

Market Information

In December, year-on-year inflation stood at 15.7%, marking its lowest level since September 2023 and confirming the consolidation of a deceleration trend observed over recent months. This outcome mainly reflects lower exchange-rate pressures, gradual improvements in the supply conditions of essential goods, and the progressive dissipation of previous shocks. In this context, monetary policy (given the slow pace of its transmission) has primarily acted as an anchor for inflation expectations rather than as a direct short-term driver of price formation.

On a month-on-month basis, the Consumer Price Index (CPI) recorded a slight acceleration to 0.95% in December (+0.1 percentage points), a pattern typical of this time of year and traditionally associated with seasonal effects linked to increased consumption during the festive period. Nevertheless, this temporary uptick does not undermine the underlying downward trend in inflation. From a sectoral perspective, the Transport category posted the highest year-on-year increase, at 19.2%, largely reflecting persistent pressures from fuel costs and mobility-related services. This was followed by the "Health" and "Housing, water, electricity and fuels" categories, which registered increases of 17.4% and 17.0%, respectively, indicating that administered prices and essential services continue to be significant sources of inflationary pressure. In Luanda province, the CPI rose by 1.21% in December, with year-on-year inflation standing at 14.2%, below the national average, suggesting a more pronounced deceleration in the country's main urban center. This performance may be associated with stronger market competition, improved supply conditions, and greater sensitivity of consumption to price changes. Core inflation recorded a month-on-month increase of 0.84%, slowing compared to November, which reinforces the assessment that underlying inflationary pressures are losing momentum. Meanwhile, average annual inflation stood at 22.5%, while cumulative inflation for the year reached 13.5%, signaling a significant improvement relative to levels observed in previous years. Overall, the December data confirm the consolidation of a disinflationary process, although inflation remains at elevated levels, requiring the continued maintenance of a prudent macroeconomic policy stance.

The Government of Angola authorized the conclusion of two financing agreements with Deutsche Bank, with a total value of approximately USD 179.3 million, aimed at implementing the project for the construction and equipping of the buildings of the Faculties and Institutes of Agostinho Neto University. The financing is backed by the Spanish Export Credit Agency (CESCE), covering 77.3% of the value of the commercial contract and 100% of the insurance premium, as well as providing financing for the non-eligible component, corresponding to 22.7% of the contract value. This agreement is of particular importance as it enables the strengthening of public higher education infrastructure, promoting improved training conditions and contributing to the development of national human capital.

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

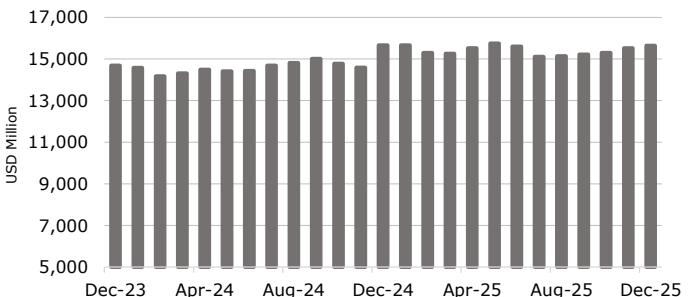
Rating Agency	Rating	Outlook	Last change
Fitch	B-	Stable	26/06/2023
Moody's	B3	Stable	29/11/2024
Standard & Poor's	B-	Stable	04/02/2022

Monetary and Forex data*

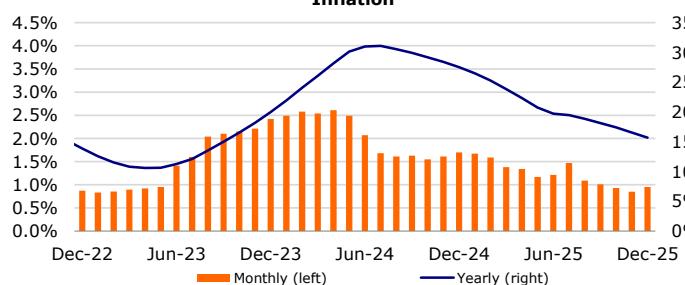
	09/01/2026	Change		
		7 days (%)	YTD (%)	12 months (%)
LUIBOR O/N	18.79%	0.00%	0.00%	-3.78%
USD/AOA	912.29	0.00%	0.00%	0.03%
AOA/USD	0.00110	0.00%	0.00%	-0.03%
EUR/AOA	1063.2	-0.59%	-0.59%	13.01%
EUR/USD	1.164	-0.70%	-0.93%	12.98%
USD/ZAR	16.49	-0.02%	-0.41%	-12.88%

*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.

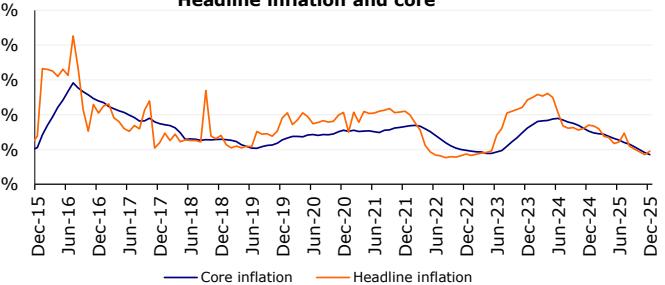
International Reserves



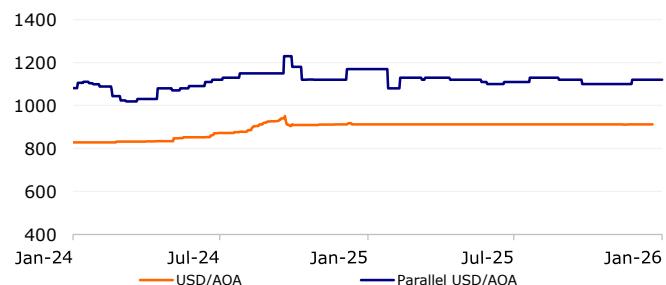
Inflation



Headline inflation and core



Exchange Rate



Oil Prices (Brent) and Eurobond Yield 2032

