

Angola Weekly | 29/03

Market Information

Angola will buy 6 million doses of the Sputnik V vaccine, of Russian origin, for USD 111 million. The purchase will sum to the 12.8 million that the country expects to receive throughout 2021 from the Covax initiative, whose first delivery took place in early March.

The ratings agency Moody's revised the growth forecast for Angola up to 2021, by 1.5 p.p, to 2.7%. This revision was mainly due to the rise in the price of oil, which will lead to an increase in revenues that will support economic growth and improve public accounts. Similarly, exchange rate stabilization can lead to a very significant drop in the debt-to-GDP ratio and stabilize inflation.

Endiama announced that two diamonds of 131 and 133 carat were found at the Lulo mine in Lunda Norte. The statement emphasizes that these are the fourth and fifth discoveries of special stones in just three months, at the Lulo mine, which is 40% owned by the Australian company Lucapa Diamond Company, 32% by Endiama and 28% by Rosas & Pétalas.

Restrictions on the import of a set of pre-packaged products were approved, in order to favour bulk imports, with local packaging. The Decree establishes that, within 90 days, imports of 15 identified products will be made in bulk - "Big Bags", including sugar, rice, coarse and refined salt, powdered milk, edible oil, among others. Exceptions are made for the licensing of some of these products, with, for example, importing sugar in 1 kg packages, or rice in packages weighing between 1-5 kg.

According to AIPEX, there were 345 private investment projects in the last three years, valued at USD 3.4 billion (Bn). Among the various sectors of activity, the Manufacturing Industry is the one that stands out the most with 153 projects and USD 1.7Bn channelled. There are also 78 projects (USD 149 million) for Trade, 69 Service projects (USD 313 million) and 16 projects in Agriculture (USD 213 million). Although Luanda continues to be the preferred investment destination, with around 79% of the proposals registered, the provinces of Bengo (13%), Benguela (12%) and Malanje (10%) are beginning to gain space.

In the oil market, Brent fluctuated between USD 60-65 during the past week, and is trading around USD 63-65 today. Prices fell compared to the highs recorded in the first half of the month, pressured by the persistence of the virus in several geographies.

Market Information

Indicator	2020*	2021**	2022**
GDP change (%)	-5.6	3.4	6.5
Average Inflation (%)	22.3	19.8	19.8
Current Account (% GDP)	2.9	11.3	7.0

*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*

	24/03/21	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	5.38%	0.00	-4.87	-11.56
USD/AOA	621.2	0.00%	-4.42%	15.76%
AOA/USD	0.00161	0.00%	4.63%	-13.61%
EUR/AOA	731.9	-1.02%	-8.13%	24.23%
EUR/USD	1.179	-0.92%	-3.45%	6.91%
USD/ZAR	14.98	1.85%	1.97%	-13.52%

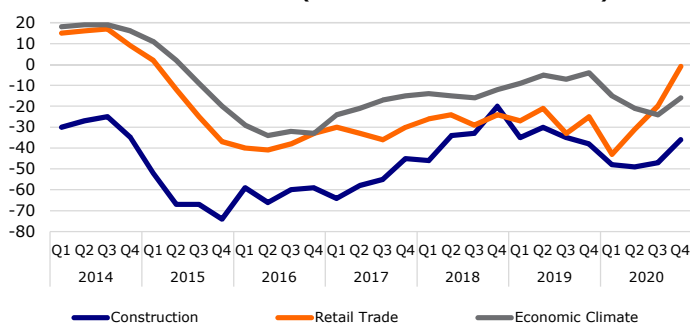
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

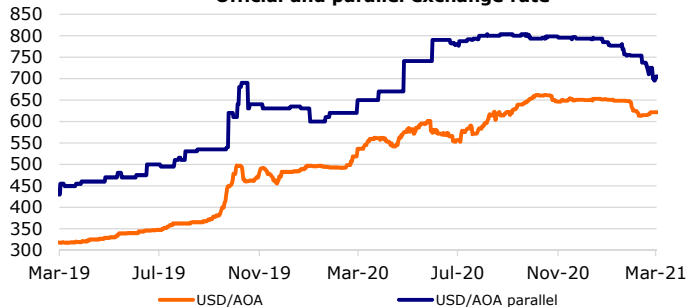
Maturity	Rate	Supply	Demand	Allocated
OT (1,5 years)	23.8%	20,000	7,500	7,500
OT (2 years)	24.5%	9,124	8,981	8,981
OT (3 years)	24.7%	1,056	5,513	5,513
OT (4 years)	24.8%	7,484	1,246	1,246

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

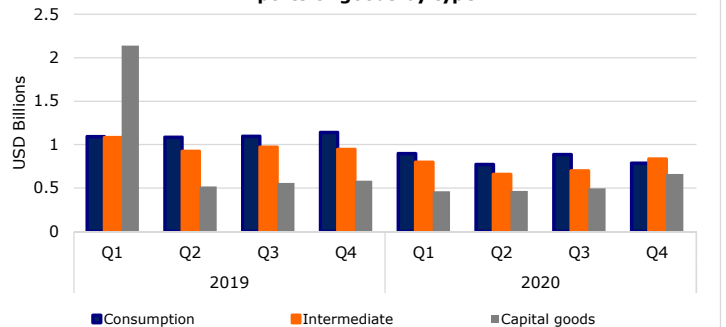
Economic Sentiment (Construction and Retail Trade)



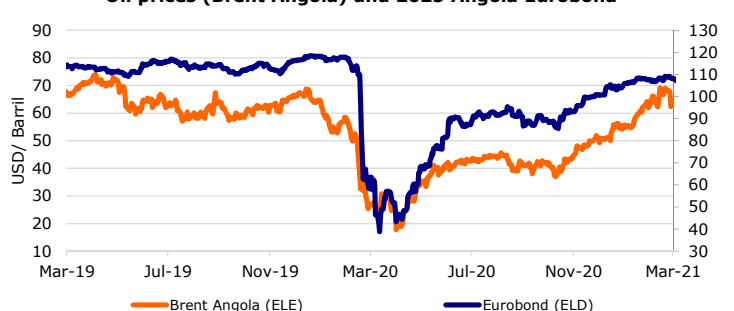
Official and parallel exchange rate



Imports of goods by type



Oil prices (Brent Angola) and 2025 Angola Eurobond



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