

BODIVA

— SGMR, SA —



2019

QUARTERLY MARKET REPORT

I QUARTER

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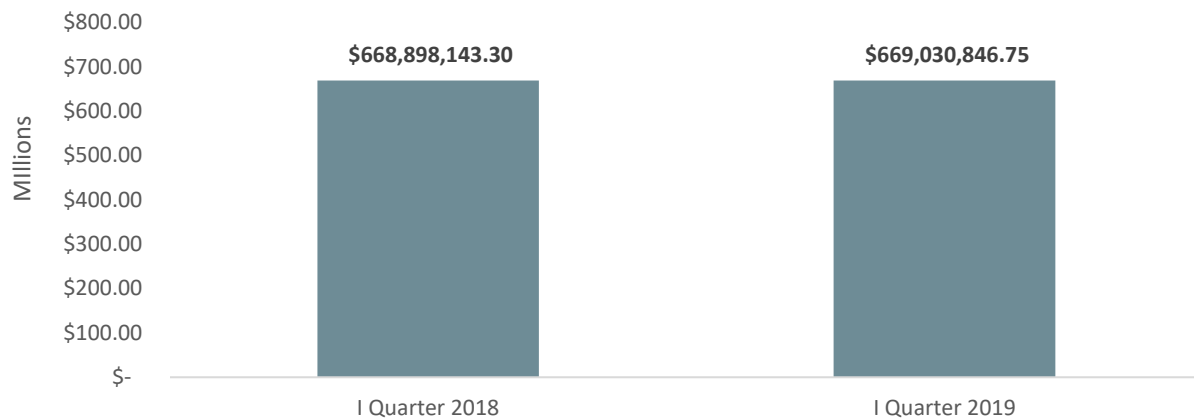
EXECUTIVE SUMMARY

- Compared to the same period, the traded amount decreased by 0.02%, from \$ 668 to \$ 669 million;
- 1,145 trades were carried out, an increase of 190% over the same period in which there were only 394 trades;
- Of the total trades, only 100 were interbank, with March having 46 deals, and January and February with 30 and 14, respectively;
- Of the traded amount, about 85.37% refers to securities that have a residual maturity of less than 3 years;
- Treasury bonds indexed to the US dollar (OTX) represented approximately 76.47% of the amount traded, a decrease of about 9.7% over the previous quarter;
- The non-adjusting treasury bonds (OTNR) represented around 11.81%, and treasury bills (BT's) accounted for 11.72%. Colective Investment Schemes represented only 0.001%;
- BFA, SBA and BAI account for approximately 70.70% of the amount traded, of which 25.82%, 24.75% and 20.13% respectively;
- Securities traded on the secondary market represented, on average, about 0.81% of the public debt stock entitled;
- The main players in the secondary market are brokers, with 53.9% of the amount traded, followed by the 40.1 company and private customers, with only 6.0% of the total traded;
- In the period under review, 62 individualized accounts were opened, totaling 7,559 accounts opened in 2018;
- The amount under custody at CEVAMA was \$ 2.2 billion;
- 1145 trades were settled, corresponding to \$ 203 million.

TRADING

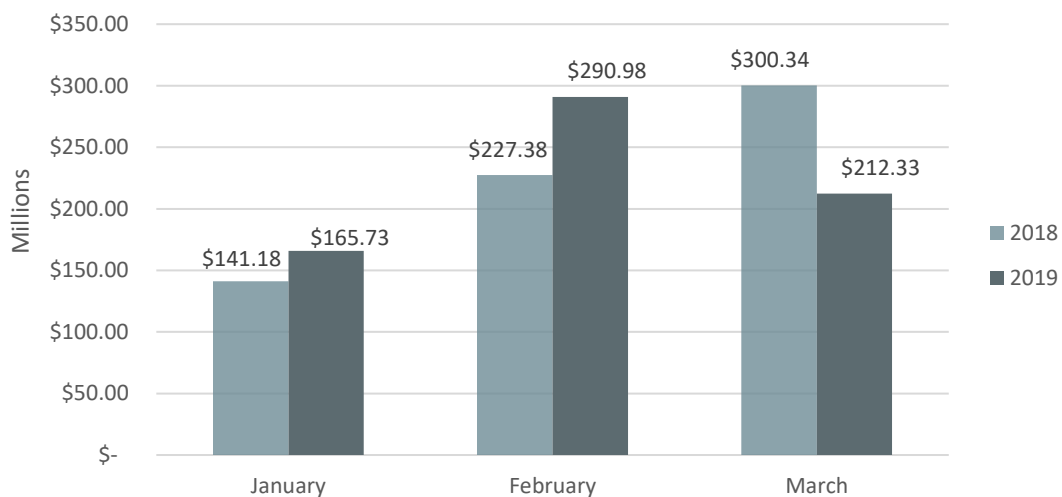
TRADING EVOLUTION

During the first quarter of 2019, 1,145 trades were carried out on the regulated markets under management of BODIVA, totaling \$ 669,030,846, an increase of 0.02% over the same period of the previous year.



Graph 1 – Traded Amount

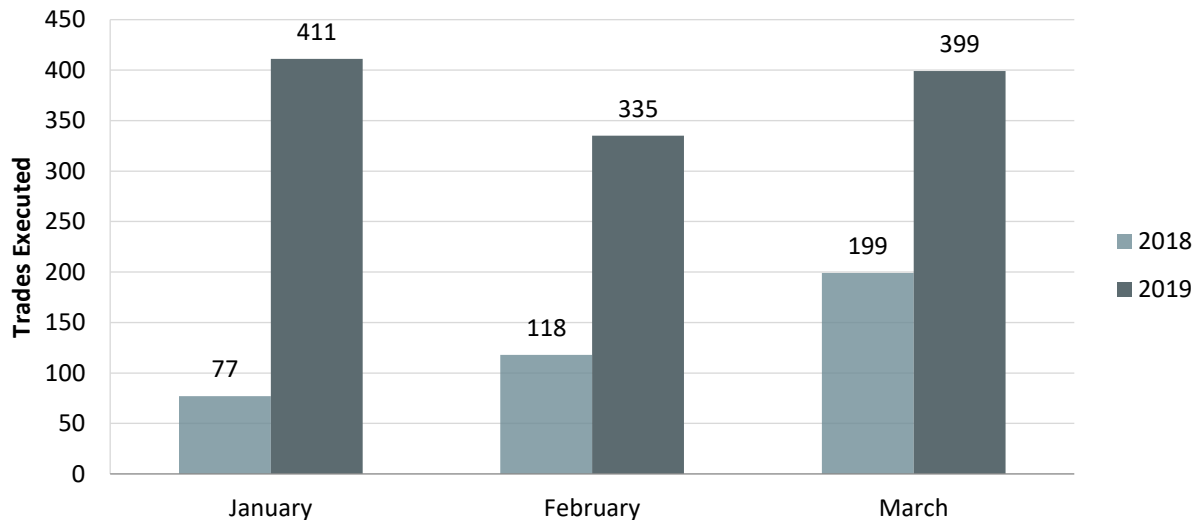
The average monthly traded amount was \$ 223,01 million, with February being the month with the highest trading, with \$ 290,9. Bellow the, the monthly evolution:



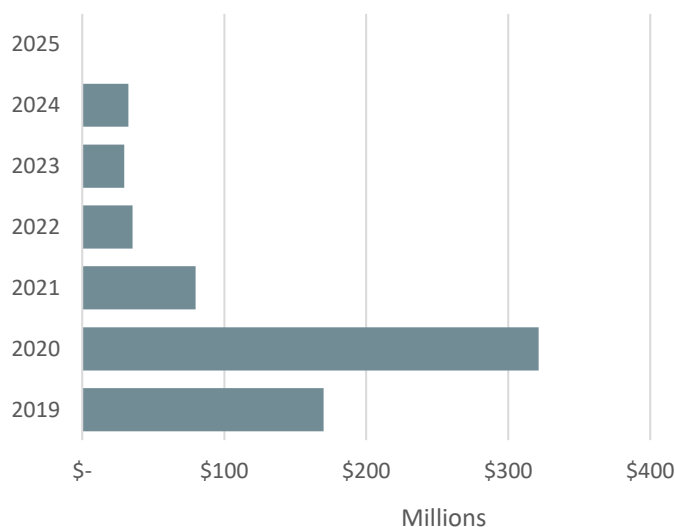
Graph 2 – Monthly Traded Amount

The number of executed trades in relation to the same period increased by 190.6%, with 1,145 trades. The monthly average was 382.

2018	2019	Var(%)	Monthly Average 2019
394	1,145	190.61%	382



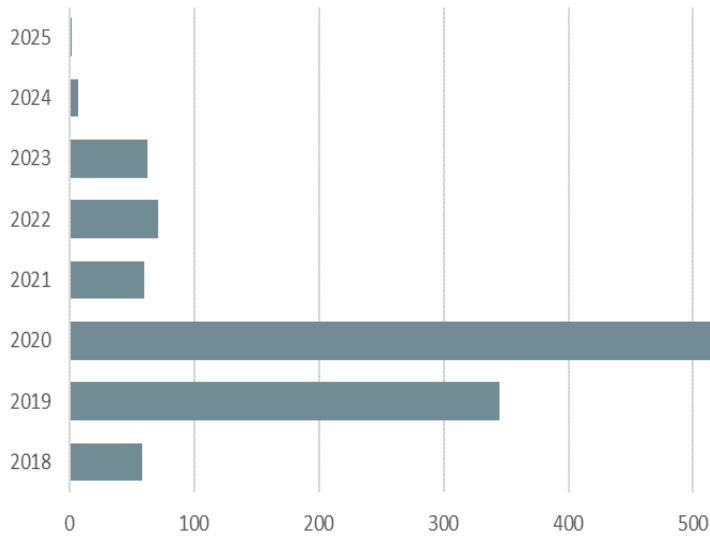
Graph 3 – Monthly Trades



Graph 4 – Traded Amount by maturity year

In relation to the trades carried out, by year of maturity, and in comparison with previous periods, **there is a tendency to increase trades in securities with residual maturities up to 3 years.**

Securities with maturity up to 2021 represent 71% of the amount traded.



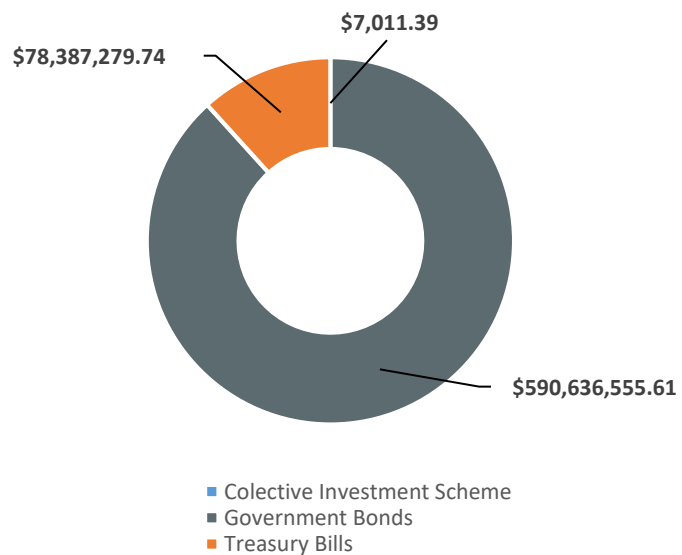
The number of trades is also concentrated in the shorter maturities, with special emphasis for the year 2020.

As a result, the trades carried out in 2019 and 2020 maturities accounted for 36.85%, 46.538%, totaling approximately 83.38% of the executed trades.

Graph 5 – Number of Trades per maturity year

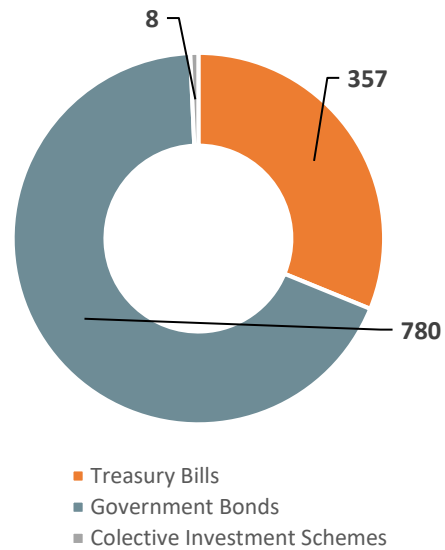
Regarding to the amount traded by type of security, the predominance of treasury bonds (88.28%) is confirmed, to the detriment of treasury bills (11.72%).

On the other hand, collective investment schemes trading represents only (0.001%) of the total traded as evidenced by the chart below.

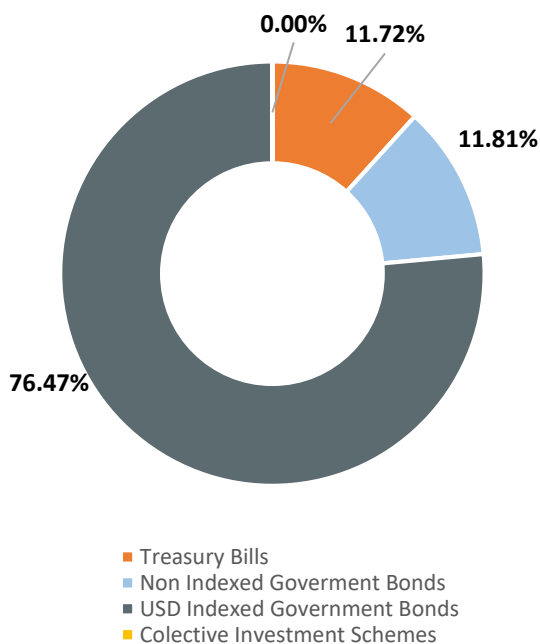


Graph 6 – Traded Amount per Instrument Category

Treasury Bonds represent approximately 68.12% of the executed trades. Although Treasury bills represent only 11.72% of the amount traded, they accounted for 31.18% of the trades executed. Collective Investment Schemes, with only eight (8) trades accounted for only 0.7%, as evidenced by Graph 7.



Graph 7 – Trades per Instrument Category



Graph 8 – Traded per Instrument Category

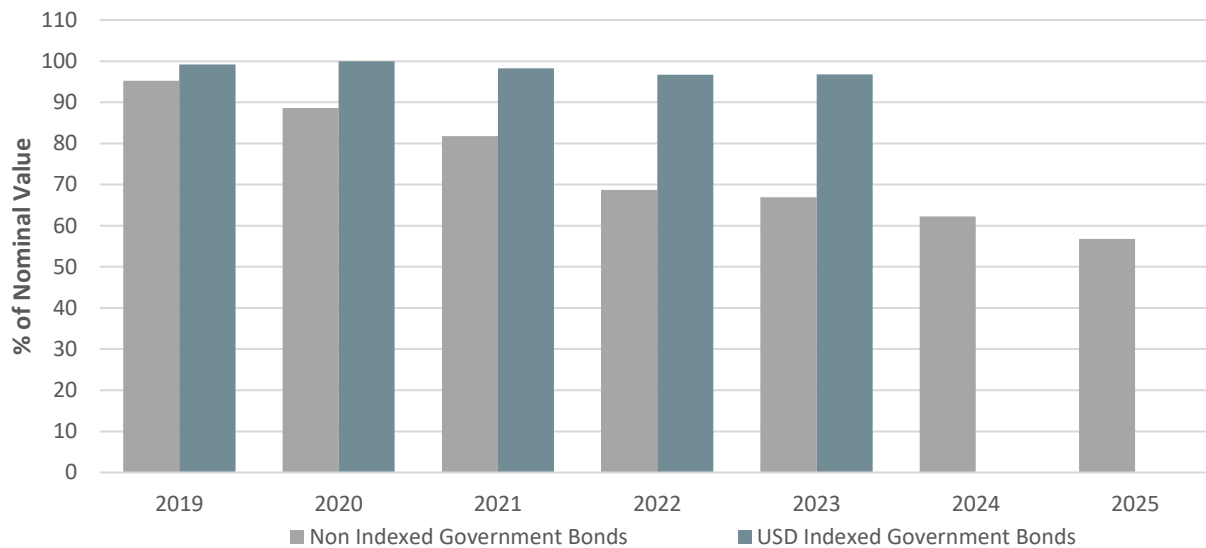
Regarding the characteristics of the most traded securities, **Treasury Bonds indexed to the US dollar accounted for 76.46% of the amount traded.**

Thus, despite the greater predictability of the exchange rate, **investors continue to favor trading of instruments that hedge against the devaluation of the national currency (kwanza).**

PRICE ANALYSIS

In terms of the pricing practiced for each year of maturity, the negative relationship between maturity and discount rates was maintained, with the spread between short-term and OT-NR long-term securities being approximately 32.9%. This may indicate that the market perceives long-term securities as being more risky, with liquidity risk being the most obvious. Below the average price of the business according to the maturity year.

Instrument Category	2019	2020	2021	2022	2023	2024	2025
USD Indexed Government Bonds	99.20	99.98	98.30	96.75	96.79		
Non Indexed Government Bonds	95.23	88.65	81.79	68.67	66.95	62.24	56.77



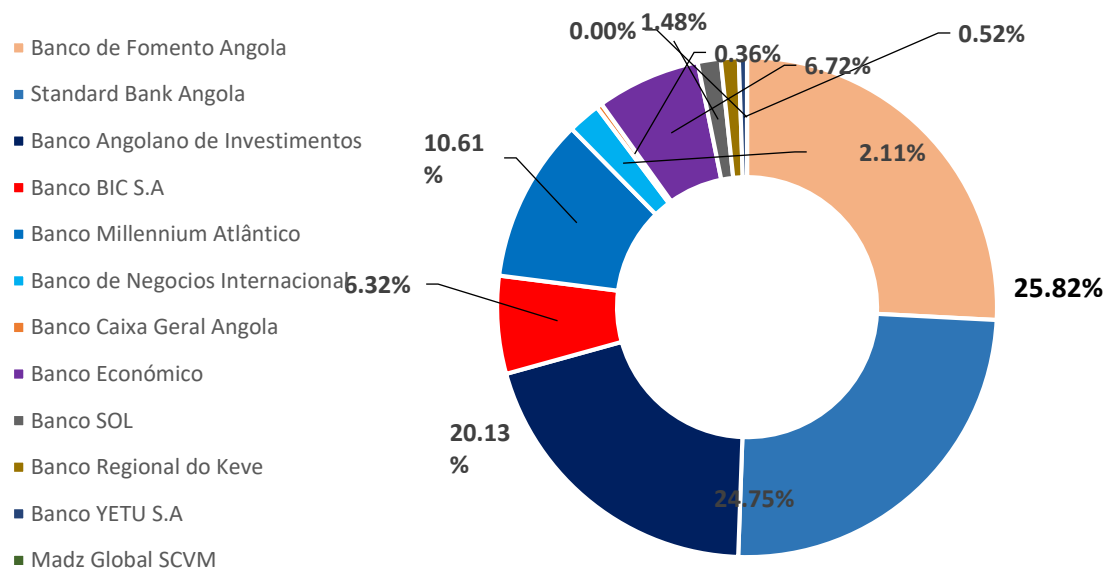
Graph 9 – Average Price per Maturity Year

BROKERS PERFORMANCE

As far as trading members performance is concerned, of the 18 BODIVA members, only 10 contributed to the traded amount. Particular emphasis is placed on Banco Fomento Angola (BFA), Standard Bank Angola (SBA) and Banco Angolano de Investimentos (BAI), which occupy the top three places and whose transactions accounted for about 82.5% of the market.

Ranking	Broker	2018		2019	
		Traded Amount	Market Share	Traded Amount	Market Share
1	Banco de Fomento Angola	\$ 707,332,278.47	52.87%	\$ 345,472,218.18	25.82%
2	Standard Bank Angola	\$ 216,671,251.52	16.20%	\$ 331,125,941.39	24.75%
3	Banco Angolano de Investimentos	\$ 86,651,123.51	6.48%	\$ 269,413,820.83	20.13%
4	Banco BIC S.A	\$ 140,014,125.22	10.47%	\$ 84,554,422.54	6.32%
5	Banco Millennium Atlântico	\$ 84,045,656.56	6.28%	\$ 141,970,643.76	10.61%
6	Banco de Negocios Internacional	\$ 37,708,377.29	2.82%	\$ 28,285,958.93	2.11%
7	Banco Caixa Geral Angola	\$ 30,084,528.63	2.25%	\$ 4,868,830.81	0.36%
8	Banco Económico	\$ 23,103,015.02	1.73%	\$ 89,916,450.27	6.72%
9	Banco SOL	\$ -	NA	\$ 19,861,208.16	1.48%
10	Banco Regional do Keve	\$ 11,705,728.04	0.88%	\$ 15,572,954.72	1.16%
11	Banco YETU S.A	\$ -	0.00%	\$ 7,019,243.92	0.52%
12	Madz Global SCVM	\$ 480,202.34	0.04%	\$ -	-
Totals		\$ 1,337,796,286.60	100%	\$ 1,338,061,693.49	100%

1. Traded amount double counted.

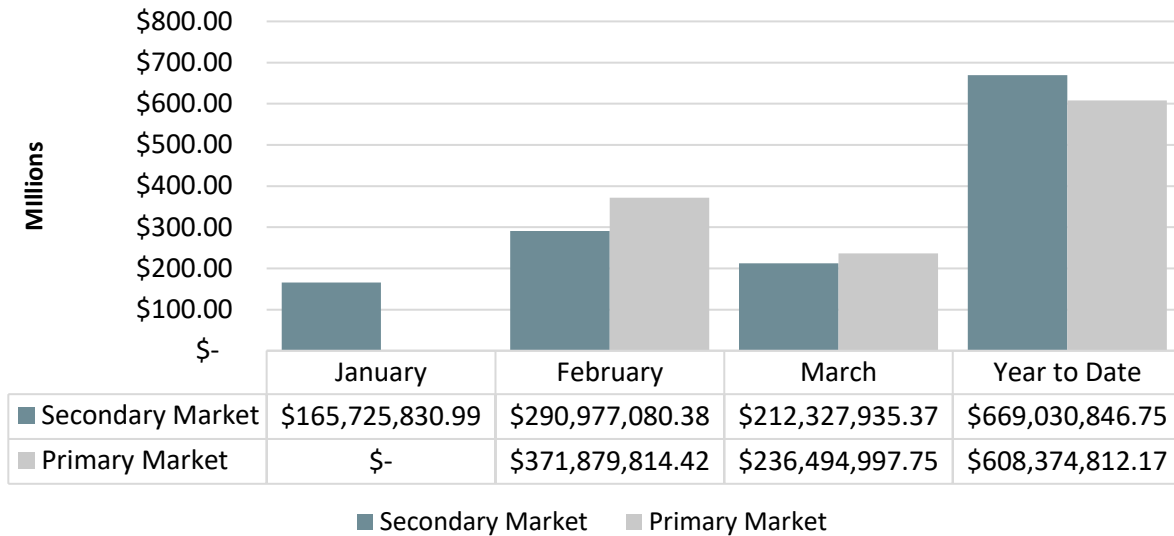


Graph 10 – Traded amount by brokers

BFA continues to lead the market, with a traded amount of \$345,4 million, however its market share decreased from 52.87% to 25.82%. SBA saw its market share rose from 16.20% to 24.75%, having traded \$ 331,1 million. Having increased exponentially the amount traded, BAI saw its market share increase from 6.48% to 20.13%.

COMPARATIVE ANALYSIS: PRIMARY VS SECONDARY MARKET

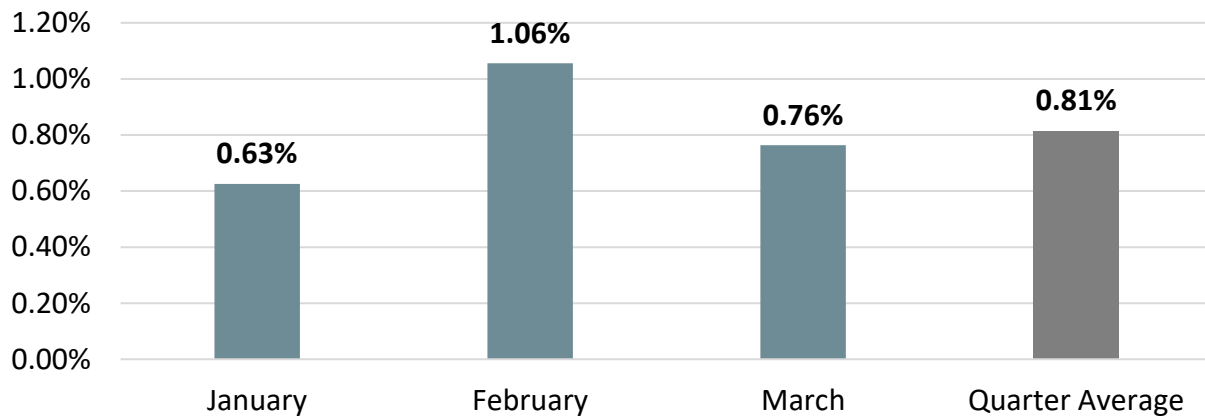
In the period under review, issues in the public debt primary market reached \$ 608,37 million, while in the secondary market a total of \$ 669,03 million was traded.



Graph 11 – Traded amount in Secondary Market vs. Issued Amount in Public Debt Primary Market

The traded amount on the secondary market accounted for 109.97% of the total issuance in the primary market.

When comparing the traded amount in the secondary market with the public debt stock, which averaged \$ 27,28 billion, we can observe that, on average, the secondary market represented about 0.81% of the public debt stock. Below, the monthly evolution



Graph 12 – Weight of the amount traded in secondary market on internal public debt

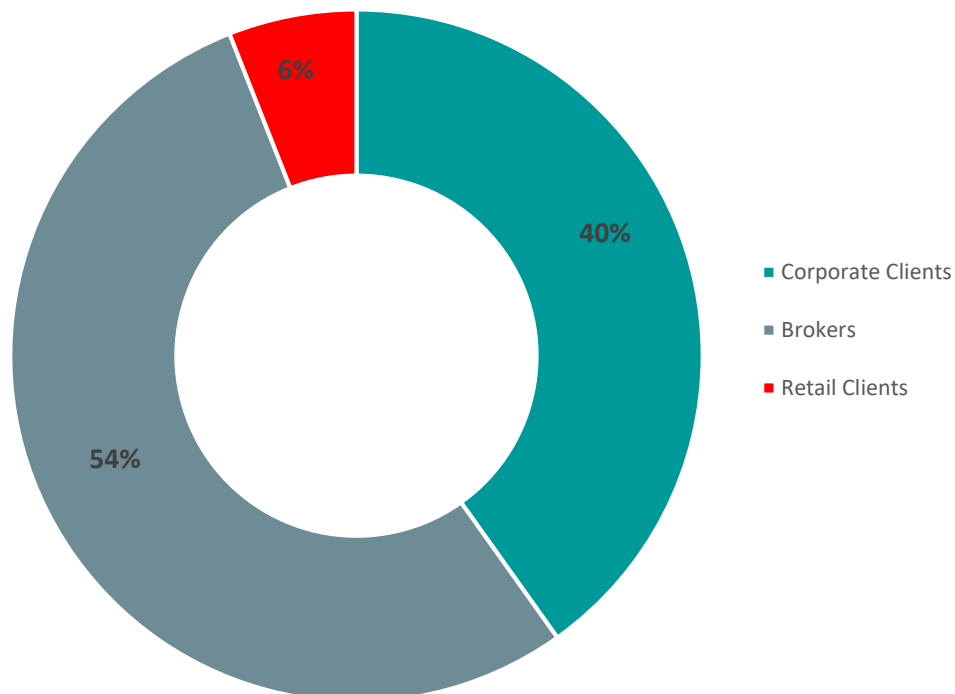
FINAL COMMITTEES ANALYSIS

MAIN PLAYERS

Regarding to the final beneficiaries of the executed trades during the first quarter of 2019, there is a prevalence of brokers and corporate clients, which account respectively for 43.9% and 40.1% of the traded amount. Retail clients represented only 6%.

Final Committee		Traded Amount	%
Corporate Clients	\$	537,217,024.17	40.1%
Brokers	\$	720,833,016.60	53.9%
Retail Clients	\$	80,011,652.73	6.0%
Total	\$	1,338,061,693.49	100%

Below, the Graph analysis:



Graph 13 – Weigth of final committees

When analyzing purchase transactions, it is verified that the brokers represent 51.8% of the total amount, and corporate and retail clients represent only 38.7% and 9.4%, respectively.

Final Committee		Traded Amount	%
Corporate Clients	\$	259,182,962.60	38.7%
Brokers	\$	346,845,036.34	51.8%
Retail Clients	\$	63,002,847.81	9.4%
Total	\$	669,030,846.75	100%

Regarding to sales transactions, brokers accounted for 55.9% of the total amount, followed by corporate clientes and retail clients representing 41.6% and 2.5%, respectively:

Final Committee		Traded Amount	%
Corporate Clients	\$	278,034,061.57	41.6%
Brokers	\$	373,987,980.25	55.9%
Retail Clients	\$	17,008,804.92	2.5%
Total	\$	669,030,846.75	100%

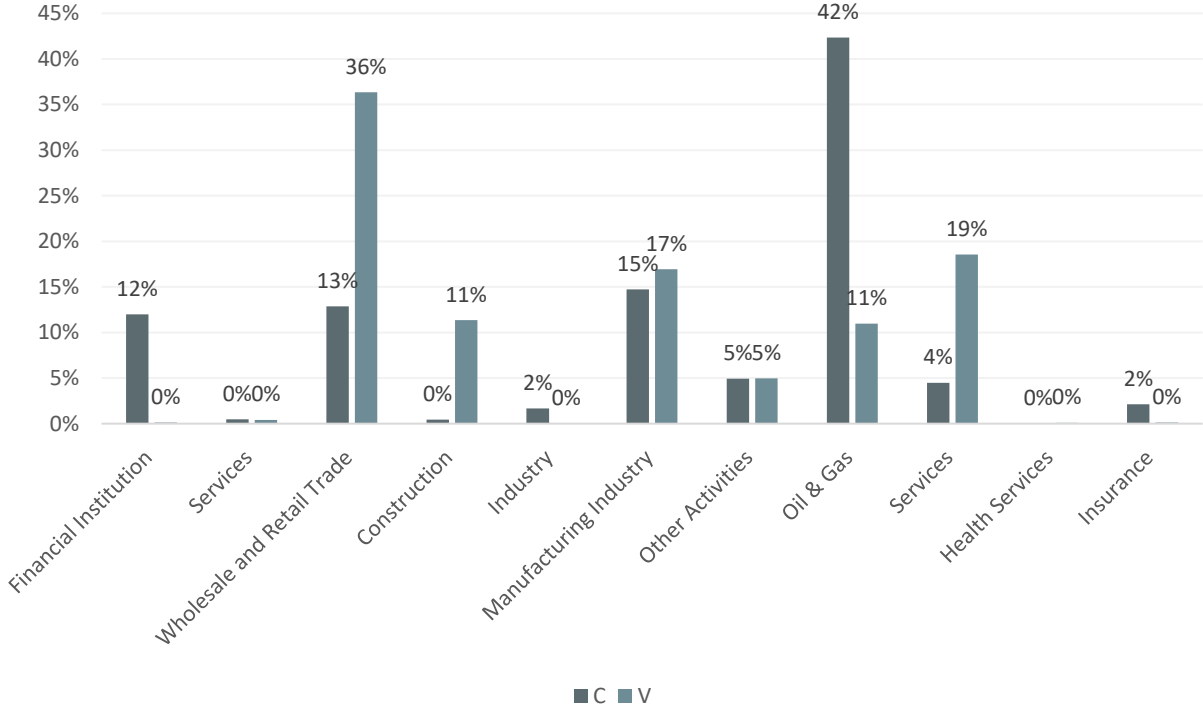
Regarding to the number of trades and the buying or selling position of the final beneficiaries, the trend in terms of the traded amount is confirmed, that is, the brokers favor the selling position to the detriment of the buying position.

On the other hand, the corporate and retail clients present opposite behavior, privileging the buying position.

Final Committee	Buy	Sell
Corporate Clients	183	166
Brokers	268	863
Retail Clients	688	110
Total	1139	1139

When analyzing the data from a sectoral perspective, we find that Oil&Gas companies were the ones that traded the most in the purchasing position with a total of \$ 109,72 million.

In terms of sales, the Wholesale and Retail clients trade held the lead with \$ 101,02 million, followed by the Services sector with \$ 51,55 million and the Manufacturing Industry sector with \$ 47,04 million.

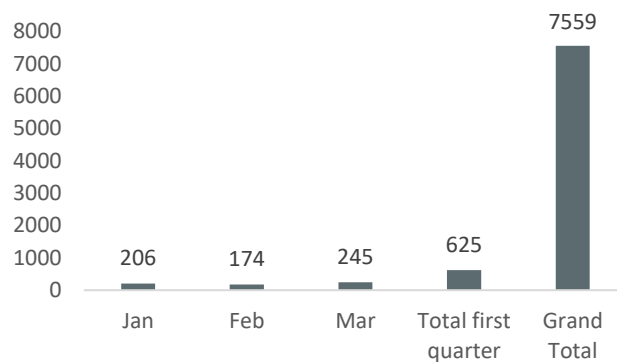


Graph 14 - Weigth of companies by sector of activity

CLEARING & SETTLEMENT

ACCOUNTS

During the first quarter of 2019, 625 segregated accounts were opened. In that period, March had the largest number of new registrations. As result, the first quarter closed with a total of 7559 active accounts, which includes the members' own portfolio accounts, issuer accounts, settlement accounts and individual registration accounts.

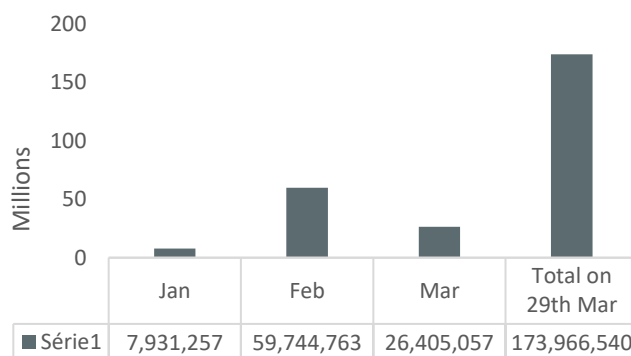


Graphic X – Evolution of open accounts

SECURITIES UNDER CUSTODY

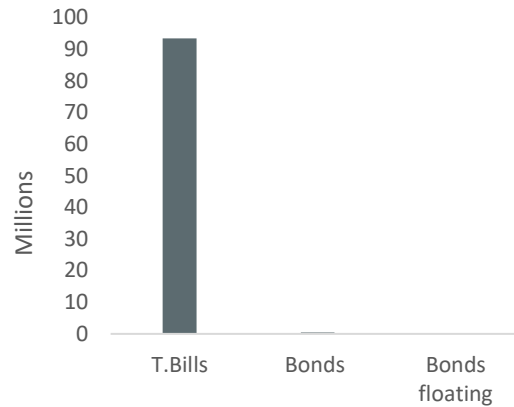
Public Debt

In the first quarter of 2019, 94,081,077 treasury securities were deposited, of which 93,395,661 are Treasury Bills and 685.416 Government Bonds, which represent a total amount of AOA 93,395,661,000 (USD 299.864.062,80) and 129.220.826.424,6 AOA (USD 414.887.389,79) respectively.



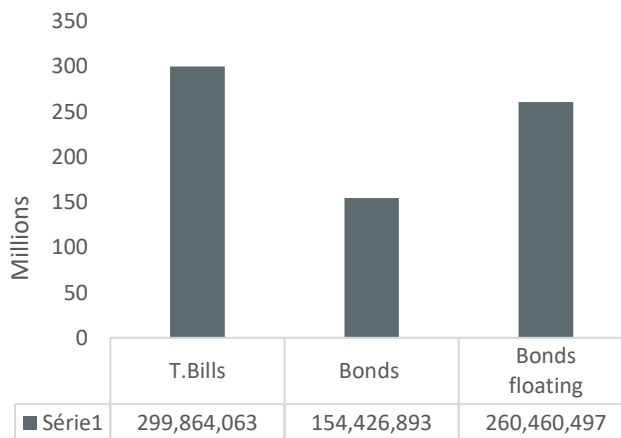
Graphic 14 – Custody

In terms of Public Debt, BODIVA has 94,081,077 securities under custody, of which 99% correspond to a Treasury Bills and 1% to Government Bonds. Compared to the same period in 2018, there was an increase of 2,240%.



Graphic X – Typology and quantity

The securities under custody accounted for USD 7,091,245,036.81, from which 92% is represented by Government Bonds as suggested by the graphic.

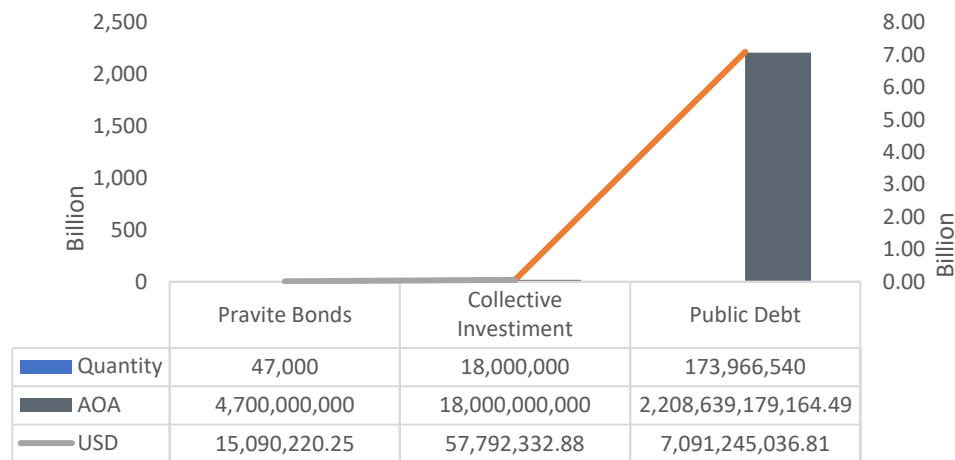


Graphic 16 – Amount and typology

Corporate Issues

With Standard Bank Angola's Corporate Bonds, which were integrated in November, Central Securities Depository (CEVAMA) registered an increase of USD 15,090,220.25 in the custody amount, representing 21% of the total.

The shares of the Collective Investment Scheme promoted by Banco de Fomento Angola (BFA) amounted to USD 57,792,332.88, representing 79% of USD 72,882,533.14 held in custody.

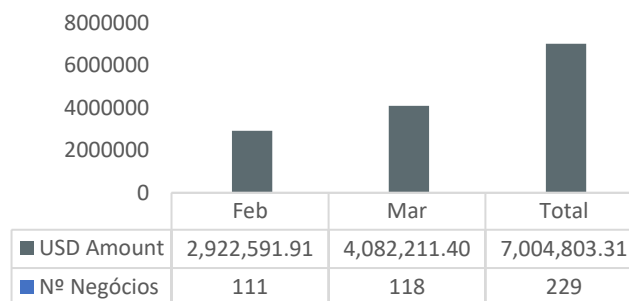


Graphic 17 – Market and typology of custody

SETTLEMENT

Primary Market – Investor’s Portal (Portal do Investidor¹)

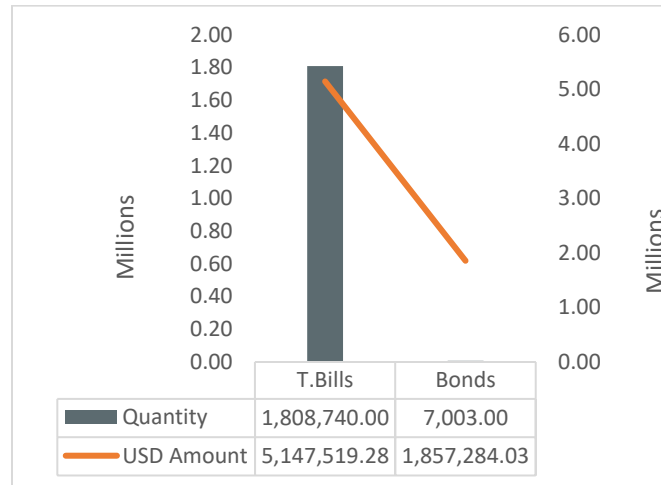
During the last quarter of the year, 229 deals were settled, totaling USD 7,004,803.31.



Graphic 18 – Number of deals and amount

¹ The Angolan Treasury places treasury bonds directly to the public through the “Investor’s Portal”, which allow retail investors to acquire treasury bonds online through a website.

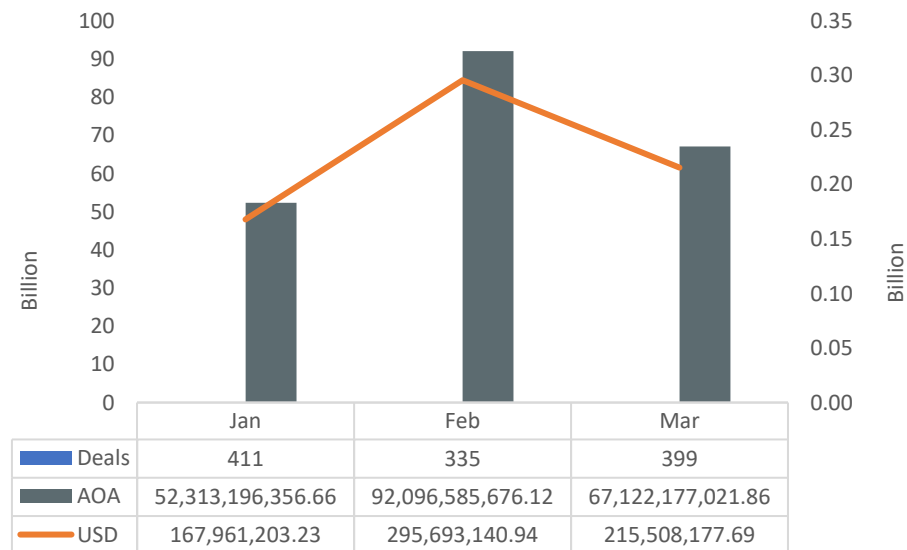
Regarding the type of Security, Treasury Bills had better adherence of investors, resulting in investment of USD 5,147,519.28, corresponding to 73% of the amount settled in the quarter.



Graphic 19 – Primary market negotiation per Type of security

Secondary market.

Throughout the first quarter, 1145 deals were settled, which corresponds to over AOA 211 billion.



Graphic 20 – Secondary market

RELEVANT FACTS

A. Market Laws and Regulation:

- I. **The following Instructions of the Capital Markets Commission were published;**
 - a. **Regulamento N.º1/19** – Regulated Markets Management Companies;
 - b. **Regulamento N.º2/19** – Collective Investment Schemes in Venture Capital;
 - c. **Regulamento N.º3/19** – Collective Investment Schemes for Asset Securitization;
 - d. **Regulamento N.º4/19** – Asset Management Companies.