

## Market Information

**At the meeting of the Monetary Policy Committee (MPC) held on 13-14 January, the first of the year, the Central Bank of Angola (BNA) decided to ease monetary policy.** The monetary authority implemented cuts of 100 basis points (bps) in both the BNA policy rate and the marginal lending facility rate, bringing them down to 17.5% and 18.5%, respectively. The reduction in interest rates reflects the consolidation of a disinflation process that has proven more robust than initially anticipated. Year-on-year inflation stood at 15.7% in December, its lowest level since September 2023, confirming a sustained downward trend driven by reduced exchange rate pressures, the gradual normalization of supply chains, and the dissipation of cost shocks accumulated over recent years. In this context, the adjustment of policy rates represents a clear signal of increased confidence by the BNA in the gradual convergence of inflation toward levels more consistent with macroeconomic stability. From a market perspective, the decision helps anchor expectations by indicating that the restrictive cycle has reached its peak and that, in the absence of new adverse shocks, room remains for a gradual downward trajectory in interest rates. Given the slow transmission of monetary policy to the real economy, this signal is particularly relevant, functioning more as a guidance mechanism for economic agents' expectations than as a tool with immediate effects on prices. The BNA projects inflation to reach 13.5% by the end of the period, supported by the maintenance of liquidity conditions compatible with economic growth, relative stability in international food commodity prices, and favorable developments in domestic supply of widely consumed goods. This outlook reflects a scenario of gradual normalization of inflationary pressures, supported by both more benign external conditions and improvements on the domestic supply side.

**The Annual Debt Plan for 2026 foresees a total resource mobilization of around AOA 15.0 trillion (t), aimed at meeting the financing needs of the State Budget.** The strategy is based on a balanced mix of domestic and external sources, with approximately 47% of funding expected to be raised in the domestic market (AOA 7.1t) and 53% in the external market (AOA 7.9t). In the domestic market, the Government expects to raise about 73% of financing through Treasury securities, with priority given to Treasury Bonds, which account for approximately 58% of the planned issuances. Regarding the composition of external financing, treasury operations are expected to mobilize around AOA 3.8t, of which AOA 1.6t will be raised through international market issuances and AOA 2.2t through multilateral and commercial financing. Government debt service is projected to reach AOA 15.2t in 2026, while the public debt stock is expected to stand at approximately AOA 61.0t, corresponding to a Debt-to-GDP ratio of 45%. As for the amortization profile, February, May, and September are expected to concentrate higher repayment pressures in the domestic debt segment, with payments close to AOA 1.0t. In the external debt segment, the largest repayments are scheduled for April, June, and December.

## Macroeconomic Forecasts

Indicator	2024*	2025**	2026**
GDP change (%)	4.4	1.9	3.6
Average Inflation (%)	28.2	20.2	12.6
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\*

	16/01/2026	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	18.79%	0.00%	0.00%	-4.22%
USD/AOA	911.97	-0.03%	-0.03%	0.00%
AOA/USD	0.00110	0.03%	0.03%	0.00%
EUR/AOA	1074.5	1.06%	0.46%	13.31%
EUR/USD	1.160	-0.34%	-1.26%	12.59%
USD/ZAR	16.40	-0.53%	-0.94%	-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.

## Weekly domestic debt securities auctions

Term	Yield	Offer	Demand	Allocated
BT (364 days)	16.00%	20,000	3,500	3,500
OT AOA (3 years)	16.75%	15,000	14,809	14,809
OT AOA (3 years)	16.75%	10,000	3,946	3,946
OT AOA (5 years)	17.25%	15,000	14,601	14,601
OT AOA (5 years)	17.25%	10,000	5,000	5,000
OT AOA (6 years)	17.25%	14,150	14,150	14,150

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

