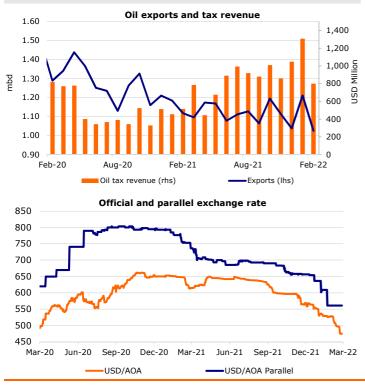
BFA Angola Weekly | 14/03

In the 4th quarter of 2021, the Economic Climate Indicator (ECI) rose 17 points compared to the same period in 2020, the 4th consecutive quarter of increase - in Q3 2021, the year-on-year rise was 22 points. Compared to the previous quarter, the ICE rose 3 points, having been rising since Q4 2020. All sectors recorded quarterly and yearon-year increases; in particular, the Transport sector had the highest yearon-year growth (+37 points), followed by Manufacturing (+29 points); on the other hand, the Tourism sector grew less (+11 points). Looking at other indicators of economic activity, the combined amount of cash withdrawals and POS purchases rose 25.5% yoy in February, accelerating from the 9.0% yoy rise in the previous month. According to EMIS data and BFA calculations, year-on-year growth had been below 20% since September last year, and is now closer to the level of inflation, which signals stronger dynamics in private consumption at the end of the 1st quarter of this year. Discounting inflation, in the 3 months through February, purchases and withdrawals likely still decreased by close to 13% yoy (compared to a decline of 14.5% yoy in the quarter ending in January). According to BNA data, imports, another relevant indicator for growth, rose again in January (+7.1% yoy), after a drop of 15.6% yoy in December; nevertheless, the rise is still well below the growth of inflation. Discounting inflation, in the 3 months through January, imports dropped 27.6% yoy. Taking into account these indicators and the economic data, we estimate a continuation of economic growth in the last quarter, possibly less strong than in Q3 2021 in the non-oil sector, but faster overall, due to a smaller drop in oil GDP: the economy should grow between 1.8-2.3%. For Q1 2022, indicators point to private consumption being able to support the recovery from February/March onwards.

In February, oil exports fell again by around 8.3% year-on-year, at an average value of 1.03 million barrels per day (mbd), after a slight recovery in January. The average export price rose 54% yoy, at an average of USD 85.9 per barrel. As a result of this rise, exports generated USD 2.73 billion (bn) in sales, corresponding to an increase of 41.3% yoy. At the same time, oil tax revenue rose 24.5% yoy to AOA 412.3bn. The price of Brent remains under pressure, and is still trading above USD 100, despite a slight slowdown from the peak of the first week of the month. Today, the commodity is trading close to USD 110. Oil companies BP and Eni announced last Friday the creation of the oil company Azule Energy to operate in Angola, in an operation valued at more than 10 billion dollars. According to the statement, the new company will be 50% owned by each of the companies, producing more than 0.20mm boe (barrels of oil equivalent/day) in oil and gas and with net resources valued at around two billion barrels of Oil.



Macroeconomic Forecasts

Indicator	2021*	2022*	2023*
GDP change (%)	0.8	5.5	4.0
Average Inflation (%)	25.8	18.7	8.5
Current Account (% GDP)	11.4	6.6	1.5

*BFA forecasts

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B-	-	21/01/22
Moody's	B3	Stable	13/09/21
Standard & Poor's	B-	Stable	04/02/22

Monetary and ForEx data*

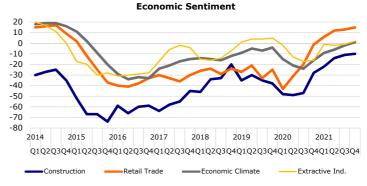
		Change		
	09/03/22	7 days (p.p./%)	YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	18.96%	0.00	0.00	13.32
USD/AOA	469.9	-1.08%	-15.33%	-23.58%
AOA/USD	0.00213	1.09%	18.10%	30.86%
EUR/AOA	516.8	-1.44%	-17.83%	-29.77%
EUR/USD	1.091	-0.15%	-4.03%	-8.96%
USD/ZAR	15.04	-2.27%	-5.62%	1.42%

*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

Rate	Supply	Demand	Allocated
16,5%	3,000	2,000	2,000
18,50%	3,010	3,370	3,370
19,50%	100,000	14,100	14,100
	16,5% 18,50%	16,5% 3,000 18,50% 3,010	16,5% 3,000 2,000 18,50% 3,010 3,370

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



Oil price (Brent Angola) and Eurobond 2025



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