

Market Information

Credit extended to the private sector totaled AOA 7.8 trillion (t) in September, representing a very modest nominal year-on-year (YoY) increase of approximately 2.6%. However, after adjusting for inflation, the picture reverses, with credit recording a real YoY decline of 5.4%. Of the total amount, AOA 6.4t was denominated in local currency, while the remaining AOA 1.4t represented foreign currency-denominated financing. Conversely, credit to the public sector showed a more favorable trend, recording real growth of 12.3% YoY. At the sectoral level, Real Estate Activities, Manufacturing and Extractive Industry stood out as the main drivers of credit expansion, posting real YoY growth rates of 34.4%, 20.8% and 13.2%, respectively. In contrast, the largest declines were recorded in Other Services (-10.4%), Construction (-7.3%) , and Trade (-5.6%). We note that the average interest rate on credit to the economy has followed a downward trajectory since the beginning of the year, amid monetary policy easing. According to banks' published interest rate schedules, the average rate declined from 27.7% in January to 25.5% in October, representing a cumulative decrease of 2.2 percentage points (pp). Despite this trend, the adjustment in lending rates has remained relatively moderate compared with the more pronounced decline in LUIBOR, highlighting some rigidity in the transmission of monetary conditions to bank financing costs. Nevertheless, the continued slowdown in inflation and the prospect of further reductions in Interbank Money Market rates should support a further gradual decline in lending rates over the coming months.

The monetary base in local currency stood at AOA 2.8t in September, recording YoY growth of 23.8%. This increase was mainly driven by an expansion in Notes and Coins in Circulation (+11.3%) and Excess Reserves, which rose from AOA 80.3b to AOA 246.1b. Meanwhile, the M2 monetary aggregate stood at AOA 13.4t, representing a YoY expansion of 22.1%, driven by increases across all its components: Quasi-Money (+21.0%), Currency Held by the Public (+29.2%) and Transferable Deposits (+21.9%).

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/ GDP and Current Account - BFA Forecast; BFA **Forecast

Sovereign Rating

Rating Agency	Rating	Outlook	Last change
Fitch	B-	Stable	26/06/2023
Moody's	B3	Positive	25/09/2026
Standard & Poor's	B-	Stable	04/02/2022

Monetary and Forex data*

	23/10/2026	7 days (%)	Change YTD (%)	12 months (%)
LUIBOR O/N	12.40%	0.00%	-6.39%	-6.39%
USD/AOA	913.00	0.00%	0.08%	0.11%
AOA/USD	0.0011	0.00%	-0.08%	-0.11%
EUR/AOA	1048.8	2.35%	-1.93%	-1.21%
EUR/USD	1.120	-0.49%	-4.65%	-3.15%
USD/ZAR	16.51	-0.90%	-0.34%	-4.12%

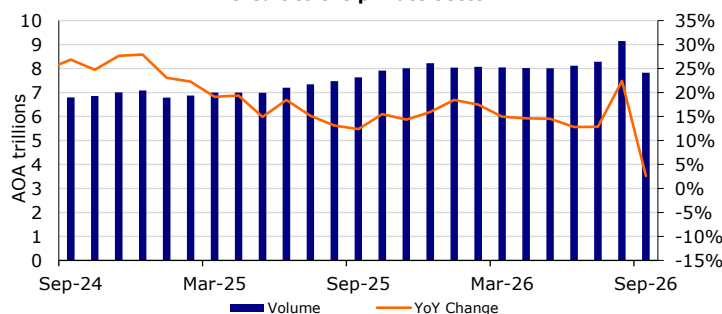
*Change of USD/AOA (or EUR/AOA) shows the appreciation of the USD (or EUR) against the Kwanzas; the change of AOA/USD shows the appreciation/depreciation of the Kwanzas against the USD.

Weekly domestic debt securities auctions

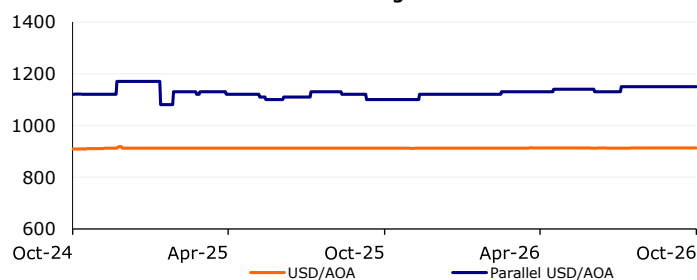
Term	Yield	Offer	Demand	Allocated
BT 182 Days	13.25%	10,000	820	820
BT 182 Days	13.25%	19,000	15,966	15,966
OT AOA (4 Years)	14.25%	17,000	15,620	15,620
OT AOA (4 Years)	14.25%	10,000	6,600	6,600
OT AOA (5 Years)	14.75%	10,000	8,150	8,150
OT AOA (7 Years)	15.25%	2,000	1,192	1,192

BT are treasury Bills, OT are Treasury Bonds; Note: amounts (except for yield) are in million Kwanzas. OT USD (Dollar Treasury Bonds) are shown in million Dollars

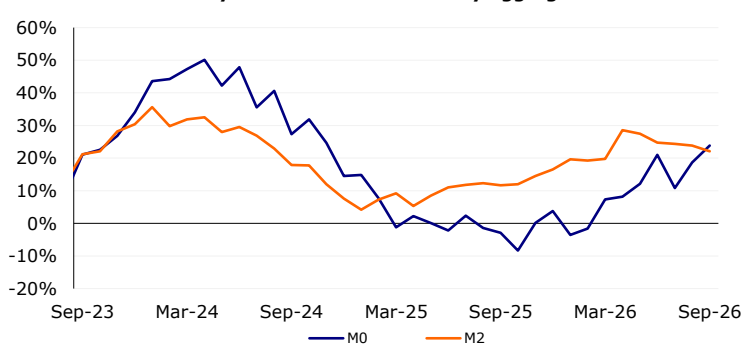
Credit to the private sector



Exchange Rate



Year on year variation of monetary aggregates



Oil Prices (Brent) and Eurobond Yield 2032

