

**Market Information**

**In the fourth quarter of 2023, the unemployment rate rose 2.3 percentage points (pp) compared to the same quarter of 2022, standing at 31.9%, the highest since the Q4 2021.** This increase represents a setback compared to the pace of deceleration that the unemployment rate had been experiencing since Q1 2022, which by the way will be in line with the performance of economic activity, especially non-oil activity. The employment rate stood at 60.7%, the lowest value since Q3 2021, around 2.5pp less than in Q4 2022. The unemployment rate in Angola remains persistently around 30%, therefore being one of the highest in the world, with only a few countries with higher rates, such as Namibia and South Africa, 34% and 32.4%, respectively, according to updated data from Bloomberg. Among SADC, although the data varies depending on the sources consulted, data from the International Labor Organization show other economies with unemployment rates above 20%, with emphasis on the Democratic Republic of Congo and Botswana. The slowdown in non-oil economic activity will have contributed to the acceleration of the unemployment rate and a reduction in the employment rate: the unemployment rate began to decelerate in Q1 2022 in line with the expansion of non-oil economic activity, but rose in Q4 2023, by the way, at a time when the non-oil economy was already performing significantly worse compared to 2022. According to our calculation, the 2.3pp increase in the unemployment rate represents an absolute growth of around 543 thousand people in the population economically active without employment. Regarding employment numbers, the trend is in the same direction as economic activity. Our calculations indicate that around 10 thousand jobs were created between Q4 2022 and Q4 2023. The employment rate, by contracting around 2.5pp to 60.7%, led the market to not absorb and maintain a number total of 327 thousand people unemployed.

**According to ANPG data, oil production in January stood at 1.14 million barrels per day (mbd), 2.9% above the same month in 2023, and also above the quota that would be applied by OPEC to Angola, 1.11 mbd.** This is the 5th consecutive month of year-on-year increase in oil production; from our perspective, 2024 should be a year of slight increase in oil production, with some pockets of new production in some blocks, reflected in the slight growth in oil GDP, possibly already in the 1st quarter of the year.

**Private sector deposits fell 0.7% in January, with sector deposits in national currency rising 1.0% compared to December.** Year-on-year, deposits are rising 41.1% in nominal terms; Even so, removing the effect of inflation, these data point to real year-on-year growth of 19.1%; In private sector deposits in national currency, real year-on-year growth is 16.0%, the highest in recent years, possibly indicating some economic recovery.

**Macroeconomic Forecasts**

| Indicator               | 2023* | 2024* | 2025* |
|-------------------------|-------|-------|-------|
| GDP change (%)          | 0.8   | 2.1   | 3.2   |
| Average Inflation (%)   | 13.7  | 21.7  | 15.7  |
| Current Account (% GDP) | 0.1   | 7.9   | 8.1   |

BFA \*\*Forecast

**Sovereign Rating**

| Rating Agency     | Rating | Outlook  | Last change |
|-------------------|--------|----------|-------------|
| Fitch             | B-     | Stable   | 26/06/2023  |
| Moody's           | B3     | Positive | 20/10/2022  |
| Standard & Poor's | B-     | Stable   | 04/02/2022  |

**Monetary and Forex data\***

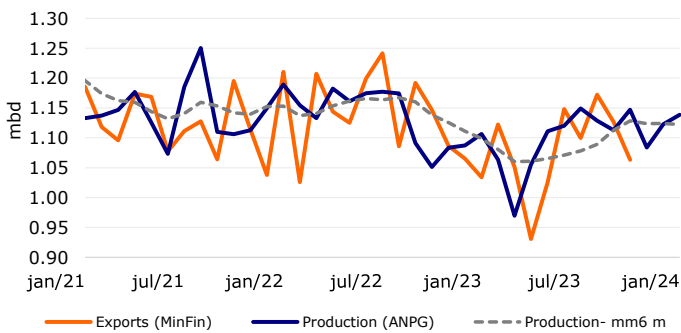
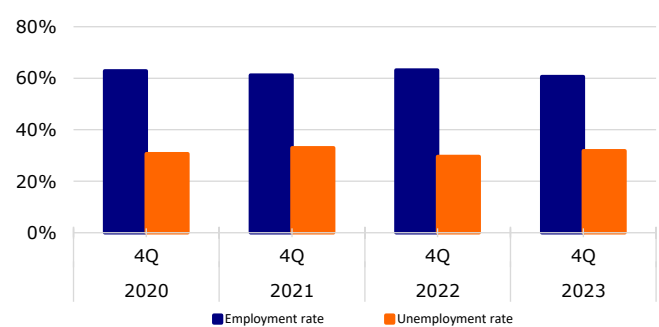
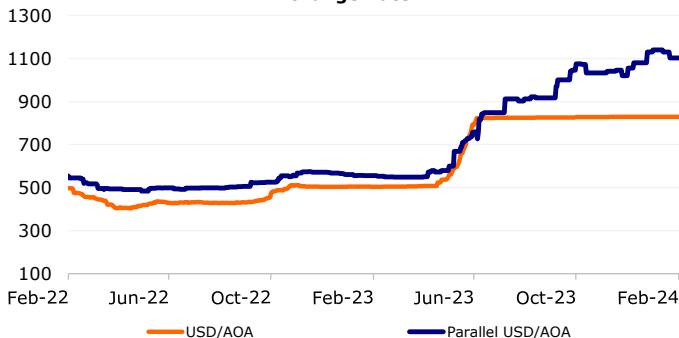
|            | 23/02/2024 | 7 days (%) | Change YTD (%) | 12 months (%) |
|------------|------------|------------|----------------|---------------|
| LUIBOR O/N | 8.60%      | 1.35%      | 4.06%          | -0.30%        |
| USD/AOA    | 828.5      | 0.03%      | -0.03%         | 64.44%        |
| AOA/USD    | 0.00121    | -0.03%     | 0.03%          | -39.19%       |
| EUR/AOA    | 897.5      | 0.65%      | -2.02%         | 68.07%        |
| EUR/USD    | 1.082      | 0.41%      | -1.97%         | 2.12%         |
| USD/ZAR    | 19.31      | 2.28%      | 5.19%          | 6.00%         |

\*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 |
|-------------------|-------|-------|--------|-----------|
| OT AOA (3 years)  | 17.3% | 2,000 | 3,830  | 3,830     |
| OT AOA (7 years)  | 21.0% | 2,000 | 1,911  | 1,911     |
| OT AOA (7 years)  | 21.0% | 2,000 | 10,000 | 10,000    |
| OT AOA (10 years) | 23.0% | 5,000 | 11,869 | 11,869    |
| OT AOA (10 years) | 23.0% | 5,000 | 13,000 | 13,000    |

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

**Production and Oil exports**

**Employment and unemployment rate**

**Exchange Rate**

**Oil Price (Brent) and Eurobond Yield 2025**
