

Angola Weekly | 15/11

Market Information

In the first 10 months of the year, oil exports saw a drop of 14.0% yoy, at an average value of 1.13 million barrels per day (mbd). According to Ministry of Finance data, 1.18 mbd were exported in October, a 11.1% drop yoy, although still the highest value since January of this year. On the other hand, the average export price rose 50.1% yoy, at an average of USD 64.3. Regarding export earnings, oil yielded USD 22.1 billion (Bn) in sales between January and October, corresponding to an increase of 29% yoy. In fiscal terms, the State collected around USD 7.6Bn during the period (+28.6% yoy). **Data collected independently by OPEC point to a year-on-year drop of 4.7% in production in October, totaling 1.12 mbd.** According to the cartel's monthly report, between January and October 2021, the average production was around 1.12 mbd, a drop of 12.7% compared to the same period of the previous year. We expect some stability in exports during 2022, around 1.10 mbd, with some investments in Blocks 0, 15/06, 17, 18 and 32 expected to offset the natural downward trend in production. **In international markets, Brent closed the week at just below USD 82.**

From January through October 2021, Angola exported around 8.27 million carats of Diamonds, a growth of 52.6% compared to the same period last year. The average export price during the period was around USD 157, USD 20 above the one registered in the same period of the previous year. Export revenues grew 74.7% yoy, totaling around USD 1.3 billion (the highest value in the last 10 years for the period from January to October). In relation to fiscal revenue, in the first 10 months of the year, the Government collected USD 97.6 million (+82.3% yoy). **In a shareholder shuffle, Endiama and Alrosa acquired 8.2% of Sociedade Mineira de Catoca (which belonged to Wargan= for USD 70 million.** The state-owned company and the Russian diamond company now have 41% of this diamond venture, while LLI holds with 18% of shares.

The National Bank of Angola (BNA) and the Comissão do Mercado de Capitais, Angola's financial markets authority, stipulated that Financial Banking Institutions will have to transfer securities investing activities to Non-Banking Financial Institutions linked to the Securities Market (MVM) until the end of 2022. According to the CMC press release, as of January 1, 2023, the banks' licenses will be automatically revoked.

Macroeconomic Forecasts

Indicator	2020*	2021**	2022**
GDP change (%)	-5.4	1.3	2.9
Average Inflation (%)	22.3	26.0	22.7
Current Account (% GDP)	1.5	10.2	3.7

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

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	CCC	-	04/09/20
Moody's	B3	Stable	13/09/21
Standard & Poor's	CCC+	Stable	26/03/20

Monetary and ForEx data*

	12/11/21	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	18.96%	0.00	8.71	7.32
USD/AOA	596.9	-0.02%	-8.16%	-9.75%
AOA/USD	0.00168	0.02%	8.88%	10.80%
EUR/AOA	690.2	0.30%	-13.37%	-11.67%
EUR/USD	1.145	-1.05%	-6.31%	-3.06%
USD/ZAR	15.33	1.83%	4.31%	-2.05%

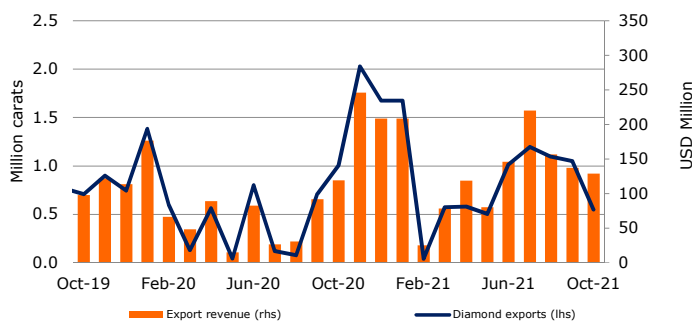
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Auctions of Treasury bonds and bills last week

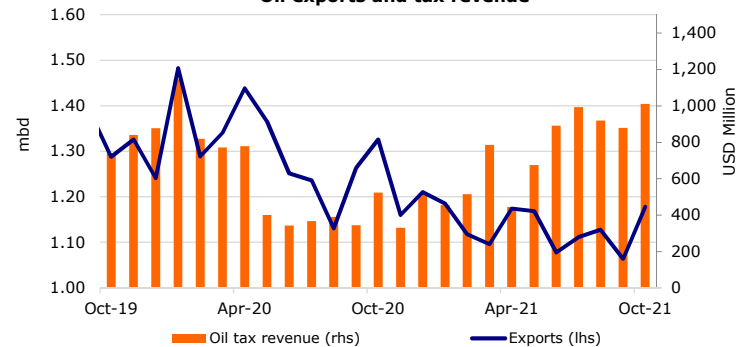
Maturity	Rate	Supply	Demand	Allocated
BT (12 months)	15.0%	3,000	2,649	2,649
OT 1.5 years	17.4%	6,500	3,013	3,013
OT 2 years	23.8%	7,000	12,780	12,780
OT 3 years	24.5%	6,500	13,519	13,519
OT 5 years	24.7%	6,500	12,566	12,566
OT USD 3 years	25.0%	2,230.0	536.0	536.0

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

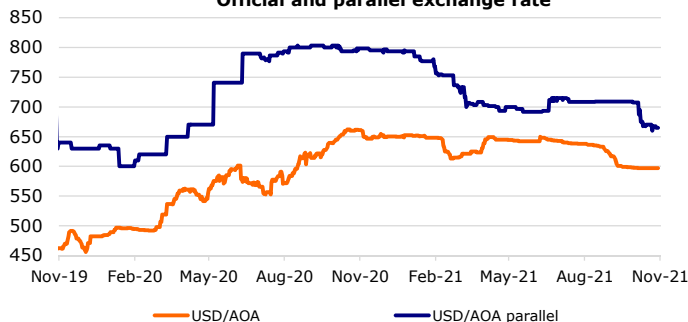
Diamond Exports



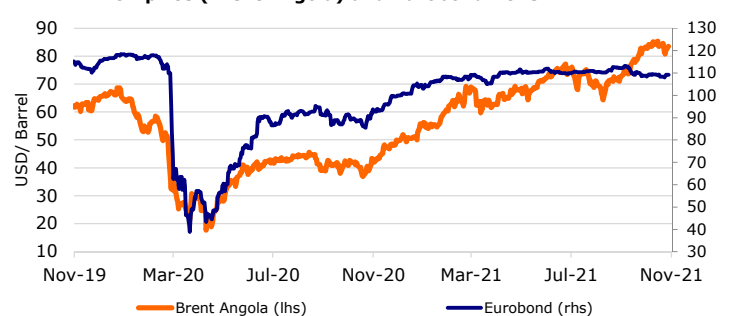
Oil exports and tax revenue



Official and parallel exchange rate



Oil price (Brent Angola) and Eurobond 2025



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