



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 (IMM) and the Foreign Exchange Market for the fourth quarter of 2023, compared to the previous quarter.

In an ordinary session held on November 29, 2023, the Monetary Policy Committee (MPC) of the Banco de Moçambique decided to keep the MIMO Policy Rate unchanged at 17.25%, amid the emergence of new risks and uncertainties associated with inflation forecasts, particularly the potential impact of the ongoing conflict in the Middle East on international fuel and food prices.

In aggregate terms, in the quarter under review, the IMM saw a decline in the dynamics of operations between banks, amid unchanged rates at the same level as the MIMO rate. As regards the Treasury Bills (T-Bill) segment, interest rates increased. However, the banks' preference for reverse repo investments increased. In the Interbank Foreign Exchange Market, there was an increase in the volume of transactions in financial derivatives (foreign exchange forwards and foreign exchange swaps), amid a drop in transactions of other segments (with customers and between banks) and the maintenance of stability of the USD/MZN exchange rate.

Regarding the operations concerning the fourth quarter of 2023, as compared to the third quarter of the same year, the highlights are as follows:

### 1.1. IMM

- Interest rates on secured and unsecured lending between banks unchanged at 17.25% (charts 5 and 6);
- Increase in T-Bill interest rates for the 91-day maturity (17.93% to 18.20%), 182-day maturity (17.94% to 18.25%) and 364-day maturity (17.96% to 18.32%) (chart 2);
- Reverse repo interest rates for the 7-day maturity unchanged at 17.25% and an increase in the 1-month reverse repo interest rate from 17.40% to 17.43% (chart 3);

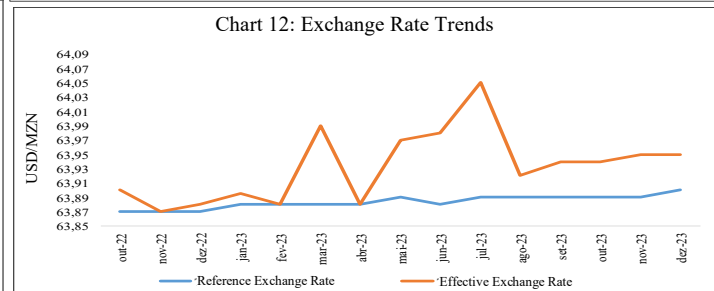
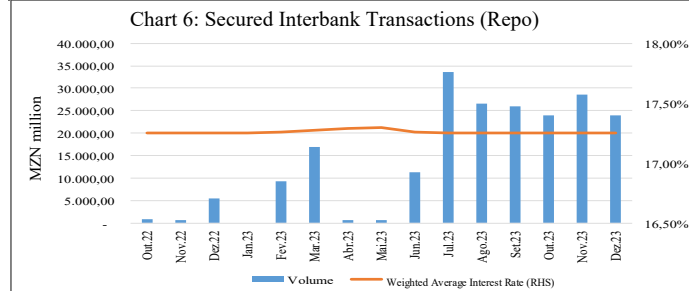
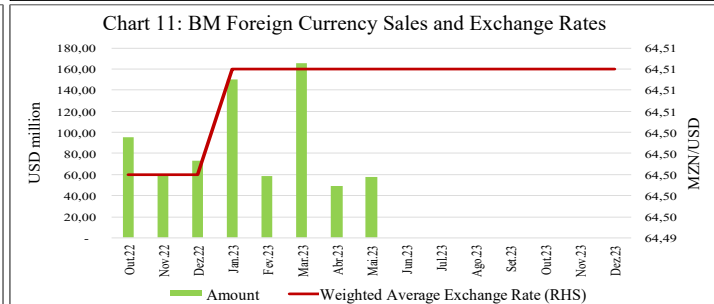
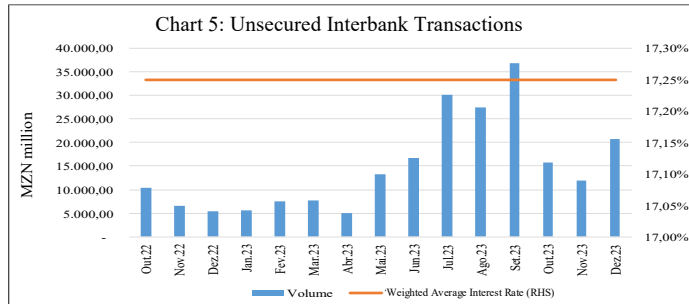
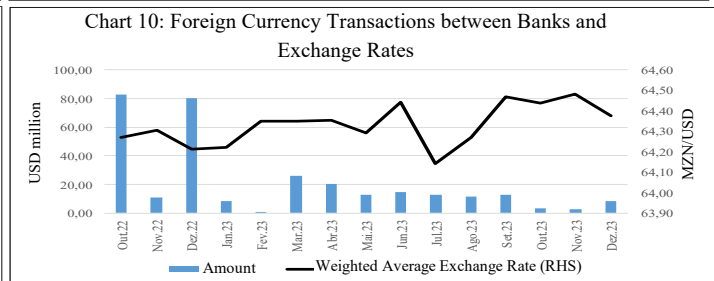
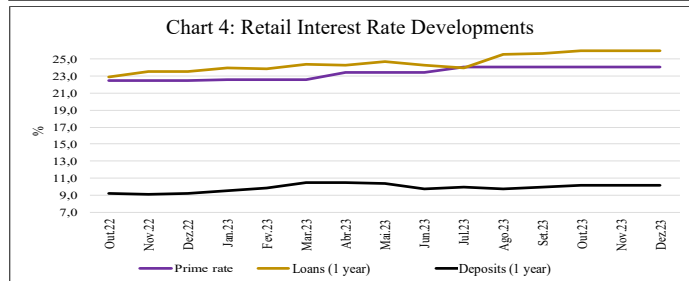
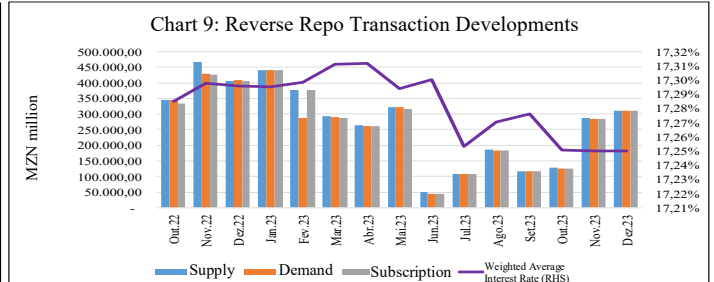
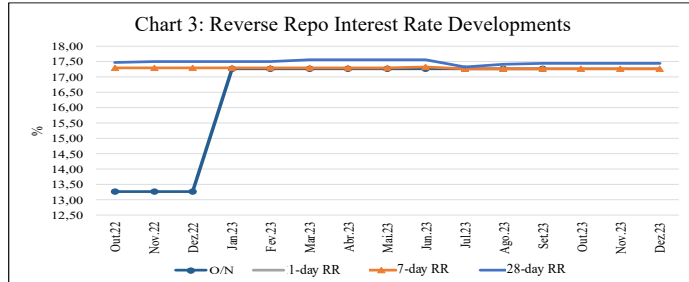
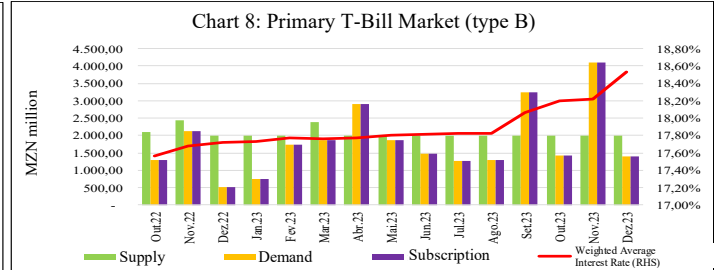
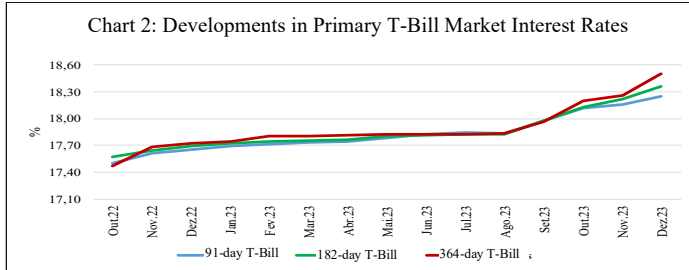
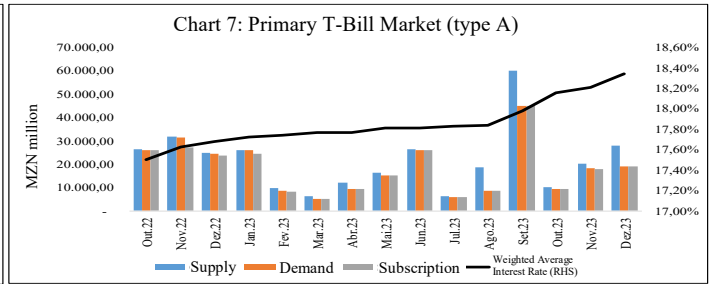
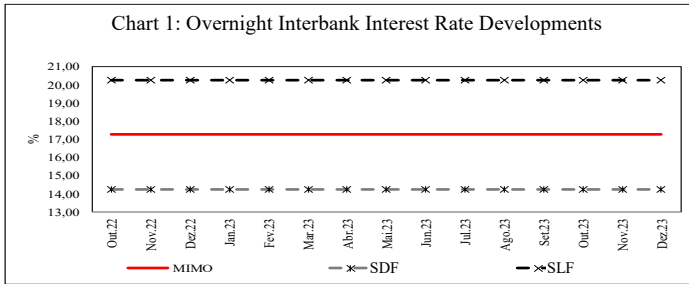
- Decrease in the volume of Type A T-Bill subscriptions and increase in the volume of reverse repo and Type B T-Bill subscriptions (tables 3 to 5); and
- Decrease in placements at the Standing Deposit Facility by about 23% and for the Standing Lending Facility by about 50% (table 7).

## **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 their customers (table 8);
- Decrease in the volume of transactions between commercial banks by about 62% (table 9);
- Increase in the volume of transactions in financial derivatives (foreign exchange forwards and foreign exchange swaps) by about 133% (table 9).

Find the details in the charts and tables below.

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**Table 1 – Unsecured Interbank Transactions**

Period	Number of Transactions	Amount (million)	Average Rate (%)
Overnight	74	47.380,00	17,25
02 to 07 days	2	1.200,00	17,25
<b>Q4 2023 (46 days)</b>	<b>76</b>	<b>48.580,00</b>	<b>17,25</b>
<b>Q3 2023 (60 days)</b>	<b>130</b>	<b>94.288,00</b>	<b>17,25</b>

Note: Weighted Average Interest Rate

**Table 2 – Secured Interbank Transactions (Repo)**

Period	Number of Transactions	Amount (million)	Average Rate (%)
Overnight	238	76.547,00	17,25
02 to 07 days	0	0,00	-
<b>Q4 2023 (60 days)</b>	<b>238</b>	<b>76.547,00</b>	<b>17,25</b>
<b>Q3 2023 (63 days)</b>	<b>326</b>	<b>86.028,00</b>	<b>17,25</b>

Note: Weighted Average Interest Rate

**Table 3 - T-Bill Issuance – Type A**

Maturity (days)	Amount (MZN million)		Average Rate (%)
	Supply	Subscription	
91	23.900,00	18.285,00	18,20
182	14.600,00	11.694,00	18,25
364	19.900,00	16.478,00	18,32
<b>Q4 2023</b>	<b>58.400,00</b>	<b>46.457,00</b>	<b>18,25</b>
<b>Q3 2023</b>	<b>85.100,00</b>	<b>59.524,00</b>	<b>17,94</b>

Note: Weighted Average Interest Rate

**Table 5 – Reverse Repo between the BM and Commercial Banks**

Maturity (days)	Amount (MZN million)		Average Rate (%)
	Supply	Subscription	
Overnight	101.600,00	101.020,00	17,25
7 days	623.000,00	617.211,00	17,25
1 month	1.200,00	600,00	17,43
<b>Q4 2023</b>	<b>725.800,00</b>	<b>718.831,00</b>	<b>17,25</b>
<b>Q3 2023</b>	<b>408.700,00</b>	<b>407.055,00</b>	<b>17,27</b>

Note: Weighted Average Interest Rate

**Table 4 - T-Bill Issuance – Type B**

Maturity (days)	Amount (MZN million)		Average Rate (%)
	Supply	Subscription	
182	3.000,00	2.959,00	18,23
364	3.000,00	3.969,00	18,32
<b>Q4 2023</b>	<b>6.000,00</b>	<b>6.928,00</b>	<b>18,28</b>
<b>Q3 2023</b>	<b>6.000,00</b>	<b>5.793,00</b>	<b>17,95</b>

Note: Weighted Average Interest Rate

**Table 6 – Repo between the BM and Commercial Banks**

Maturity (days)	Amount (MZN million)		Average Rate (%)
	Supply	Subscription	
Overnight	0,00	0,00	-
02 to 07 days	0,00	0,00	-
<b>Q4 2023</b>	<b>0,00</b>	<b>0,00</b>	<b>-</b>
<b>Q3 2023</b>	<b>0,00</b>	<b>0,00</b>	<b>-</b>

Note: Weighted Average Interest Rate

**Table 7 – Standing Facilities**

Period	Lending				Deposit			
	Amount (USD million)	No. of Days	Average Amount (MZN million)	Interest Rate (%)	Amount (MZN million)	No. of Days	Average Amount (MZN million)	Average Rate (%)
October	55.099,97	20	2.755,00	20,25	100.894,39	20	5.044,72	14,25
November	35.954,72	21	1.712,13	20,25	111.968,01	21	5.331,81	14,25
December	125.039,10	20	6.251,95	20,25	83.355,26	20	4.167,76	14,25
<b>Q4 2023</b>	<b>216.093,78</b>	<b>61</b>	<b>10.719,08</b>	<b>20,25</b>	<b>296.217,65</b>	<b>61</b>	<b>4.856,03</b>	<b>14,25</b>
<b>Q3 2023</b>	<b>438.079,72</b>	<b>63</b>	<b>20.685,09</b>	<b>20,25</b>	<b>385.658,71</b>	<b>63</b>	<b>6.121,57</b>	<b>14,25</b>

**Table 8 – Foreign Currency Sales between Commercial Banks**

Period	Spot	
	Amount (USD million)	Weighted Average Exchange Rate (USD/MZN)
October	3,18	64,14
November	2,70	64,27
December	8,33	64,47
<b>Q4 2023</b>	<b>14,21</b>	<b>64,36</b>
<b>Q3 2023</b>	<b>37,23</b>	<b>64,30</b>

**Table 9 – Foreign Currency Sales between Commercial Banks and Customers**

Period	Purchase	Sales	Derivatives	Total (USD million)
	Amount (USD million)	Amount (USD million)	Amount (USD million)	
October	672,74	656,47	63,70	1.392,91
November	693,16	658,48	38,63	1.390,28
December	759,13	733,27	43,68	1.536,08
<b>Q4 2023</b>	<b>2.125,04</b>	<b>2.048,23</b>	<b>146,01</b>	<b>4.319,27</b>
<b>Q3 2023</b>	<b>2.258,80</b>	<b>2.171,95</b>	<b>62,71</b>	<b>4.457,66</b>

Note: All currencies converted to USD

**Table 10 – BM Foreign Currency Sales**

Period	Spot	
	Amount (USD million)	Weighted Average Exchange Rate (USD/MZN)
October	0,00	-
November	0,00	-
December	0,00	-
<b>Q4 2023</b>	<b>0,00</b>	<b>-</b>
<b>Q3 2023</b>	<b>0,00</b>	<b>-</b>