



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 second quarter of 2025, compared to the previous one.

In an ordinary session dated 30 May 2025, the Monetary Policy Committee (MPC) of the Banco de Moçambique (BM) decided to reduce the monetary policy interest rate (MIMO rate), from 11.75% to 11.00%. This decision is underpinned by the consolidation of the medium-term single-digit inflation outlook, partly driven by the favourable trajectory of global prices of goods and services. Nonetheless, the domestic environment remains marked by elevated risks and uncertainties that undermine projections. This was the eighth consecutive reduction in the MIMO rate since the beginning of 2024, cumulatively amounting to 625 basis points.

Interest rates on Interbank Money Market instruments continued to trend downwards, in line with the current monetary policy stance, signaling a gradual normalization of the MIMO rate over the medium term, as announced by the BM. In the reporting period, the interest rate on overnight lending (effective MIMO rate) remained stable and aligned with the MIMO rate. However, commercial banks' deposit rates on customer deposits have been following the downward trend signalled by monetary policy, lending rates have moved in the opposite direction.

In the Foreign Exchange Market, the exchange rate of the Metical against the United States dollar (USD/MZN) remained stable throughout the second quarter of 2025.

Regarding the interbank market transactions for the second quarter of 2025, as compared to the first quarter of 2024, the highlights are as follows:

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

- Decrease in the interest rates on secured and unsecured lending between banks from 12.36% to 11.75% and 12.27% to 11.25%, respectively (charts 5 and 6);
- Decrease in Treasury Bill (T-Bill) interest rates for the 91-day maturity (13.24% to 12.28%), 182-day maturity (13.22% to 13.06%), and 364-day maturity (13.42% to 13.10%) (chart 2);
- Decrease in the reverse repo interest rate for the 7-day maturity (12.33% to 11.52%) and the 1-month maturity (12.55% to 11.83%) (chart 3);
- Decrease in the volumes of Type A T-Bill subscriptions and increase in Type B T-Bill subscriptions and reverse repos (tables 3 and 5);
- Decrease in deposit rates from 7.04% to 6.60%, while lending rates rose from 22.53% to 23.60%; and
- Increase in placements at the Standing Deposit Facility and no transactions recorded under the Standing Lending Facility (table 6).

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

- Stability of the effective and reference exchange rates of the Metical against the United States dollar, with an increase in the spread between them;
- In the current quarter, the effective exchange rate closed at MZN/USD 64.16 and the reference rate at MZN/USD 63.90 (chart 12);
- Increase in total turnover of banks by approximately 27.74%, with derivatives transactions evolving in line with this trend (table 8); and
- Increase in the volume of transactions between commercial banks by about 34.54% (table 7);
- Sequenced increase in derivatives transactions in the current quarter, reaching a maximum of USD 193.01 million, compared to a maximum of USD 146.98 million in the previous quarter (chart 11).

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

Find the details in the charts and tables below.

Table 1 - Unsecured Interbank Transactions

Period	Number of Transactions	Amount (million)	Average Rate (%)
Overnight	8	3.250,00	11,25
2 to 7 days	0	0,00	-
<b>Q2 2025</b>	<b>8</b>	<b>3.250,00</b>	<b>11,25</b>
<b>Q1 2025</b>	<b>5</b>	<b>4.400,00</b>	<b>12,27</b>

Note: Weighted Average Interest Rate

Table 2 - Secured Interbank Transactions

Period	Number of Transactions	Amount (million)	Average Rate (%)
Overnight	10	2.150,00	11,75
2 to 7 days	2	1.000,00	-
<b>Q2 2025</b>	<b>12</b>	<b>3.150,00</b>	<b>8,02</b>
<b>Q1 2025</b>	<b>7</b>	<b>1.850,00</b>	<b>12,36</b>

Note: Weighted Average Interest Rate

Table 3 - T-Bill Issuance - Type A

Period (days)	Amount (MZN million)		Average Rate (%)
	Offer	Subscription	
91	39.100,00	30.799,00	12,84
182	21.900,00	17.930,00	13,06
364	18.200,00	12.822,00	13,10
<b>Q2 2025</b>	<b>79.200,00</b>	<b>61.551,00</b>	<b>12,96</b>
<b>Q1 2025</b>	<b>106.300,00</b>	<b>81.472,00</b>	<b>13,29</b>

Note: Weighted Average Interest Rate

Table 5 - Reverse Repo between the BM and Commercial Banks

Period (days)	Amount (MZN million)		Average Rate (%)
	Offer	Subscription	
Overnight	335.000,00	332.867,00	11,30
7 days	1.868.500,00	1.863.052,00	11,52
1 month	118.700,00	31.800,00	11,83
<b>Q2 2025</b>	<b>2.322.200,00</b>	<b>2.227.719,00</b>	<b>11,49</b>
<b>Q1 2025</b>	<b>1.741.700,00</b>	<b>1.648.384,00</b>	<b>12,32</b>

Note: Weighted Average Interest Rate

Table 4 - T-Bill Issuance - Type B

Period (days)	Amount (MZN million)		Average Rate (%)
	Offer	Subscription	
182	3.000,00	1.729,00	13,11
364	3.000,00	6.164,00	13,06
<b>Q2 2025</b>	<b>6.000,00</b>	<b>7.893,00</b>	<b>13,07</b>
<b>Q1 2025</b>	<b>6.000,00</b>	<b>3.625,00</b>	<b>13,33</b>

Note: Weighted Average Interest 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 (%)
April	0,00	0	0,00	-	91.452,78	20	4.572,64	8,75
May	0,00	0	0,00	-	150.612,08	21	7.172,00	8,75
June	0,00	0	0,00	-	113.218,97	20	5.660,95	8,00
<b>Q2 2025</b>	<b>0,00</b>	<b>0</b>	<b>0,00</b>	<b>-</b>	<b>355.283,83</b>	<b>61</b>	<b>5.824,33</b>	<b>8,00</b>
<b>Q1 2025</b>	<b>0,00</b>	<b>0</b>	<b>0,00</b>	<b>-</b>	<b>335.923,85</b>	<b>61</b>	<b>5.506,95</b>	<b>9,21</b>

Note: Weighted Average Interest Rate

Table 7 - Transactions between Commercial Banks

Period	Spot	
	Amount (USD million)	Weighted Average Interest Rate (USD/MZN)
April	1,35	64,00
May	3,18	64,49
June	11,56	63,76
<b>Q1 2025</b>	<b>16,10</b>	<b>63,92</b>
<b>Q1 2025</b>	<b>11,96</b>	<b>64,01</b>

Table 8 - Foreign Currency Sales between Commercial Banks and Customers

Period	Purchases	Sales	Derivatives	Total
	Amount (USD million)	Amount (USD million)	Amount (USD million)	(USD million)
April	642,44	721,82	141,97	1.506,23
May	457,69	588,66	165,91	1.212,26
June	654,48	535,62	193,01	1.383,11
<b>Q2 2025</b>	<b>1.754,61</b>	<b>1.846,10</b>	<b>500,89</b>	<b>4.101,60</b>
<b>Q1 2025</b>	<b>1.605,14</b>	<b>1.226,07</b>	<b>308,31</b>	<b>3.139,52</b>

Note: All currencies converted to USD

