

Market Information

From January through May this year, Angola exported around 3.37 million carats of diamonds, an increase of 24.1% compared to the same period last year. The average export price was USD 151.5 (+4.4% yoy). As a result of these two increases, export revenue rose 29.6% yoy, totaling around USD 510 million. With regard to tax revenue, the Government collected just over USD 38 million, an increase of 48.2% yoy. The numbers are in line with the same period in 2019, before the pandemic.

The Minister of State for Economic Coordination, Manuel Nunes Júnior still expects economic stagnation this year. During the press conference regarding the 5th evaluation of the IMF Program, the official informed also that the country should post a budget surplus of 2.6% of GDP this year (compared to the deficit of 2.3% of GDP foreseen in the Budget); in January, our perspective, assuming a Brent average of USD 51.4, already pointed to a surplus of around 0.6% of GDP - the oil benchmark should average upwards from USD 65 this year. In Q1 2021, our calculations based on figures from the Ministry of Finance point to a surplus of at least 1.5% of GDP. Regarding the balance of payments, the Government forecasts a larger current account surplus than the financial account deficit, which should result in a recovery of Net International Reserves. **Finance Minister Vera Daves announced during this press conference that in 2021 non-oil tax revenues are expected to be above the budgeted level due to the revenue-raising measures implemented last year.** The minister also informed that public investment may exceed the value published in the Budget to allow the completion of several important projects. Personnel expenses may also slightly exceed budgeted, and the payment of arrears should also accelerate compared to the expected pace.

Last week Sonangol began the process of partially selling its stakes in some oil concessions. The company intends to sell shares in blocks 03/05, 04/05, 5/06, 15/06 and 18.

According to the head of IGAPE, Patrício Vilar, the Kero supermarket chain (seized for the State in a criminal case in October 2020) will go through a tender for private management this Monday. At a press conference, the official pointed out the interest of the French retailer Carrefour and the South African Shoprite (already present in Angola) in the competition; the winner is expected to be announced in September. **In addition, the sale of 3 Infotour hotels in Huíla, Benguela and Namibe has also started today.**

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Indicator	2020*	2021**	2022**
GDP change (%)	-5.4	3.4	6.5
Average Inflation (%)	22.3	22.5	22.5
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*

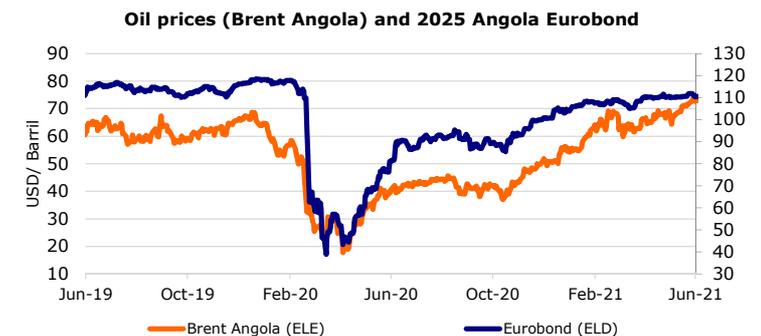
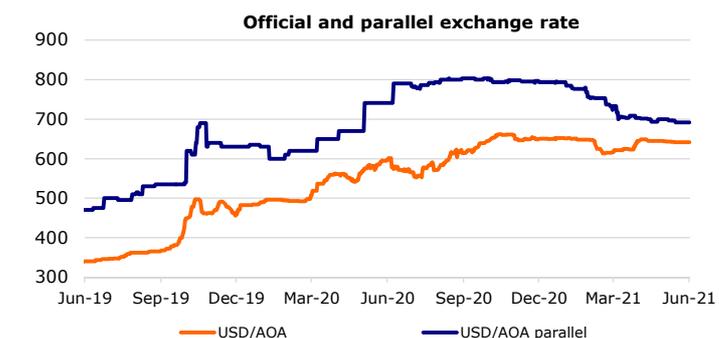
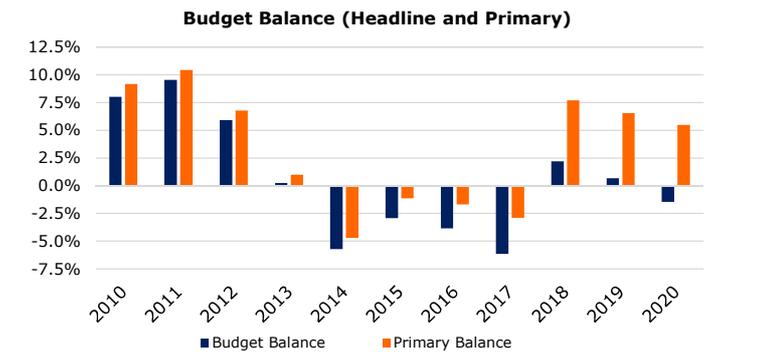
	18/06/21	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	15.78%	0.62	5.53	0.42
USD/AOA	642.0	0.00%	-1.22%	7.59%
AOA/USD	0.00156	0.00%	1.23%	-7.05%
EUR/AOA	764.7	-1.91%	-4.02%	13.91%
EUR/USD	1.192	-1.59%	-2.45%	6.35%
USD/ZAR	14.08	2.62%	-4.21%	-19.44%

*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%	28,630	12,437	12,437
OT 1.5 years	23.8%	9,995	9,509	9,509
OT 2 years	24.5%	13,855	11,700	11,700
OT 3 years	24.7%	18,799	5,000	5,000
OT 4 years	24.8%	20,000	6,261	6,261
OT 5 years	25.0%	20,000	14,243	14,243

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



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