

Angola Weekly | 23/06

Market Information

Total oil production in May stood at 31.4 million barrels, which corresponds to a daily average of 1.01 million barrels (mbd), according to ANPG data. This level represents a drop of 10.2% compared to the same month of the previous year, reflecting the structural trend of decline in domestic production. Even so, there was a slight recovery of 1.4% compared to April. Year-to-date, average production is around 1.03 mbd, reflecting a contraction of 7.2% compared to the same period in 2024. Despite the reduction in production, the price of Brent - a benchmark for Angola's oil exports - remains at levels favorable to tax collection. Last week, Brent traded at USD 77 per barrel, driven by geopolitical tensions, particularly the recent US attacks on nuclear facilities in Iran. In addition, statements by the Iranian government about the closure of the Strait of Hormuz - a strategic corridor through which about a quarter of the world's oil production flows, or more than 20 million barrels per day - have exerted additional pressure on prices. However, we believe that the duration and intensity of this impact depend largely on the reaction of China, Iran's strategic ally and one of the economies most exposed to this route. It is estimated that about 40% of its oil and gas imports for industrial processing and re-export originate in the Middle East and must pass through the Strait of Hormuz.

Regarding the management of monetary policy, in May, the monetary base in local currency stood at AOA 2.2 Trillion (T), remaining almost unchanged when compared to the same period of the previous year and registering a contraction of 3.7% compared to April, mainly justified by the reduction in excess reserves (-26.9% mom). The monetary aggregate, M2, stood at AOA 10.3T, an expansion of 8.4% yoy, remaining 12.3 percentage points below year-on-year inflation.

In May, credit to the private sector in the local currency grew to 5.5T, a sharp nominal increase of 24.3% yoy, but much slight when seen in real terms, 4.1% yoy. Credit to the public sector, on the other hand, grew by 48.2% yoy, in real terms. Among the sectors of activity, the trade, and private sectors - which correspond to 39.6% of the total granted - grew by 19.3% and 21.1%, respectively.

A Financing Agreement was signed between Angola and the World Bank in the amount of USD 250 million to cover the Project for the Creation of Employment Opportunities in Angola. The project aims to increase job opportunities for young people and consequently increase productivity, reads on the diploma.

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*

	20/06/2025	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	20.23%	-0.02%	-2.46%	-4.74%
USD/AOA	911.96	0.00%	0.00%	6.98%
AOA/USD	0.00110	0.00%	0.00%	-6.52%
EUR/AOA	1061.5	0.99%	11.80%	16.15%
EUR/USD	1.152	-0.23%	11.29%	7.67%
USD/ZAR	17.99	0.27%	-4.51%	0.09%

*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%	15,000	2,313	2,313
BT (364 days)	16.00%	15,000	1,155	1,155
BT (364 days)	16.00%	17,000	17,450	17,450
OT AOA (3 years)	16.75%	5,000	1,944	1,944
OT AOA (5 years)	17.25%	5,000	1,965	1,965
OT AOA (5 years)	17.25%	7,000	5,015	5,015

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

