

## **Market Information**

The current account recorded a surplus of USD 1.3 Billion (B) in Q4 2023, a year-on-year increase of USD 914 million. Compared to Q3 2023, there was a reduction in the current account balance of around USD 1.1B. After recording consecutive drops in Q4 2022 and Q1 2023, the balance of the goods account recorded the third quarterly increase, ending the year close to USD 21.8B, minus USD 10B compared to 2022. Oil exports continue playing a very crucial role, representing close to 94% of total exports in the Angolan Central Bank, oil exports expanded again for the second consecutive quarter, a new trend after consecutive declines in Q4 2022, Q1 2023 and Q2 2023.

Credit to the private sector in January stood at close to AOA 3.1 trillion, having registered a nominal increase of around 13% yoy, which corresponds to over AOA 363B. According to our calculations based on BNA data, discounting inflation, credit recorded a contraction of around 9%. In relation to the sector of activity, credit continues to grow significantly on the side of Industry, Commerce, Construction, and Individuals, while in the Agriculture, Animal production, Hunting & Fishing sector, the evolution continues in a negative direction, having registered a drop in January in the order of 20% yoy.

Interest rates in the Interbank Monetary Market (IMM) ended the week on a high, reacting to the effect of the sale of foreign currency by the Ministry of Finance (MINFIN). Overnight Luibor, which signals the movement of liquidity in the IMM, opened the week trading close to 9.16% and closed near 17.73% (+857 basis points), which represents one of the biggest monthly increases ever and the highest value since July 2023. In recent weeks, MINFIN has placed significant amounts of currency on the market, having sold USD 300 million in the second half of February and placing another USD 160 million last week, on the 1st of March. Given the intermittent access to instruments such as the Marginal Lending Facility, this inflow of foreign exchange is making the liquidity situation in the IMM a little tighter, putting upward pressure on rates.

**BODIVA markets traded a total of AOA 205B in February, less AOA 767B compared to January, which represents a drop of close to 78% yoy.** The volume of bilateral business, which represents more than 80% of the entire market, contracted 73% mom, having pushed the global volume to the lows of April 2023. The BNA, representing MINFIN, has had a relevant share; at a time when the National Treasury has more Dollars, which it has placed on the foreign exchange market, its need to finance itself from the secondary market is reducing, which means there is a direct impact on the volume of negotiations.



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*			

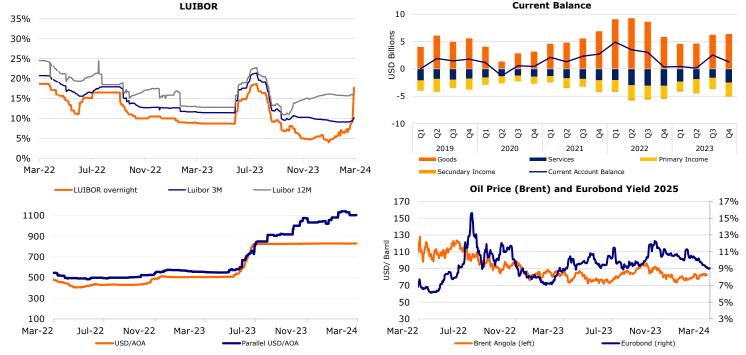
			Change	
	01/03/2024	7 days (%)	YTD (%)	12 months (%)
LUIBOR O/N	17.73%	9.13%	13.19%	8.79%
USD/AOA	828.5	0.00%	-0.03%	64.46%
AOA/USD	0.00121	0.00%	0.03%	-39.19%
EUR/AOA	895.5	-0.22%	-2.23%	67.78%
EUR/USD	1.084	0.15%	-1.83%	2.26%
USD/ZAR	19.11	-1.05%	4.08%	4.98%

\*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 AOA (182 days)	17.8%	47 000	47 000	47 000
BT AOA (182 days)	17.8%	3 000	10 340	10 340
BT AOA (364 days)	18.0%	35 850	52 350	35 850
OT AOA (10 years)	23.0%	3 000	1 861	1 861
OT USD (3 years)	4.5%	14	14	14

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



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