



Banco de Moçambique

INTERBANK MONEY AND FOREIGN EXCHANGE MARKETS BULLETIN

Markets and Reserves Management Department

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1. Introduction

This bulletin reports the developments in the Interbank Money Market and the Foreign Exchange Market for the third quarter of 2024, compared to the previous one.

In an ordinary session dated September 30, 2024, the Monetary Policy Committee (MPC) of the Banco de Moçambique decided to reduce the MIMO policy rate from 14.25% to 13.50%, amid the consolidation of prospects for the maintenance of single-digit inflation over the medium term, in a context in which the assessment of risks and uncertainties associated with inflation forecasts remains favorable. This marks the fifth policy rate cut this year, which, cumulatively, amounts to a drop by 375 bps.

Interest rates on Interbank Money Market instruments trended downwards in line with the monetary policy bias, pointing to a cycle of normalization of the MIMO policy rate over the medium term. The reporting period was characterized by the stability of the interest rates on overnight lending (effective MIMO policy rate), which remained on par with the MIMO policy rate. In the Foreign Exchange Market, the exchange rate of the Metical against the United States Dollar (USD/MZN) remained stable throughout the reporting quarter.

Regarding interbank market transactions for the third quarter of 2024, compared to the second quarter of the same year, the highlights are as follows:

1.1. Interbank Money Market¹

- Decrease in the interest rates on secured and unsecured lending between banks from 15.41% to 14.55% and 15.42% to 14.49%, respectively (charts 5 and 6);
- Increase in Treasury Bill (T-Bill) interest rates for the 91-day maturity (16.82% to 15.09%), 182-day maturity (17.07% to 15.55%) and 364-day maturity (17.64% to 15.20%) (chart 2);
- Decrease in the reverse repo interest rate for the 7-day maturity (15.50% to 14.49%) and the 1-month maturity (15.53% to 14.73%); (chart 3);

¹ The interest rates referenced below are the weighted average interest rates for the period.

- Increase in the volumes of Type A T-Bill subscriptions and reverse repos and decrease in Type B T-Bill subscriptions (tables 3 and 5); and
- Increase in placements at the Standing Deposit Facility by about 25% and decrease in calls for the Standing Lending Facility by about 83% (table 6).

1.2. Foreign Exchange Market

- Stability of the effective and reference exchange rates of the Metical against the United States Dollar (chart 12);
- Increase in the total turnover of banks in customer transactions by about 3% (table 8);
- Increase in the volume of transactions between commercial banks by about 20% (table 7); and
- Increase in the volume of transactions in financial derivatives (foreign exchange forwards and foreign exchange swaps) by about 26% (table 8).

Find the details in the charts and tables below.

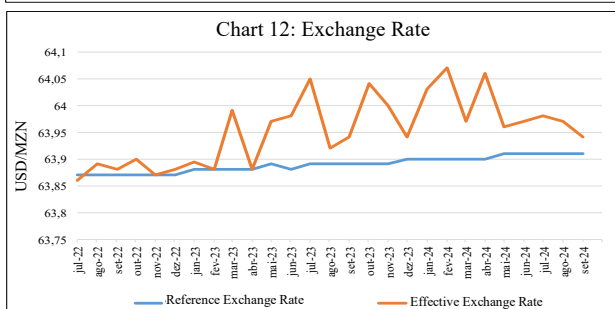
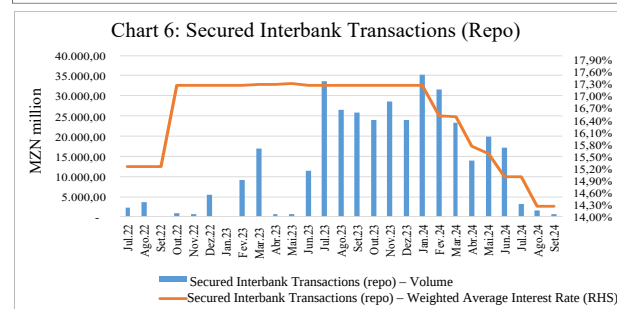
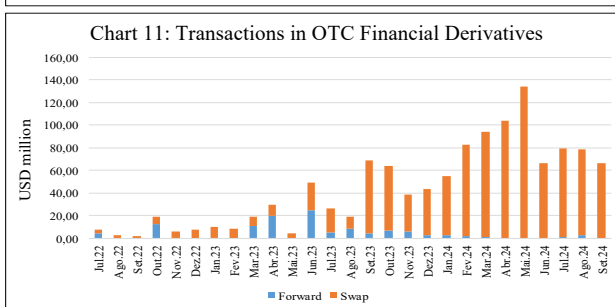
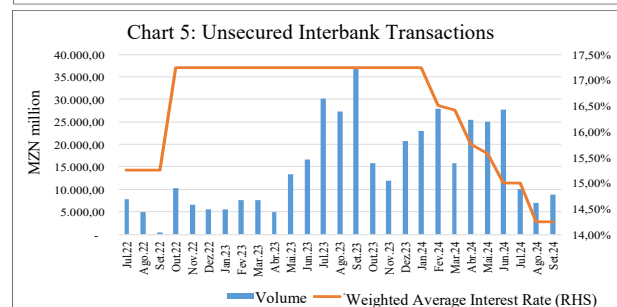
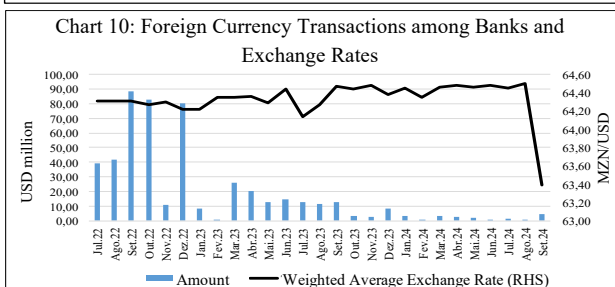
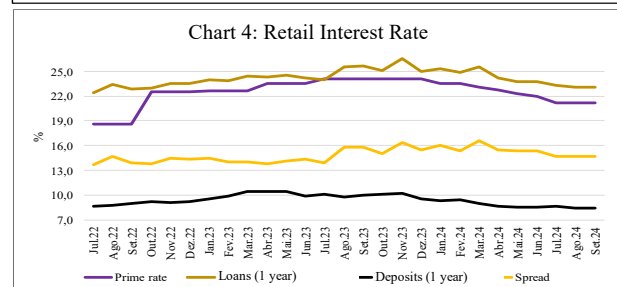
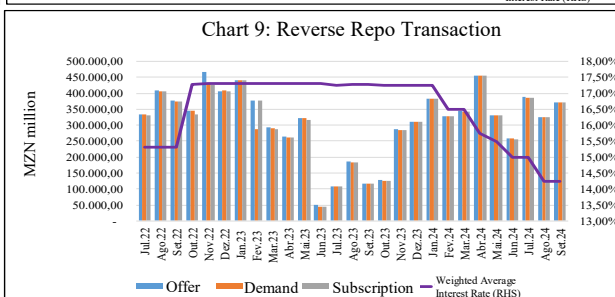
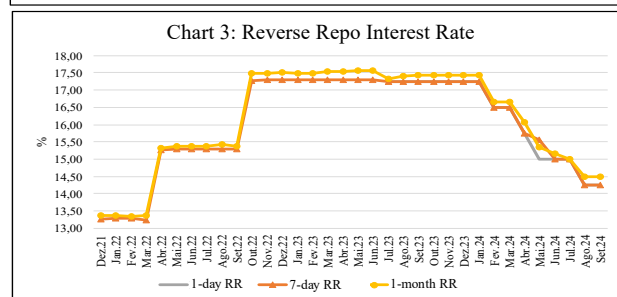
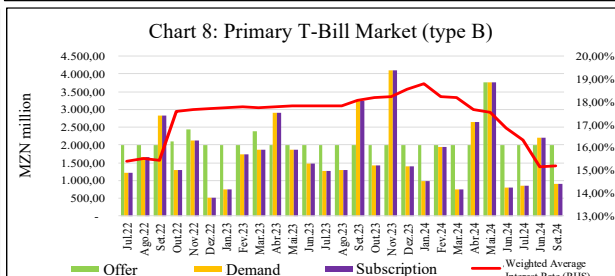
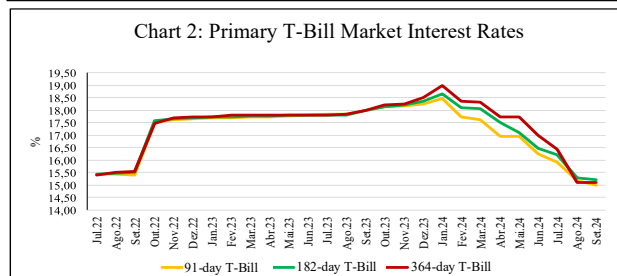
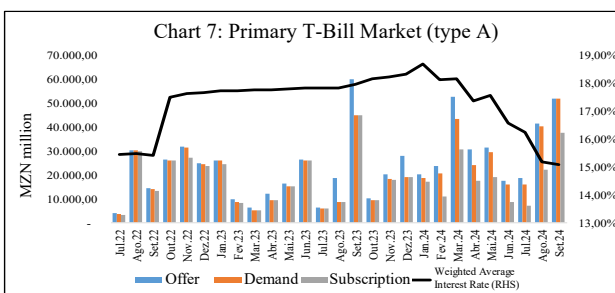
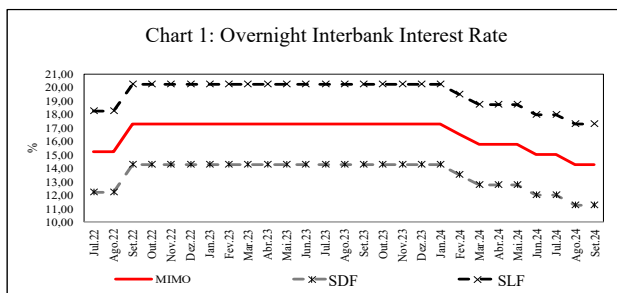


Table 1 – Unsecured Interbank Transactions

Period	Number of Transactions	Amount (million)	Average Rate (%)
Overnight	55	26.037,00	14,49
02 to 07 days	0	0,00	-
Q3 2024 (40 days)	55	26.037,00	14,49
Q2 2024 (59 days)	128	78.230,00	15,42

Note: Weighted Average Exchange Rate

Table 2 – Secured Interbank Transactions (Repo)

Period	Number of Transactions	Amount (million)	Average Rate (%)
Overnight	22	5.340,00	14,55
02 to 07 days	0	0,00	-
Q3 2024 (12 days)	22	5.340,00	14,55
Q2 2024 (52 days)	167	50.825,00	15,41

Note: Weighted Average Exchange Rate

Table 3 - T-Bill Issuance – Type A

Maturity (days)	Amount (MZN million)		Average Rate (%)
	Offer	Subscription	
91	36.500,00	19.477,00	15,09
182	22.300,00	11.204,00	15,55
364	53.100,00	36.182,00	15,20
Q3 2024	111.900,00	66.863,00	15,23
Q2 2024	79.700,00	45.318,00	17,29

Note: Weighted Average Exchange Rate

Table 5 – Reverse Repo between the BM and Commercial Banks

Maturity (days)	Amount (MZN million)		Average Rate (%)
	Offer	Subscription	
Overnight	197.400,00	196.913,00	14,41
7 days	882.800,00	880.249,00	14,54
1 month	4.300,00	2.550,00	14,73
Q3 2024	1.084.500,00	1.079.712,00	14,52
Q2 2024	1.044.600,00	1.041.930,00	15,48

Note: Weighted Average Exchange Rate

Table 4 - T-Bill Issuance – Type B

Maturity (days)	Amount (MZN million)		Average Rate (%)
	Offer	Subscription	
182	3.000,00	1.420,00	15,42
364	3.000,00	2.546,00	15,41
Q3 2024	6.000,00	3.966,00	15,41
Q2 2024	7.760,00	7.206,00	17,51

Note: Weighted Average Exchange Rate

Table 6 – Standing Facilities

Period	Lending				Deposit			
	Amount (MZN million)	No. of Days	Average Amount (MZN million)	Interest Rate (%)	Amount (MZN million)	No. of Days	Average Amount (MZN million)	Interest Rate (%)
July	100,00	1	100,00	18,00	125.341,09	23	5.449,61	12
August	900,00	1	900,00	17,25	123.407,18	22	5.609,42	11,25
September	0,00	0	0,00	0,00	129.364,71	20	6.468,24	11,25
Q3 2024	1.000,00	2	1.000,00	17,33	378.112,98	65	5.817,12	11,25
Q2 2024	67.801,01	33	5.927,39	18,56	301.421,62	62	4.861,64	12,00

Note: Weighted Average Exchange Rate

Table 7 – Transactions between Commercial Banks

Period	Spot	
	Amount (USD million)	Weighted Average Exchange Rate (USD/MZN)
July	1,20	64,45
August	0,50	64,50
September	4,95	63,40
Q3 2024	6,65	63,67
Q2 2024	5,56	64,47

Table 8 – Foreign Currency Sales between Commercial Banks and Customers

Period	Purchase	Sales	Derivatives	Total
	Amount (USD million)	Amount (USD million)	Amount (USD million)	(USD million)
July	756,68	738,14	79,70	1.574,52
August	702,61	694,80	78,56	1.475,97
September	650,07	567,88	66,16	1.284,11
Q3 2024	2.109,36	2.000,82	224,42	4.334,61
Q2 2024	2.052,07	1.863,28	304,01	4.219,36

Note: All currencies converted to USD

