

**Market Information**

**The Monetary Policy Committee (CPM), which met on the 18th and 19th of July, at Cuando Cubango, decided to keep the main interest rates unchanged: Basic Interest Rate at 19.5%, the Marginal Lending Facility and Deposit Facility at 20.5% and 18.5%, respectively.**

The CPM also kept the remaining instruments for conducting monetary policy unchanged. These decisions were motivated by the prospect of a slowdown in the pace of price growth in the economy, resulting from the relative improvement in the supply of essential consumer goods and the control of liquidity. As for the next meeting, which will take place in September, the CPM's decisions may depend on the trajectory of inflation and the evolution of the foreign exchange market.

**The money supply continues to grow significantly despite the restrictive monetary policy environment.** The operational variable of monetary policy, M0 in local currency, expanded 0.2% MoM in June and +47.8% YoY. M2, the most comprehensive measure of money in circulation, stood at AOA 9.4 Trillion, which represents a monthly drop of around 0.3% and a notable year-on-year expansion of 29.5%, the second month in which it grew below the annual inflation rate. Although the growth rate of the money supply is slowing down, having M2 still growing above single digits could contribute to causing inflationary pressures in the medium term. Banknotes and coins in circulation, part of M1, grew just 13.9% YoY compared to the 32.4% YoY recorded in May, which represents a slowdown more consistent with the objective of combating short-term inflation.

**From the beginning of the year until mid-July, the National Treasury made around USD 1.4B available on the foreign exchange market.** According to the statement shared by MinFin, all banks present in the market, 22, had access to the sales made, and the focus of operations has been on supporting agricultural production, as part of the measures to stimulate the economy promoted by the agenda government's economy.

**The Brent oil barrel ended the week trading close to USD 82.6 – a decrease of USD 2.4 compared to the end of the previous week.** WTI showed similar behavior and ended the week trading close to USD 80.1 (-USD 2.0).

**Macroeconomic Forecasts**

Indicator	2023*	2024**	2025**
GDP change (%)	0.9	2.1	3.2
Average Inflation (%)	13.6	21.7	15.7
Current Account (% GDP)	4.5	7.9	8.1

\*INE; 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\***

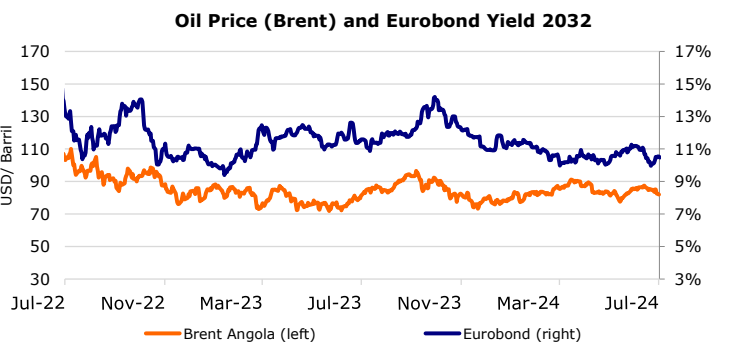
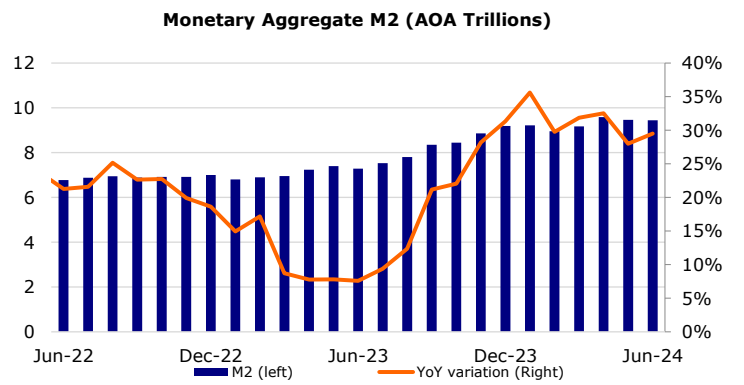
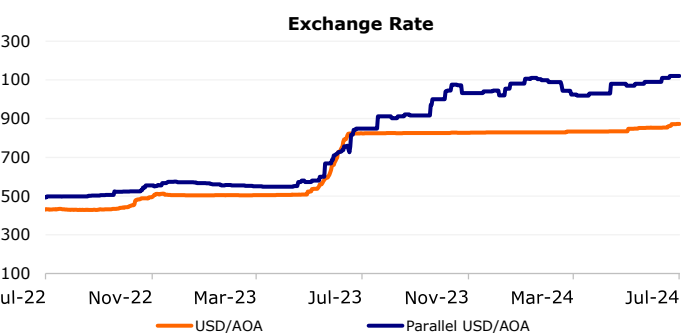
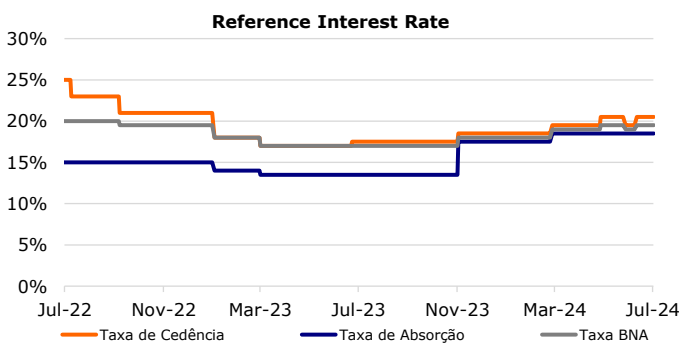
	19/07/2024	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	20.49%	1.44%	15.95%	1.86%
USD/AOA	872.6	0.00%	5.29%	5.84%
AOA/USD	0.00115	0.00%	-5.02%	-5.51%
EUR/AOA	950.3	0.01%	3.75%	3.04%
EUR/USD	1.088	-0.23%	-1.42%	-2.23%
USD/ZAR	18.27	1.73%	-0.52%	1.91%

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

**Weekly domestic debt securities auctions**

Term	Yield	Offer	Demand	Allocated
BT AOA (182 days)	12.0%	15,200	10,000	10,000
BT AOA (364 days)	19.0%	30,400	29,634	29,634
BT AOA (364 days)	19.0%	1,994	1,901	1,901
OT USD (5 Years)	5.1%	0.13	0.13	0.13

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



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