Banco de Fomento Angola
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Angola Weekly |31/08

Market Information

The Angolan economy grew by 8.7% YoY in the second quarter, representing an acceleration of approximately 3.4 percentage points (pp) compared with the previous quarter. This performance was primarily driven by the oil sector, which grew by 5.6% YoY. The non-oil sector maintained a robust growth pace, expanding by 9.0%. The oil economy, which now accounts for 8.2% of the total, returned to growth after recording consecutive year-on-year contractions since Q1 2025. With this return to growth, the sector contributed approximately 0.5pp to the economy's overall growth rate, in line with its performance throughout the quarter, with oil production averaging 1.04mbd (+3.5% compared with the same period of the previous year), followed by an increase in associated gas production (+1.4% YoY). On the non-oil side, momentum remained strong across several sectors, notably Diamonds and Minerals, at 16.5% YoY, Communications, at 14.3% YoY, and Accommodation and Food Services, at 12.6%, contributing approximately 0.1pp, 0.5pp and 0.4pp, respectively, to the economy's overall growth rate.

The Debt Management Unit (UGD) communicated to market operators an update to the interest rates applied to Treasury securities in the primary market. According to the public debt management entity, the update takes into account the country's current macroeconomic environment, namely the sustained downward trajectory of inflation and developments in liquidity and demand conditions in the public debt market, with the aim of ensuring greater alignment between the State's financing conditions and the current economic environment. **Specifically, instruments with original maturities of 4, 6 and 8 years will now be traded at 14.25%, 14.75% and 15.25%, respectively, compared with the previous rates of 16.75%, 17.25% and 17.75%.** This adjustment represents an effective reduction in the State's financing costs and progressively brings the rates applied closer to prevailing market conditions. The move by the UGD is in line with our expectations, given the backdrop of economic growth, slowing inflation and a decline in the BNA's key benchmark interest rates, as announced by the Monetary Policy Committee at its latest meeting.

Brent crude oil, the benchmark for Angolan exports, ended the week trading at USD 89.3 per barrel, USD 5.1 lower than at the end of the previous week.

Macroeconomic Forecasts

Indicator	2025*	2026**	2027**
GDP change (%)	3.1	3.3	4.0
Average Inflation (%)	20.2	10.2	11.6
Current Account (% GDP)	5.3	4.5	3.8

*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*

	28/08/2026	Change 7 days (%)	YTD (%)	12 months (%)
LUIBOR O/N	12.26%	0.00%	-6.53%	-6.72%
USD/AOA	912.80	0.00%	0.06%	0.09%
AOA/USD	0.0011	0.00%	-0.06%	-0.09%
EUR/AOA	1062.8	-0.45%	-0.63%	-0.10%
EUR/USD	1.159	-0.80%	-1.37%	-0.84%
USD/ZAR	16.17	0.96%	-2.37%	-8.64%

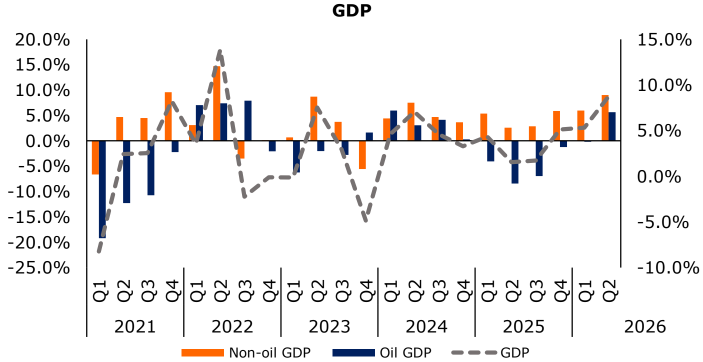
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanza; the change of AOA/USD shows the appreciation/depreciation of the Kwanza against the USD.

Weekly domestic debt securities auctions

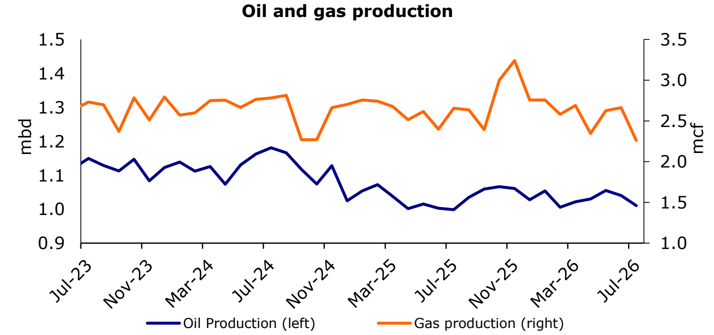
Term	Yield	Offer	Demand	Allocated
OT USD (8 years)	6.45%	4.00	3.88	3.88

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

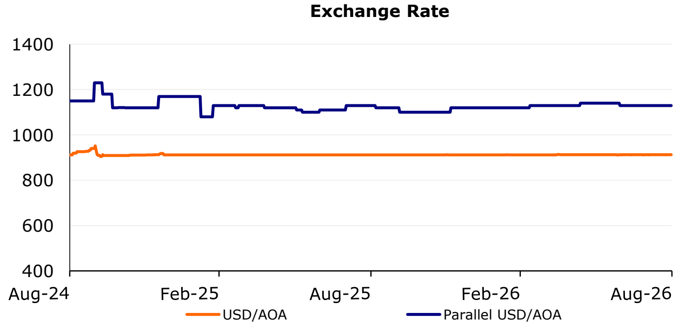
GDP



Oil and gas production



Exchange Rate



Oil Prices (Brent) and Eurobond Yield 2032