

## Market Information

In December, credit to the private sector in Kwanzas stood at approximately AOA 6.5 trillion (t), recording a year-on-year nominal growth of 23.7%. According to our calculations based on BNA data, once the effect of inflation is taken into account, real credit growth was modest, standing at around 8.1% YoY. On the public sector side, credit in domestic currency increased by 6.5% YoY in nominal terms, which corresponds to a real contraction of about 9.2%, reflecting a lower reliance on bank financing in real terms. By sector of activity, developments remain highly heterogeneous. Credit to the extractive industry continues to stand out, posting a strong real expansion of 41.2% YoY. In contrast, credit to real estate activities, other services, and agriculture recorded significant real declines, of approximately 99.4%, 25.8%, and 17.4%, respectively. Credit to commerce and households - which together account for around 38.4% of total credit granted - showed mixed dynamics. While credit to commerce declined slightly in real terms (-3.0% YoY), credit to households remained on a moderate growth path (2.0% YoY). Looking ahead, our outlook is for private sector credit to continue expanding, albeit gradually and asymmetrically across sectors. This trend should be supported by a more accommodative monetary environment, marked by greater flexibility in liquidity conditions which, by influencing interbank money market interest rates (benchmarks for several credit products), may contribute to lower lending rates and stimulate credit demand.

**Monetary aggregate data up to December indicate that M1 and M2 continue to expand, albeit at a more moderate pace compared to the same period in 2024, reflecting the monetary tightening process implemented by the BNA throughout the year.** In the case of M1, year-on-year growth remains positive, standing at 13.0% in December, following very high growth rates during much of 2024. This development suggests that transactional liquidity continues to expand, albeit at a lower intensity. Regarding M2, growth remains positive and more stable, at around 15.9% YoY. Although below the levels recorded in 2024, this pace indicates that broader liquidity in the economy continues to increase. Monthly variations in M2 are mostly positive but moderate, averaging around 1.3% MoM, reinforcing the assessment of a more contained monetary expansion. Overall, developments in monetary aggregates point to an ongoing, but less intense, monetary expansion, consistent with a still-restrictive monetary stance and the disinflation path currently underway. This reading is further supported by money market dynamics: the volume of liquidity swap operations stood at AOA 2.2t, above the annual average of AOA 1.3t; overnight absorption facilities reached AOA 2.9t, while open market absorption operations amounted to AOA 2.2t, signalling a slowdown relative to the exceptionally high volumes observed in recent months.

## Macroeconomic Forecasts

Indicator	2024*	2025**	2026**
GDP change (%)	4.4	1.9	3.3
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\*

	23/01/2026	Change		
		7 days (%)	YTD (%)	12 months (%)
LIBOR O/N	18.81%	0.02%	0.02%	-4.27%
USD/AOA	912.22	0.03%	-0.01%	0.02%
AOA/USD	0.00110	-0.03%	0.01%	-0.02%
EUR/AOA	1071.6	-0.27%	0.19%	12.85%
EUR/USD	1.183	1.98%	0.70%	13.57%
USD/ZAR	16.13	-1.69%	-2.62%	-12.85%

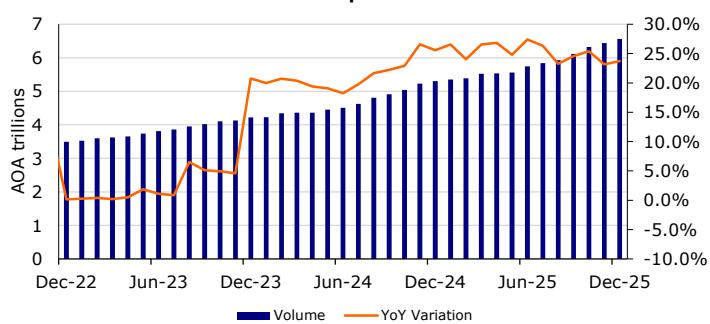
\*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

## Weekly domestic debt securities auctions

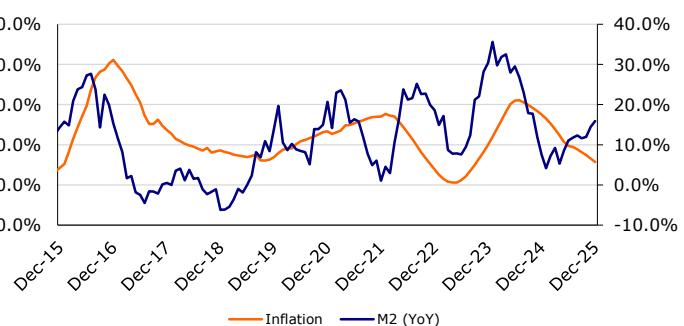
Term	Yield	Offer	Demand	Allocated
BT 364 years	16.00%	30,000	25,000	25,000
OT AOA (3 years)	16.75%	20,000	10,109	10,109
OT AOA (3 years)	16.75%	10,000	7,710	7,710
OT AOA (3 years)	16.75%	10,000	280	280
OT AOA (5 years)	17.25%	25,000	23,587	23,587
OT AOA (5 years)	17.25%	30,000	20,490	20,490

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

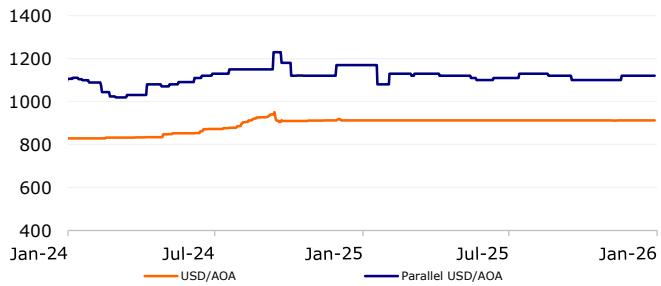
### Credit to the private sector



### M2 and Inflation



### Exchange Rate



### Oil Prices (Brent) and Eurobond Yield 2032

