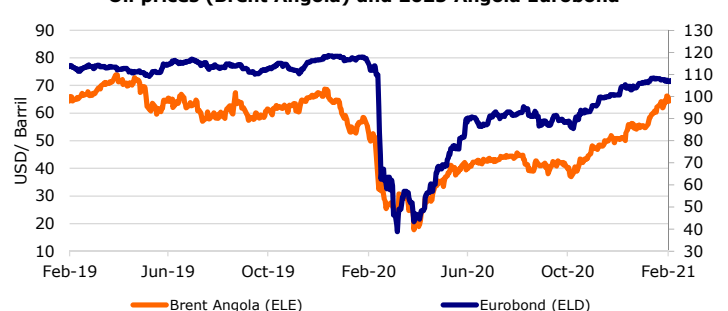
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	19.4%	18,005	30,197	30,197
BT (6 months)	20.5%	21,247	33,409	33,409
BT (12 months)	21.0%	18,447	10,438	10,438
OT (1,5 years)	23.7%	27,149	10,423	10,423
OT (2 years)	24.3%	17,000	2	2
OT (3 years)	24.8%	18,742	1,000	1,000

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

Oil Production and Exports



Oil prices (Brent Angola) and 2025 Angola Eurobond



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