

Market Information

In May, headline inflation in Angola stood at 20.7%, approaching its lowest level since December 2023. Inflation has been on a decelerating trajectory since the second half of last year, reflecting the trend of more moderate monthly variations in the Consumer Price Index (CPI). In the month under analysis, the CPI recorded a monthly variation of 1.2%, which represents a deceleration of 0.2 percentage points (pp) in relation to the value observed in April. Among the categories that contributed most to the variation, "Miscellaneous goods and services" stand out, with an increase of 1.6%, followed by "Health" and "Furniture, household equipment and maintenance", with variations of 1.4% and 1.3%, respectively. In Luanda, the monthly variation of the CPI also decelerated by 0.2 pp, standing at 0.9%. Headline inflation in the capital reached 19.8%, the lowest value since September 2023, when it was 17.8%. Despite the recent increase in the price of diesel, prices did not react significantly. This containment may be associated with a greater availability of goods in the market, driven by three main factors: (i) the maintenance of imports of current consumer goods, which grew 10% year-on-year in the first quarter; (ii) the increase in domestic production; and (iii) the relative stability of the Kwanza in relation to the Dollar since the fourth quarter of 2024, which has helped to mitigate the effects of imported inflation.

According to data from the Ministry of Finance, oil exports in May stood at 1.01 million barrels per day (mbd), an annual drop of 4.4%. In monthly terms, despite an increase in the volume exported to 31.2 million barrels, export revenues fell by around 5.4%, due to the drop in the export price. This price drop was largely influenced by the effects of the introduction of customs tariffs in early April, as well as by the current dynamics of international markets. The effects of these measures began to be felt in May, given the time lag between negotiation and the actual execution of contracts in the futures market and may continue in the coming months.

Last week, international oil prices recorded their largest gains since the beginning of the year, driven by the increase in geopolitical tensions in the Middle East. Following Israeli airstrikes on nuclear facilities in Iran and other military targets, fears grew of an escalation of the conflict in the region. In response, crude oil prices soared: Brent reached USD 74.2 per barrel (up USD 7.8 compared to the previous week) and WTI closed the week at USD 72.9 (up USD 8.4).

Macroeconomic Forecasts

Indicator	2024*	2025**	2026**
GDP change (%)	4.4	3.9	2.9
Average Inflation (%)	28.2	20.2	13.9
Current Account (% GDP)	9.3	9.1	8.5

*Inflation - INE/ GBP and Current Account - BFA Forecast; BFA **Forecast

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B-	Stable	26/06/2023
Moody's	B3	Stable	29/11/2024
Standard & Poor's	B-	Stable	04/02/2022

Monetary and Forex data*

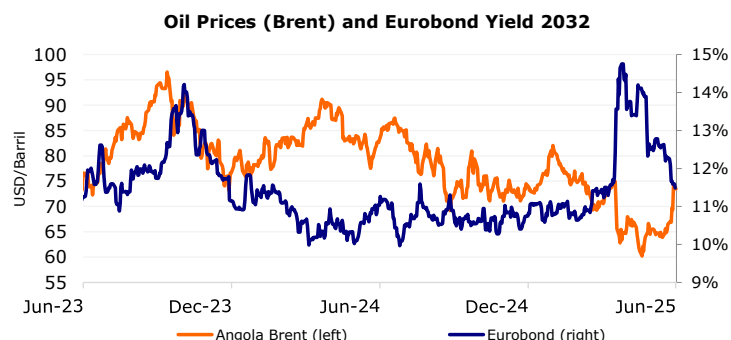
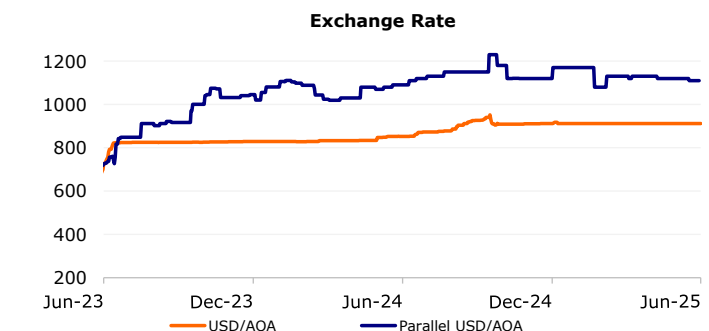
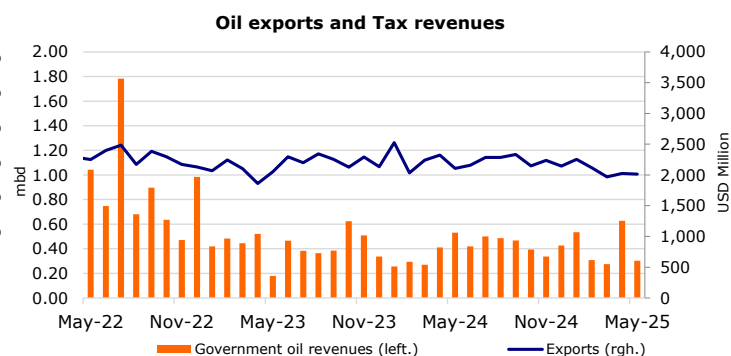
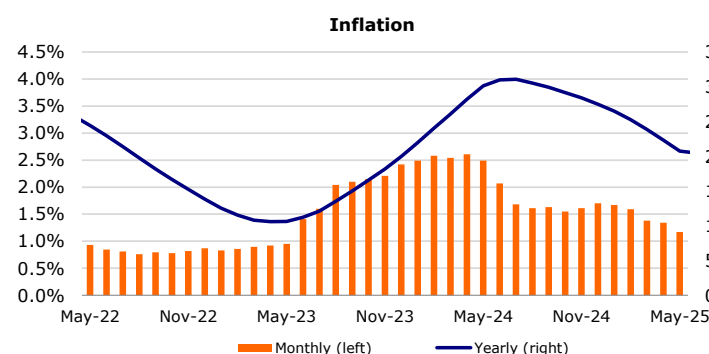
	13/06/2025	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	20.25%	0.00%	-2.44%	-4.23%
USD/AOA	911.96	0.00%	0.00%	6.98%
AOA/USD	0.00110	0.00%	0.00%	-6.52%
EUR/AOA	1051.1	0.76%	10.70%	14.07%
EUR/USD	1.155	1.33%	11.54%	7.56%
USD/ZAR	17.95	0.93%	-4.76%	-2.65%

*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)	16.00%	40,000	29,276	29,276
BT (364 days)	16.00%	15,000	8,034	8,034
OT AOA (3 years)	16.75%	31,000	22,242	22,242
OT AOA (3 years)	16.75%	5,000	49	49

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



The information contained in this document has been obtained from sources believed to be reliable, but its accuracy cannot be fully guaranteed. Recommendations are intended exclusively for internal use and may be changed without prior notice. The opinions expressed are the sole responsibility of their authors, reflecting only their points of view and may not coincide with BFA's position in the markets mentioned. BFA, or any affiliate, in the person of its employees, is not responsible for any loss, direct or potential, resulting from the use of this publication or its contents. BFA and its collaborators may hold positions in any asset mentioned in this publication. Reproduction of part or all of this publication is permitted, subject to indication of the source.