

Angola Weekly | 26/12

Market Information

In Q3 2022, the Angolan trade balance recorded a positive balance of AOA 6.17 trillion (+71% yoy). According to data published by the INE, this is an increase in year-on-year terms in the value of exports and imports in the order of 48.7% and 7.5%, respectively. The export structure remains very concentrated, with fuels representing about 95.5% of the total exported in Q3 2022, amounting to AOA 7.91 trillion. Exports of agricultural goods recorded the highest annual increase (+54.0%), although they accounted for only 0.1% of sales of goods abroad. Among the most relevant imports, fuel purchases rose 39.3%, machinery & equipment purchases fell 21.5%, while agricultural goods rose 3.5%. For the main trading partners registered in Q3 2022, in terms of exports, China and India stood out representing about 35.6% and 11.1%, respectively. The main import partners in the same period were: China with 17.5%, South Korea with 11.6% and Portugal with 9.6%.

Three more industrial units were privatized in the Special Economic Zone, raising 1.4 billion Kwanzas for the State. Following an analysis of the public tender held last October, the proposals of the following firms were approved: Casanova - Home & Office, Angomelhor - Trade and Industry and Ultrastone, which will be the new owners of the industrial units INDUCON, LABCONTROL AND TENSÃO-BT, respectively. In the same auction, the proposals for the units INDUCAMAR, SIDUREX and PIVANGOLA were not approved, and these will now be sold through a process of an electronic auction.

4 years after the beginning of the program, only now the Credit Support Program (PAC), of the PRODESI program, reached half the amount predicted for the end of 2019 in credit granted, according to data collected by Jornal Expansão. By the end of 2019, AOA 141 billion was expected to be provided, equivalent to USD 434 million expected at the time. After 4 years, projects in the amount of AOA 71.9 billion were approved.

Government debt interest rates are at 2015 lows in a context of greater fiscal space. As examples, since the beginning of the year, the interest rate on 364-day Treasury Bills has fallen 419 basis points (pb) to 11%, while the 4-year Treasury Bond rate has dropped 673 bp to 16.27%.

Macroeconomic Forecasts

Indicator	2021*	2022**	2023**
GDP change (%)	0.7	4.6	2.4
Average Inflation (%)	25.8	21.2	12.2
Current Account (% GDP)	9.8	9.6	1.2

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

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B-	Positive	7/15/2022
Moody's	B3	Positive	10/20/2022
Standard & Poor's	B-	Stable	2/4/2022

Monetary and ForEx data*

	12/23/2022	7 days (p.p./%)	Change YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	10.00%	0.00	-8.68	-8.73
USD/AOA	503.9	-0.10%	-9.21%	-10.71%
AOA/USD	0.00198	0.10%	10.14%	11.99%
EUR/AOA	535.2	-0.26%	-14.92%	-16.27%
EUR/USD	1.062	0.29%	-6.62%	-6.27%
USD/ZAR	17.0	-3.74%	6.80%	8.74%

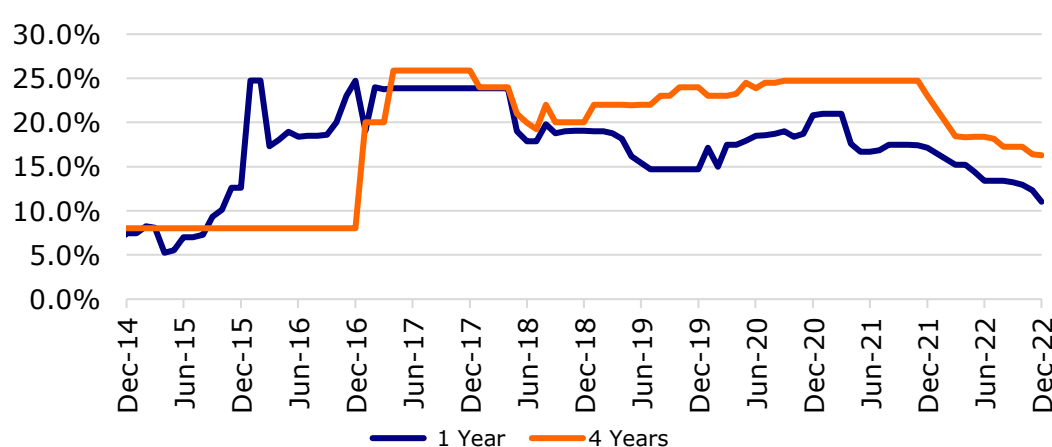
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Auctions of Treasury bonds and bills last week

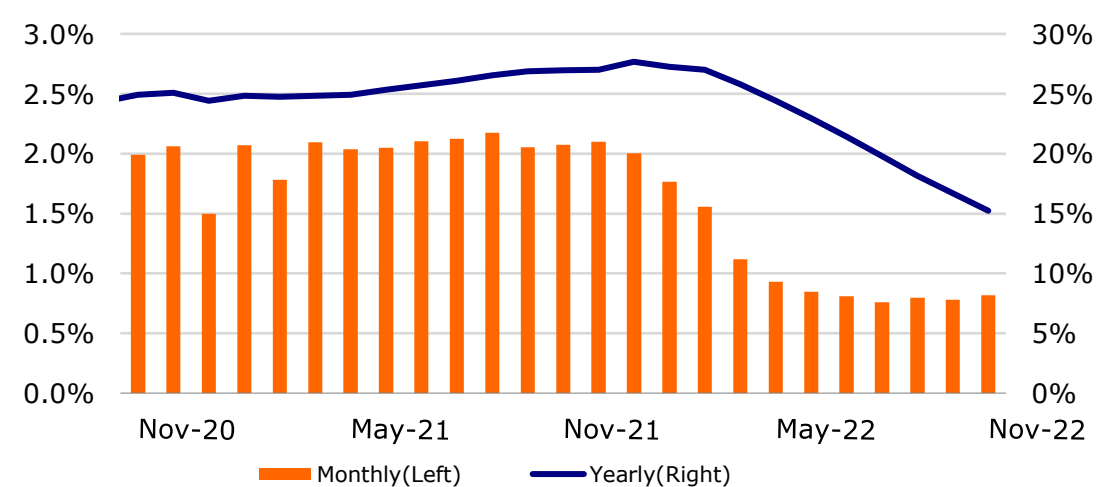
Maturity	Rate	Supply	Demand	Allocated
BT (182 days)	9.5%	5,000	5,000	5,000
BT (182 days)	9.2%	18,000	30,302	13,200
BT (364 days)	11.0%	5,500	5,500	5,500
OT USD (4 years)	4.2%	2.00	1.00	1.00
OT USD (3 years)	3.7%	2.00	0	0
OT AOA (10 years)	21.0%	3,000	4,060	500

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

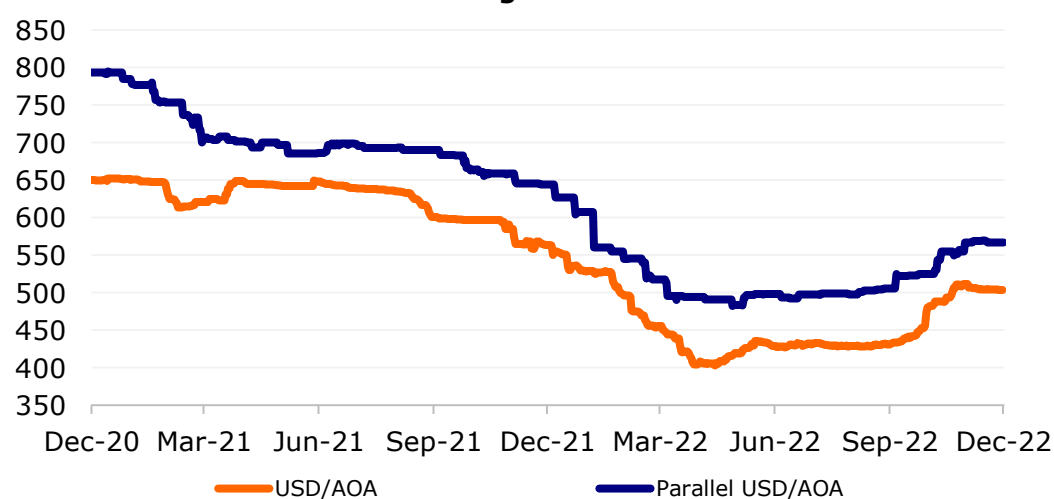
Government Local Debt Yields



Inflation



Exchange Rate



Oil Price (Brent) and Eurobond 2025

