



Banco de Moçambique

# INTERBANK MONEY AND FOREIGN EXCHANGE MARKETS BULLETIN

Markets and Reserves Management Department

No. 104/ Year 25  
January 2025

## **1. Introduction**

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

In an ordinary session dated November 27, 2024, the Monetary Policy Committee (MPC) of the Banco de Moçambique decided to reduce the monetary policy interest rate (MIMO rate), from 13.50% to 12.75%, amid the continued consolidation of the prospects for the maintenance of single-digit inflation over the medium term, despite uncertainties regarding the duration of the post-election tension and its impact on prices of goods and services. This was the sixth consecutive reductions in the policy rate in the current year, which, cumulatively, amounts to a drop of 450 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 rate), which remained on par with the MIMO 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 the interbank market transactions for the fourth quarter of 2024, as compared to the third quarter of the same year, the highlights are as follows:

### **1.1. Interbank Money Market<sup>1</sup>**

- Decrease in interest rates on secured and unsecured lending between banks from 14.55% to 13.44% and 14.49% to 13.30%, respectively (charts 5 and 6);
- Decrease in Treasury Bill (T-Bill) interest rates for the 91-day maturity (15.09% to 13.87%), 182-day maturity (15.55% to 14.02%) and 364-day maturity (15.20% to 14.26%) (chart 2);
- Decrease in the reverse repo interest rate (RR) for the 7-day maturity from 14.54% to 13.23% and the 1-month maturity from 14.73% to 13.43% (chart 3);
- Decrease in the volumes of Type A T-Bill subscriptions and reverse repos, and increase in Type B T-Bill subscriptions (tables 3 to 5); and

---

<sup>1</sup> The interest rates referenced below are the weighted average interest rates for the period.

- Increase in placements at the Standing Deposit Facility by about 1.84% and no transactions were recorded on the Standing Lending Facility (table 6).

### **1.2. Interbank Foreign Exchange Market**

- Effective and reference Metical exchange rate stability against the United States Dollar (chart 12);
- Decrease in total turnover of banks' transactions with customers by about 13.19% (table 8);
- Increase in the volume of transactions between commercial banks by about 270.47% (table 7); and
- Increase in the volume of transactions in financial derivatives (foreign exchange forwards and foreign exchange swaps) by about 33.16% (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	22	7.855,00	13,30
02 to 07 days	0	0,00	-
Q4 2024	22	7.855,00	13,30
Q3 2024	55	26.037,00	14,49

Note: Weighted Average Exchange Rate

Table 2 – Secured Interbank Transactions (Repo)

Period	Number of Transactions	Amount (million)	Average Rate (%)
Overnight	23	8.903,00	13,44
02 to 07 days	0	0,00	-
Q4 2024	23	8.903,00	13,44
Q3 2024	22	5.340,00	14,55

Note: Weighted Average Exchange Rate

Table 3 – T-Bill Issuance – Type A

Maturity (days)	Amount (MZN million)		Average Rate (%)
	Offer	Subscription	
91	29.700,00	20.809,00	13,87
182	18.400,00	11.197,00	14,22
364	33.400,00	16.962,00	14,26
Q4 2024	81.500,00	48.968,00	14,09
Q3 2024	111.900,00	66.863,00	15,23

Note: Weighted Average Exchange Rate

Table 5 – Reverse Repo between BM and Commercial Banks

Maturity (days)	Amount (MZN million)		Average Rate (%)
	Offer	Subscription	
Overnight	56.800,00	55.420,00	13,50
7 days	965.810,00	962.817,00	13,23
1 month	10.200,00	9.200,00	13,43
Q4 2024	1.032.810,00	1.027.437,00	13,24
Q3 2024	1.084.500,00	1.079.712,00	14,52

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	1.910,00	14,28
364	3.000,00	4.930,00	14,31
Q4 2024	6.000,00	6.840,00	14,30
Q3 2024	6.000,00	3.966,00	15,41

Note: Weighted Average Exchange Rate

Table 6 – Standing Facilities

Maturity	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 (%)
October	0,00	0	N/A	N/A	100.670,38	21	4.793,83	10,5
November	0,00	0	N/A	N/A	179.503,13	21	8.547,77	10,47
December	0,00	0	N/A	N/A	104.885,15	19	5.520,27	9,75
Q4 2024	0,00	0	N/A	N/A	385.058,66	61	6.312,44	9,75
Q3 2024	1.000,00	2	1.000,00	17,33	378.112,98	65	5.817,12	11,25

Note: Weighted Average Exchange Rate

Table 7 – Transactions between Commercial Banks

Period	Spot	
	Amount (USD million)	Weighted Average Exchange Rate (USD/MZN)
October	9,52	64,00
November	1,84	64,49
December	13,28	63,76
Q4 2024	24,64	63,91
Q3 2024	6,65	63,67

Table 8 – Foreign Currency Sales between Commercial Banks and Customers

Period	Purchase	Sales	Derivatives	Total
	Amount (USD million)	Amount (USD million)	Amount (USD million)	
October	618,60	594,40	71,99	1.284,99
November	632,11	506,19	108,05	1.246,35
December	614,99	497,94	118,80	1.231,73
Q4 2024	1.865,70	1.598,53	298,84	3.763,07
Q3 2024	2.109,36	2.000,82	224,42	4.334,61

Note: All currencies converted to USD

