

Angola Weekly | 22/09

Market Information

Oil production in August stood at 32.1 million barrels. After registering the lowest production volume in the last 2 years in July, 0.99 million barrels per day (mbd), oil production grew by 3.6% mom, settling at 1.03mbd, an increase of about 35 thousand barrels per day. Despite the monthly increase, the annual trend of deceleration in production continues, with a year-on-year reduction of 11.2%. Regarding production by blocks, the data show that the highest volumes were produced in blocks 17 (0.35 mbd); 15 (0.16 mbd) and 32 (0.13 mbd). Regarding the production of associated gas, an average of 2.6 million cubic feet were produced daily, a reduction of 6.4% yoy, maintaining the drop that has been observed for 6 months.

The Monetary Policy Committee (MPC) of the Central Bank met between 15 and 16 August and decided, to reduce the policy rates, after being fixed for more than 1 year. More specifically, the MPC eased monetary policy by reducing the main rates by 0.5 percentage points, setting the BNA Rate at 19.0%; the Marginal Lending Facility Interest Rate at 20.0% and the Interest Rate on the Deposit Facility at 17.0%, keeping all other instruments unchanged. This decision is based on the recent trajectory of national inflation, which has been decelerating consistently in recent months, approaching the target set by the Central Bank at the beginning of the year, 17.5%. In fact, the path of inflation so far has been quite satisfactory, since the effects of the second round were not strong enough to accelerate monthly inflation, as we expected, having revealed a transitory character and this, we believe to have been the main indicator for the MPC to have reduced rates. About the money supply, in August, the monetary base (M0) in local currency stood at AOA 2.3 trillion (T), accumulating a reduction of 5.3% ytd, while M2, a measure that reflects liquidity in the system, stood at AOA 10.7T- although it grew 12.0% ytd, growth has remained below year-on-year inflation. These indicators may serve to corroborate the MPC's decision, since they signal a lower inflationary pressure. The next meeting of the MPC will take place on 17 and 18 November, in the province of Lunda-Norte.

In August, credit in Local Currency stood at AOA 6.5T, a nominal increase of around 22.9% year-on-year. According to our calculations, however, this is a rather modest real increase of 4.1%. Credit to the private sector stood at AOA 7.5T, of which AOA 5.9T referred to local currency, a real year-on-year increase of 3.7%; while credit to the public sector stood at 1.1T, registering a real increase of 4.1% in credit in local currency, to 612 billion.

Macroeconomic Forecasts

Indicator	2024*	2025**	2026**
GDP change (%)	4.4	1.9	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*

	20/09/2025	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	18.98%	0.00%	-3.71%	-0.62%
USD/AOA	911.96	0.00%	0.00%	-1.70%
AOA/USD	0.00110	0.00%	0.00%	1.73%
EUR/AOA	1069.8	0.03%	12.67%	3.28%
EUR/USD	1.175	0.10%	13.44%	5.23%
USD/ZAR	17.34	-0.27%	-7.96%	-0.47%

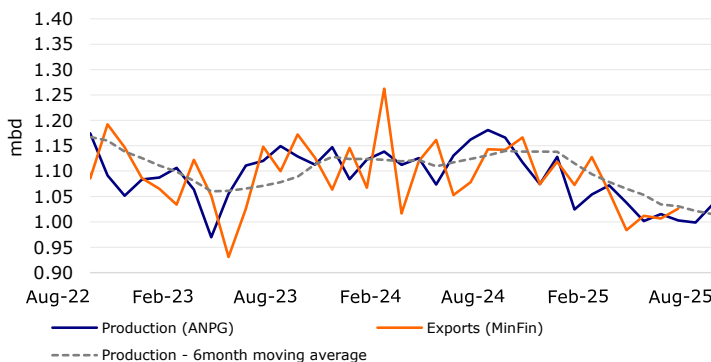
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Weekly domestic debt securities auctions

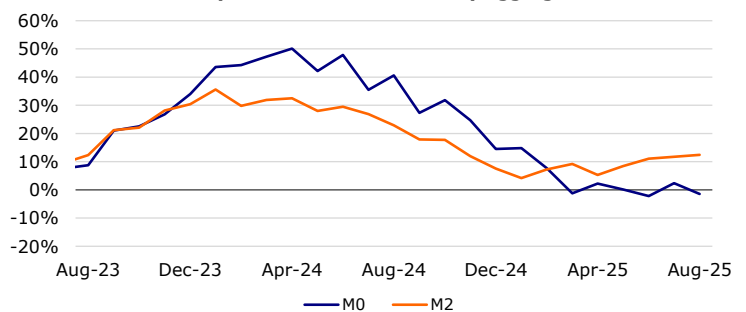
Term	Yield	Offer	Demand	Allocated
BT (364 days)	16.00%	14,000	11,567	11,567

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

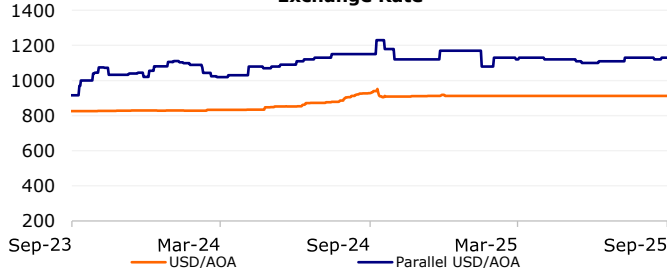
Oil Production



Year on year variation of monetary aggregates



Exchange Rate



Oil Prices (Brent) and Eurobond Yield 2032

