

Angola Weekly | 29/05

Market Information

Last week, the State began issuing short-term public debt, issuing AOA 3.5Bn in 364-day Treasury Bills, with a yield of 10.75%, a drop of 0.25 pp compared to the last issue in same maturity, 11%. The offer was AOA 30Bn, but the demand was only AOA 12.6Bn with the Treasury opting to issue a smaller amount achieved by accepting to pay a lower yield. It is expected that BTs will soon be issued with maturities of 3 and 6 months. According to the Annual Debt Program, for this year, around AOA 3,096Bn will be raised via internal debt, of which AOA 557Bn correspond to BT's and the rest distributed between Treasury Bonds and loan agreements.

The new General Labor Law was approved by a large majority, with only 2 votes against, revoking the previous one that had been in force since 2015. The law involves changes regarding working hours, remuneration, vacations, licenses, contract termination, and other rules fundamental to industrial relations, being more favorable for workers than the previous legislation. In particular, the figure of the open ended employment contract becomes the contract by default, and telework and service commission contracts being possible as special figures; there are also changes to the regulation for the mobility of workers within the scope of a group of companies and the reconfiguration of the criteria for setting additional remuneration, and for determining indemnities and compensation. Another difference is the ending of the distinction between large and small companies, for the purpose of determining compensation and other aspects.

According to Jornal Expansão, banking profits fell to AOA 372.9 Bn (-11% yoy). This result was strongly influenced by the losses recorded by the publicly owned Banco de Poupança e Crédito (BPC), around AOA 120Bn. Not counting BPC, banking profits were AOA 493.3 Bn in 2022 (AOA -6.4 Bn compared to 2021). Of the 23 banks authorized to operate in the Angolan market, only 20 released their reports and accounts and economic and financial statements, of which 18 registered profits and the rest, losses. BFA continues to lead in terms of profits, with BAI remaining the bank with the most assets; likewise, BIC continues to be the bank with the largest loan portfolio.

The Kwanza maintained its downward trend against the Dollar and the Euro, having ended the week depreciating by around 4.18% against the American currency and 3.64% against the European currency.

Macroeconomic Forecasts

Indicator	2022*	2023**	2024**
GDP change (%)	3.0	1.2	5.9
Average Inflation (%)	21.7	10.7	14.1
Current Account (% GDP)	12.5	3.7	4.3

*Inflation - INE; GDP & 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*

	5/26/2023	7 days (p.p./%)	Change	
			YTD (p.p./%)	12 months (p.p./%)
LUIBOR O/N	8.66%	-0.04%	-1.34%	-2.54%
USD/AOA	560.4	4.37%	11.25%	33.53%
AOA/USD	0.00178	-4.18%	-10.11%	-25.11%
EUR/AOA	601.3	3.77%	11.88%	33.70%
EUR/USD	1.072	-0.76%	0.17%	-0.02%
USD/ZAR	19.7	1.03%	15.35%	25.12%

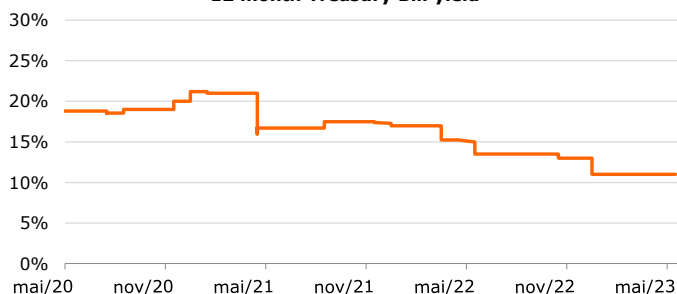
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Weekly domestic debt securities auctions

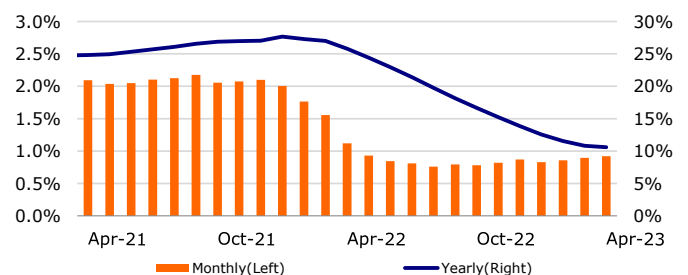
Term	Yield	Offer	Demand	Allocated
BT (364 days)	10.8%	30,000	12,600	3,500
OT AOA (10 years)	17.0%	10,000	20,000	20,000
OT AOA (10 years)	17.0%	15,000	10,150	10,150
OT AOA (5 years)	16.0%	10,000	1,922	1,922
OT AOA (5 years)	16.0%	5,000	11,000	11,000
OT USD (3 years)	4.5%	1	0	0

BT are treasury Bills, OT are Treasury Bonds; Note: amounts (except for yield) are in million Kwanza. OT USD (Dollar Treasury Bonds) are shown in million Dollars

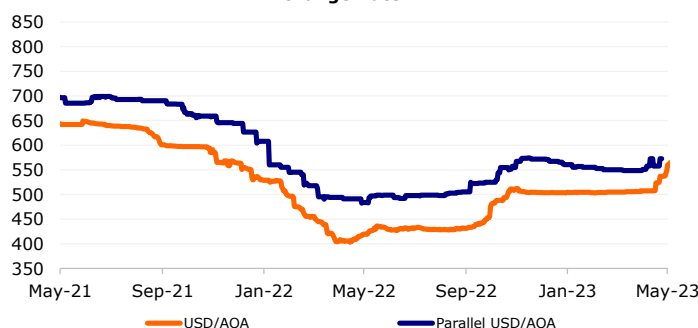
12 month Treasury Bill yield



Inflation



Exchange Rate



Oil Price (Brent) and Eurobond 2025

