Banco de Fomento Angola
www.bfa.ao | Email: dfi.gee@bfa.ao

Angola Weekly |16/03

Market Information

Last week, the Monetary Policy Committee (MPC) of the Central Bank of Angola met and decided to make monetary policy more flexible. The decision consisted of reducing the Mandatory Reserve Ratio (MRR) in local currency from 18% to 17.5%, with the aim of freeing liquidity to boost the interbank money market. The other instruments for conducting monetary policy were kept unchanged, under the justification of a greater need to preserve a prudent stance, in a context still marked by uncertainties in the international economic environment, associated with the worsening of geopolitical conflicts, with possible impacts on the national economy. The MRR has been a very effective instrument in controlling market liquidity, due to its almost immediate nature and measurement capacity. According to our calculations, the current cut will be released about AOA 54.6 b from April. The next meeting is scheduled for May 13 and 14, 2026 in Luanda.

Regarding inflation dynamics, the most recent data indicate that year-on-year inflation in February stood at 13.4%, the lowest percentage recorded since August 2023. In monthly terms, the headline inflation accelerated by 0.52%. The class of "Transport" was the one with the highest year-on-year change rate (18.7%), followed by "Housing, Water, Electricity and Fuels" (16.1%) and "Health" (14.2%). On the other hand, "Communications", "Leisure, recreation and culture" and "Hotels, cafes and restaurants" recorded the lowest changes, 6.5%, 8.8% , and 9.6%, respectively. In geographical terms, Cabinda is the province that recorded the highest increase in prices when compared to the same month of the previous year, 21.2%, being 7.8pp above the general level. Luanda recorded year-on-year inflation of 12.3%, consolidating the dynamics of deceleration of prices in the capital.

According to BNA data, commercial banks purchased foreign currency in the amount of USD 841.5 million in February. The amount represents a reduction of around 14.9% compared to the USD 989.1 million recorded in January and -13.7% compared to the 975.9 million recorded in February 2025. With regard to the distribution of sales by origin, the oil sector provided USD 318.8 million (representing 37.9% of the total provided), the diamond sector USD 70.2 million (8.3% of the total), while miscellaneous customers provided USD 181.3 million. In turn, the National Treasury accounted for 28.1% of the amount transacted, USD 236.1 million, while the BNA accounted for 4.2%, USD 35.2 million.

Macroeconomic Forecasts

Indicator	2024*	2025**	2026**
GDP change (%)	4.9	3.1	3.3
Average Inflation (%)	28.2	20.2	12.6
Current Account (% GDP)	12.0	5.3	4.5

*Inflation, GBP and Current Account - - INE/BNA; 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*

		Change		
	13/03/2026	7 days (%)	YTD (%)	12 months (%)
LUIBOR O/N	20.78%	0.00%	1.99%	0.28%
USD/AOA	912.13	0.00%	-0.02%	0.01%
AOA/USD	0.00110	0.00%	0.02%	0.01%
EUR/AOA	1069.6	1.37%	0.01%	7.67%
EUR/USD	1.142	-1.73%	-2.80%	5.21%
USD/ZAR	16.93	2.32%	2.24%	-7.63%

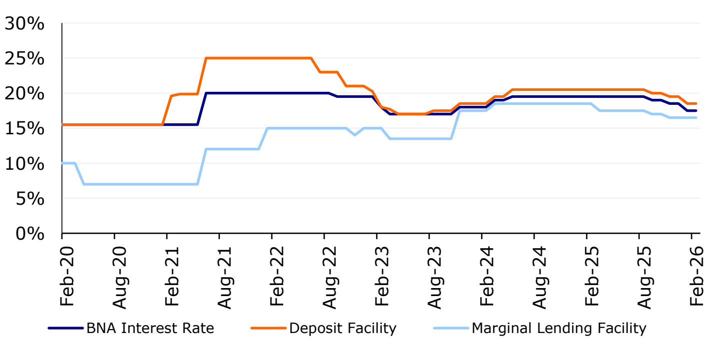
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Weekly domestic debt securities auctions

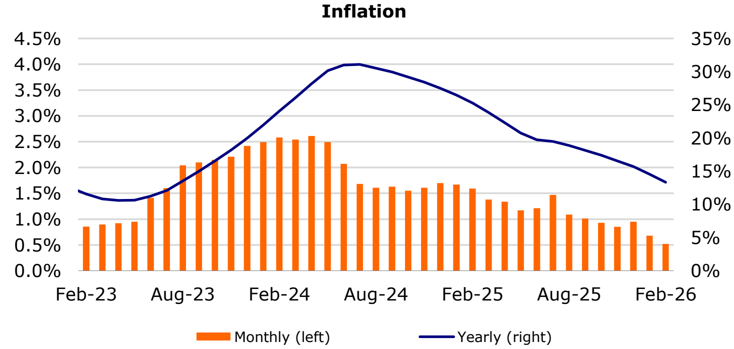
Term	Yield	Offer	Demand	Allocated
BT AOA (364 days)	16.00%	60,000	3,001	3,001
BT AOA (364 days)	16.00%	60,000	50,000	50,000
OT AOA (2 years)	16.75%	15,000	14,495	14,495
OT AOA (2 years)	16.75%	20,000	16,500	16,500
OT AOA (3 years)	16.75%	20,000	15,000	15,000
OT AOA (5 years)	17.25%	5,000	3,000	3,000

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

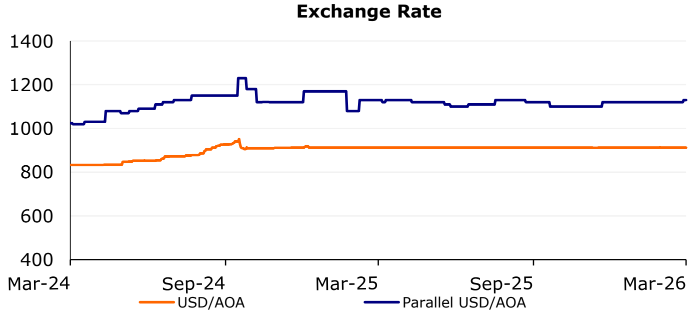
Reference Interest Rate



Inflation



Exchange Rate



Oil Prices (Brent) and Eurobond Yield 2032