

## Angola Weekly | 30/05

### Market Information

**From January to April 2022, Angola exported a total of 2.33 million carats of diamonds, a drop of 18.6% compared to the same period in 2021.** On the other hand, the accumulated average price almost doubled (+92.4% yoy) to USD 269.7 in the first 4 months of the year, which led to an increase in export earnings by 46.2% yoy, standing at USD 628.8 million, with the Government collecting USD 45.6M in revenue tax (+41.0% yoy).

**The price of crude oil ended the week close to USD 116, representing its highest value since the end of March.** The price of Brent has already increased by approximately 47.7% compared to the beginning of 2022, mainly due to the continuation of the conflict between Russia and Ukraine. The latest increase is also linked to the gradual end of confinement in Shanghai, China – the commodity is currently trading close to USD 120, well above the average of USD 110 per barrel for the last 3 months. In addition, there is also continued speculation about a new formulation of a proposal for an embargo on Russian oil by the European Union, despite Hungary's continued opposition so far.

**Two sovereign guarantees were approved to support the construction of a Caustic Soda and Calcium Hydrochloride plant, amounting to USD 26,72 million, within the scope of Deutsche Bank's EUR 1 billion credit line.** These guarantees were granted to the company Salinas Calombolo, the largest salt producer in the country. The guarantees support individual financing agreements between the BDA, Deutsche Bank, and the Spanish Export Credit Agency: 85% of the amount will be used to cover import contracts and 15% to cover financing for the construction of the factory.

**The Angolan President approved last Tuesday a 10% increase in retirement pensions.** According to the statement, the minimum pension amount rose by 43.6% to AOA 48,272 (USD 115), while the maximum amount increased by just 1.6% to AOA 607,874 (USD 1,450). At the same time, the Government set the minimum disability pension amounts at AOA 30,994 and the survivor's pension at AOA 30,894. **The Government also approved the salary adjustment for civil servants of the different categories.** The proposal, which has already passed through parliament, implies greater relative increases in categories with lower incomes; as an example, the lowest-earning class, 2nd Class Cleaning Assistant, will be increased by 102% to AOA 67,807, while the highest-earning classes will see increases of around 7%, well below inflation.

### Macroeconomic Forecasts

Indicator	2021*	2022**	2023**
GDP change (%)	0.7	6.8	5.6
Average Inflation (%)	25.8	21.4	10.3
Current Account (% GDP)	10.7	8.6	2.0

\*GDP and inflation - INE; Current account - BFA forecast  
\*\*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\*

	27/05/2022	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	11.20%	-0.80	-7.48	-2.43
USD/AOA	419.3	0.93%	-24.45%	-34.72%
AOA/USD	0.00239	-0.92%	32.37%	53.18%
EUR/AOA	450.6	2.70%	-28.36%	-42.50%
EUR/USD	1.074	1.62%	-5.58%	-11.97%
USD/ZAR	15.59	-1.59%	-2.18%	13.19%

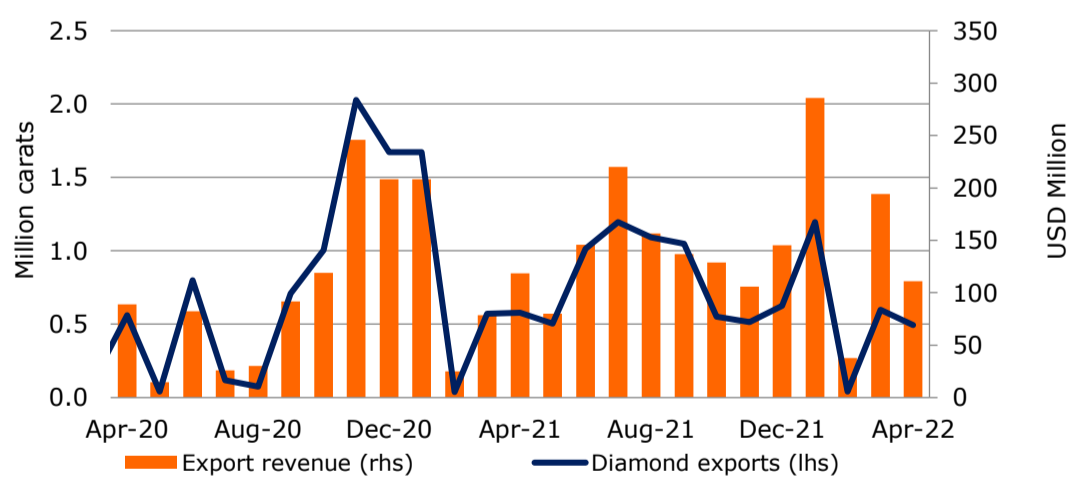
\*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

### Auctions of Treasury bonds and bills last week

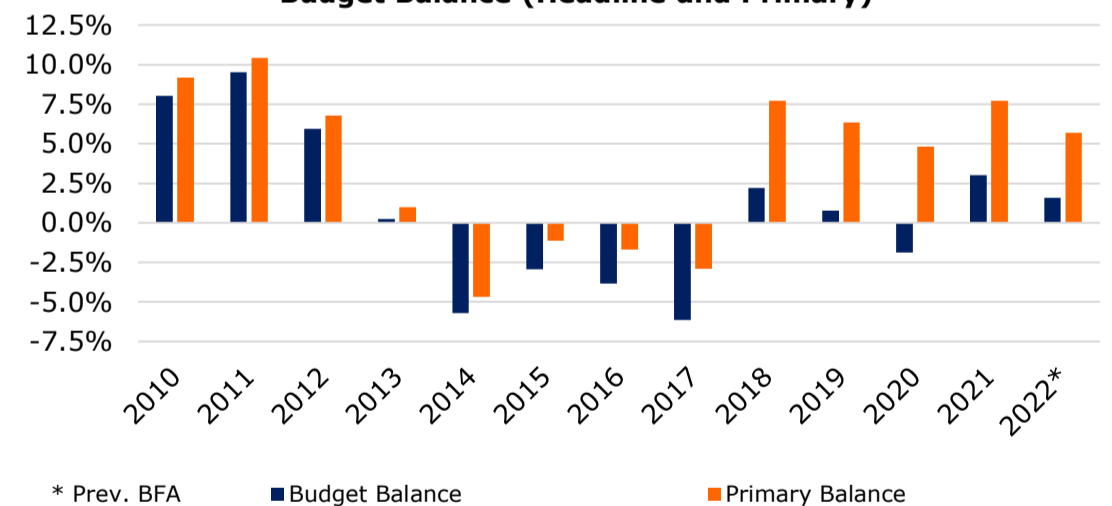
Maturity	Rate	Supply	Demand	Allocated
BT (12 months)	14.0%	5 000	25 784	10 000
OT AOA (2 years)	16.5%	2 000	7 600	2 500
OT AOA (4 years)	18.4%	4 815	1 845	4 815
OT AOA (10 years)	21.0%	5 000	2 100	21 000
OT USD (3 years)	3.7%	1.00	3.39	3.39
OT USD (5 years)	4.7%	1.00	2.02	2.02

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

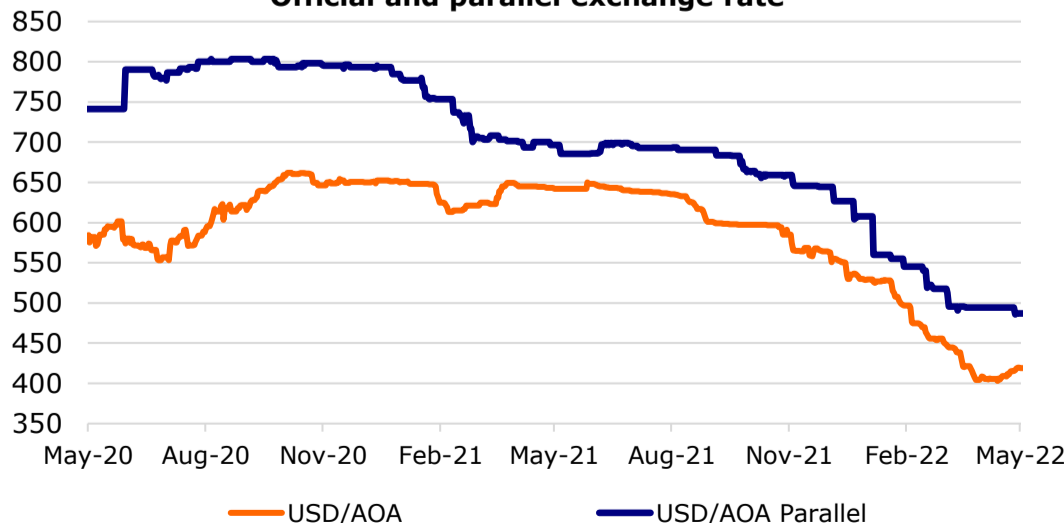
Diamond Exports



Budget Balance (Headline and Primary)



Official and parallel exchange rate



Oil price (Brent Angola) and Eurobond 2025

