

Angola Weekly | 10/05

Market Information

In the first 3 months of 2021, Angola exported around 2.28 million of carats of diamonds, an 8.22% increase compared to the same period in 2020. The volume corresponds to a monthly average production of 761 thousand carats; with regards to tax revenue, the State raised USD 23.3 million, an increase of 8.8% yoy.

The French oil company Total, the largest oil operator in Angola, announced last week the start of production in the short cycle project Zinia Phase 2, in Block 17. According to the press release published on its website, the project includes the drilling of nine wells and is expected to reach a production volume of 0.04 million barrels per day by mid-2022. The project was carried out on schedule and with a CAPEX more than 10% below budget, representing savings of USD 150 million. The company estimates that this project has reserves of 65 million barrels. In addition to this project, CLOV Phase 2 should also start sometime between now and the end of the year, in the same Block; the original start date was in 2020 however it has been postponed due to the pandemic. **Sonangol signed last week an agreement for the purchase of two large oil tankers, as part of the renewal of its fleet.** According to Sonangol newspaper "Pacaça", the ships will be built by the Korean company Hyundai Samho Heavy Industry and will be delivered in the first half of 2023. In international markets, Brent registered a slight increase of 1.5% compared to the end of the previous week, trading around USD 68.3.

Last week, Banco de Poupança e Crédito (BPC) launched an electronic auction platform for the sale of 480 real estate assets. According to the chairman of the bank's board of directors, André Lopes, this process is part of the Bank's Restructuring Plan and the assets are valued at AOA 50.3 billion (Bn). **It was also announced that Recredit recovered, in the last 12 months, around AOA 7.8 Bn of bad loans that had been acquired at a discount from BPC.** According to the chairman of the board of directors of this entity, Walter Barros, the recovered amount is below the objective set, due to the economic uncertainties generated by the Covid-19 pandemic last year. For 2021, Recredit expects to recover AOA 19 Bn of non-performing loans.

The Bioenergy Company of Angola (Biocom), will produce 120 thousand tons of sugar this year. According to its assistant general director, Luis Bagorro, 18,000 cubic meters of ethanol and 63,000 megawatts of renewable electricity will also be produced.

Market Information

Indicator	2020*	2021**	2022**
GDP change (%)	-5.4	3.4	6.5
Average Inflation (%)	22.3	19.8	19.8
Current Account (% GDP)	1.5	11.3	6.9

*Inflation, GDP - INE; Current Account - BNA;
**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*

	07/05/2021	Change		
		7 days (p.p./%)	YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	12.12%	6.09	1.87	#N/A
USD/AOA	645.0	-0.01%	-0.76%	18.30%
AOA/USD	0.00155	0.01%	0.76%	-15.47%
EUR/AOA	777.8	-0.19%	-2.37%	32.11%
EUR/USD	1.217	1.21%	-0.41%	12.29%
USD/ZAR	14.06	-3.02%	-4.34%	-24.40%

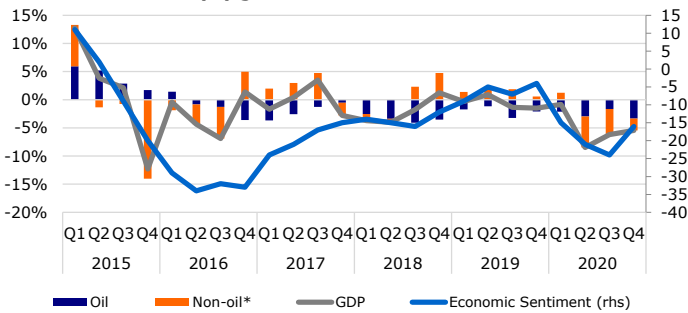
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

Maturity	Rate	Supply	Demand	Allocated
BT (12 months)	16.7%	25,000	8,037	8,037
OT 1.5 years	23.8%	20,000	14,364	14,364
OT 2 years	24.7%	20,000	12,014	12,014
OT 3 years	3.7%	10	10	10
OT 4 years	5.2%	35	35	35
OT 5 years	5.9%	30	30	30

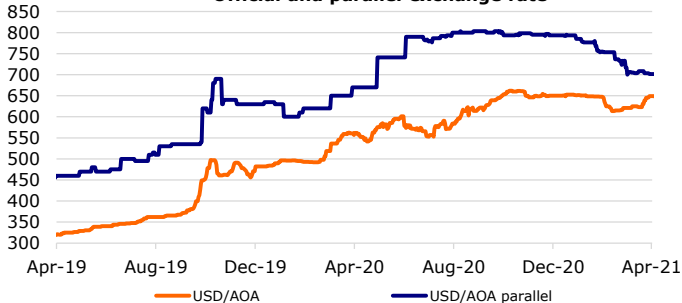
BT are treasury bills, OT are treasury bonds; Note: amounts (except for the rate) are in million Kwanzas. USD OT in million Dollars * Bond linked to the exchange rate ** Bond linked to treasury bills

GDP yoy growth and economic sentiment

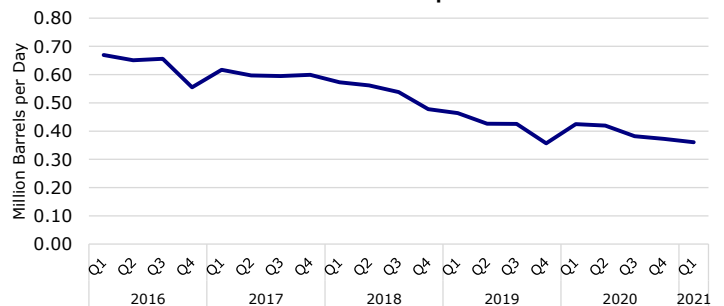


*Statistical proxy

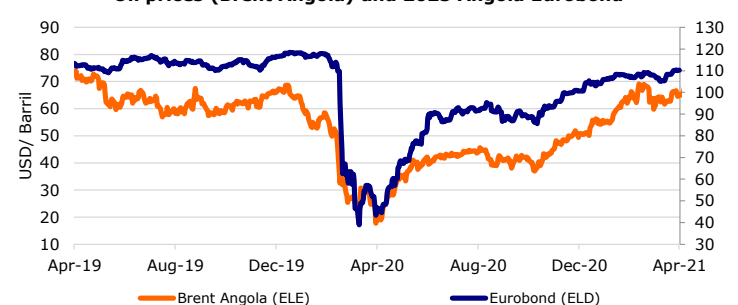
Official and parallel exchange rate



Block 17 Oil Exports



Oil prices (Brent Angola) and 2025 Angola Eurobond



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