

Market Information

Annual national inflation rose to 24.85% in February following a slight decline in January. In February, the price variation was 2.07%, 57bp above the change in January (1.50%). This fluctuation was mainly due to an increase in almost all items, with the exception of Housing, Water, Electricity and Fuels (reduction 0.11 bp to 0.86%) and Leisure, Recreation and Culture (reduction 0.15 bp to 0.98%), which had the opposite behaviour. Our expectation is that monthly inflation will continue to record high numbers, although it may slow down in the upcoming months.

According to data from MinFin, oil export revenues in February stood at USD 1.93 billion (Bn), the highest figure since March 2020. Although monthly exports have decreased 5.6% compared to January (34.7 million barrels), the average export price (USD 55.8) was the highest since the same period last year, having compensated the drop in production. Year-on-year, export revenues contracted 23.6%. **According to data collected independently by OPEC, Angola produced around 1.12 million barrels per day (mbd) in February, 50 mbd below the quantity recorded in January.** One should take note of the progress of the production volume in light of the new production reduction agreement, to which Angola is also a signatory - the production quota for Angola is 1.18mbd. **In international markets, Brent traded during the past week between USD 67-69, trading this morning at USD 69.8.** The upward pressure is mainly due to optimism about the recovery of the world economy and the low supply resulting from production cuts.

In the foreign exchange market, the Kwanza observed a relatively stable behaviour against international currencies, losing only 0.26% against the Dollar. On the other hand, in the parallel market, the Kwanza appreciated considerably, with the average of the sources consulted by BFA pointing to an exchange rate of USD/AOA 730; Kwanza has been gaining around 9% in the informal market since the beginning of the year: the gap between the two markets is now close to 19%.

The Board of Directors of Sonangol announced that, in 2020, the company achieved a net profit of USD 1.97 MM. According to the Chairman, Sebastião Martins, this result represents a 42.2% decrease in the institution's operating income compared to the 2019 result, mainly due to the Brent price drop due to the pandemic situation of COVID.

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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*

	10/03/21	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LIUBOR O/N	5.38%	0.00	-4.87	-10.65
USD/AOA	614.9	0.26%	-5.38%	23.45%
AOA/USD	0.00163	-0.26%	5.69%	-19.00%
EUR/AOA	733.0	0.10%	-7.99%	30.97%
EUR/USD	1.195	0.32%	-2.15%	6.87%
USD/ZAR	14.95	-2.65%	1.74%	-9.63%

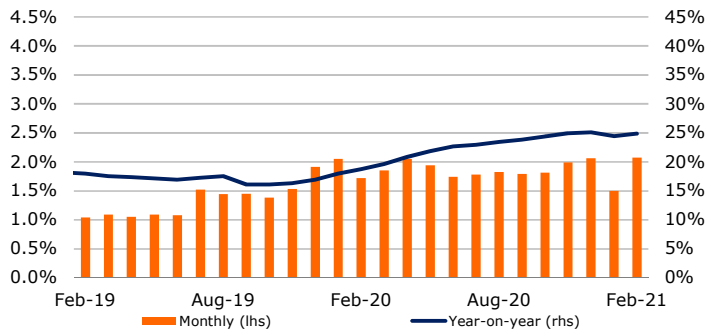
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

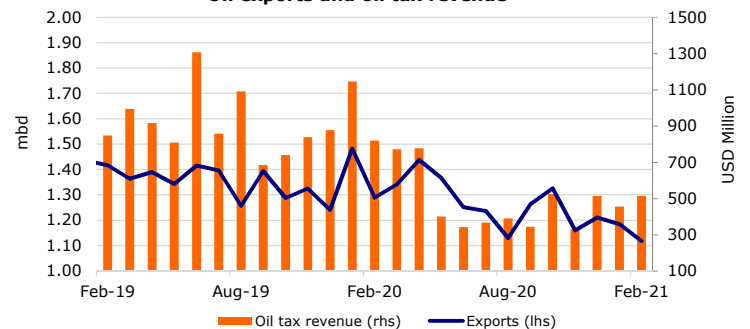
Maturity	Rate	Supply	Demand	Allocated
BT (3 months)	19.4%	18,208	19,030	19,030
BT (6 months)	20.5%	19,783	4,914	4,914
BT (12 months)	21.0%	16,248	5,767	5,767
OT USD (2 years)	3.7%	2	4	4
OT USD (4 years)	5.2%	32	32	32
OT USD (5 years)	5.9%	32	32	32

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

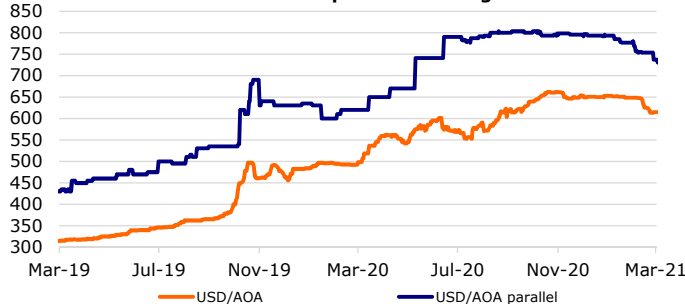
Inflation



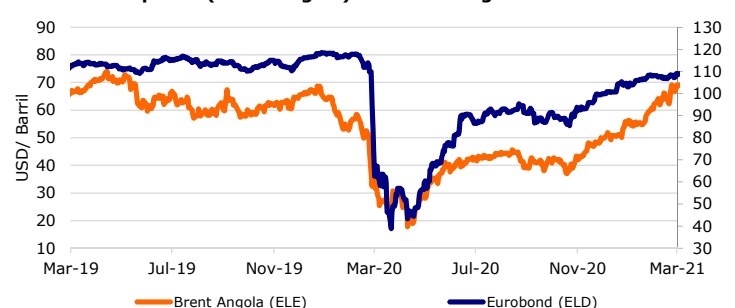
Oil exports and oil tax revenue



Official and parallel exchange rate



Oil prices (Brent Angola) and 2025 Angola Eurobond



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