

Angola Weekly | 13/06

Market Information

In the first quarter of 2022, the Economic Climate Indicator (ICE) again increased, rising 15 points compared to the same period in 2021, the 5th consecutive quarter of increase. Compared to the previous quarter, ICE rose 5 points, rising since Q4 2020. Almost all sectors recorded quarterly and year-on-year increases, with the exception of Retail which recorded a 4-point reduction compared to Q42021. It should be noted that retail year-on-year indicator increases have been slowing down considerably having even lost about 44 points between Q12021 and Q12022. On the other hand, there are sectors that have grown more strongly, especially the transport sector which has returned to the highest year-on-year growth (+37 points), followed by Tourism (+25.4 points) and communication (23 points). According to BNA data, imports, one of the indicators relevant to growth, from January to April 2022, recorded year-on-year growth of +25.4%; the rise is now very close to inflation growth.

Last week, ANPG and TotalEnergies and its Block 17 partners (Equinor, Exxon Mobil, BP and Sonangol P&P) agreed to launch the CLOV Phase 3 development in an investment valued at USD 850 million. According to a statement, this final investment decision will be implemented in Block 17, and it is expected that the project will be able to develop additional production of existing fields at a peak of 30,000 barrels per day. Considering the start of production of the recent projects implemented in Block 17, namely CLOV Phase 2 and Zinia phase 2, we estimate that production in this Block could reach 0.4 mbd this year. ANPG expects more significant investment in the oil sector for the next five years. According to the information provided by the Director of the Strategic Planning Office Alcides Andrade, this forecast covers especially the extension of production licenses in Blocks 0, 15, 17 and 18.

IGAPE has completed the privatization process of the Nosso Super store network. According to the statement, the said process was carried out by way of the public tender in the form of assignment of the right of operation and management of the network of stores Nosso Super, meanwhile, of the 24 stores made available for privatization, only 15 were awarded, and the rest were not awarded because they were not tendered.

In the foreign exchange market, the week again recorded a depreciation of 2.21% of The Kwanza against the Dollar and 0.11% against the Euro, having closed the week at USD/AOA 435.8 and EUR/AOA 458.5. The Kwanza continues to lose ground against the US Dollar and the Euro, a scenario opposed to the exchange rate performance that has seen since mid-2021. At a time when the price of oil remains high, a possible slowdown in the depreciation of Kwanza is expected, the result of an increase in foreign exchange in the market.

Macroeconomic Forecasts

Indicator	2021*	2022**	2023**
GDP change (%)	0.7	5.6	4.9
Average Inflation (%)	25.8	21.4	7.0
Current Account (% GDP)	10.7	3.1	1.9

*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*

	10/06/2022	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	14.00%	2.81	-4.68	-1.16
USD/AOA	435.8	2.26%	-21.47%	-32.11%
AOA/USD	0.00229	-2.21%	27.34%	47.31%
EUR/AOA	458.5	0.11%	-27.11%	-41.33%
EUR/USD	1.052	-1.87%	-7.48%	-13.57%
USD/ZAR	15.86	1.98%	-0.51%	16.51%

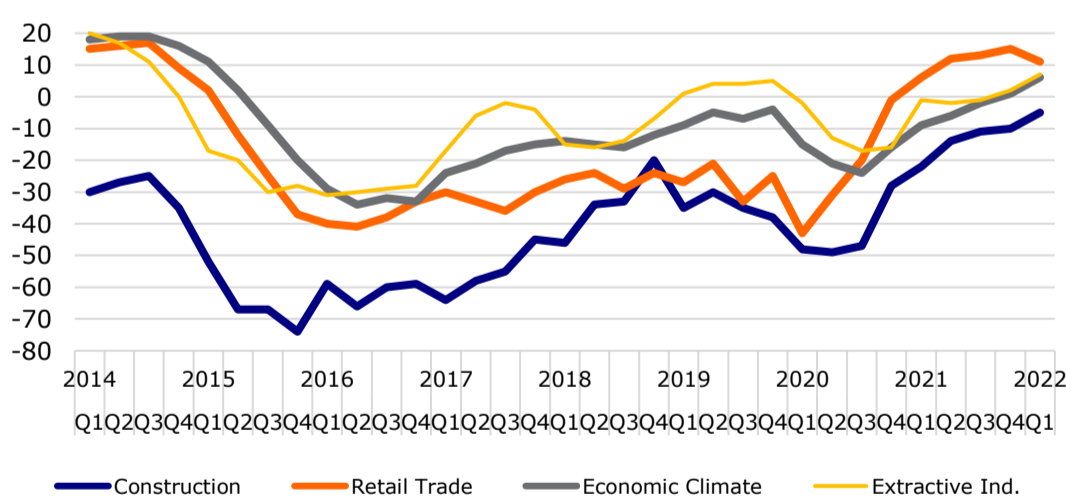
*Change of USD/AOA (or EUR/AOA) shows the appreciation/depreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

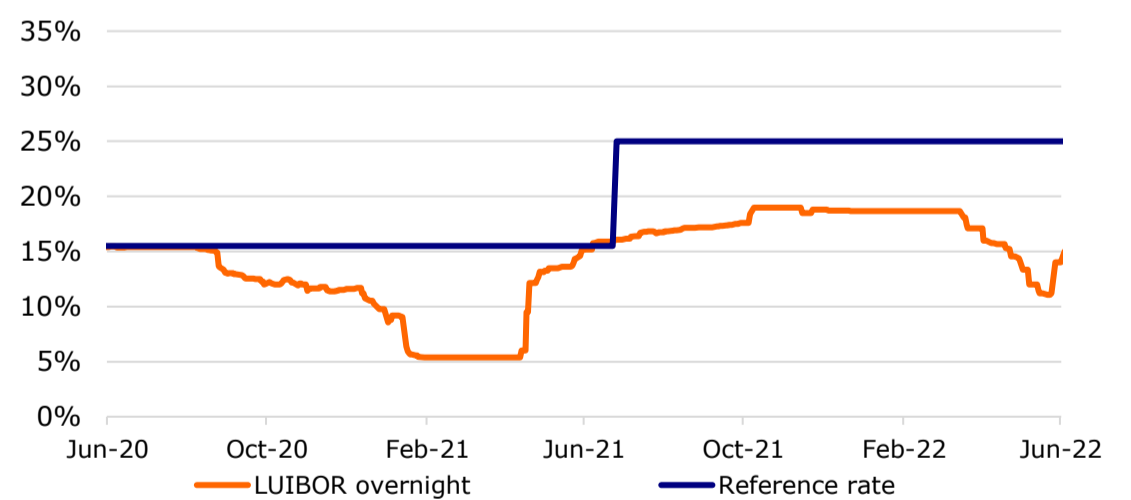
Maturity	Rate	Supply	Demand	Allocated
OT AOA (2 years)	16.5%	5 000	7 608	7 608
OT AOA (4 years)	18.4%	21 560	16 738	16 738
OT AOA (6 years)	19.5%	20 000	19 977	19 977
OT AOA (10 years)	21.0%	5 000	3 040	3 040
OT USD (3 years)	3.7%	1.00	0.20	0.20
OT USD (4 years)	4.2%	1.00	0.35	0.35

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

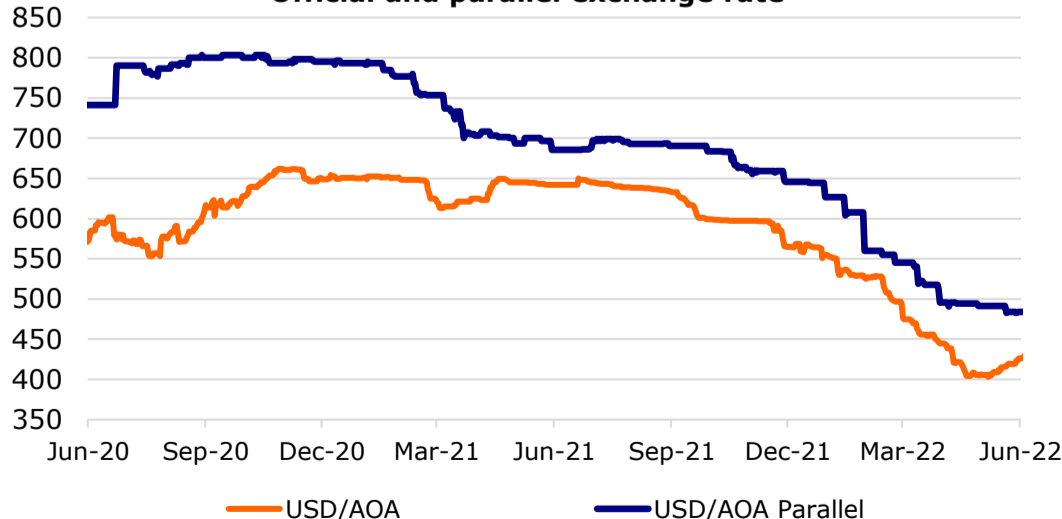
Economic Sentiment



Reference rate and interbank rate



Official and parallel exchange rate



Oil price (Brent Angola) and Eurobond 2025

