

VISUAL SUMMARY

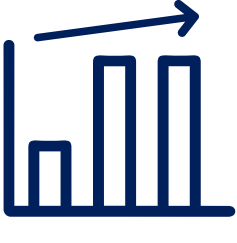
Economic Outlook and Inflation Forecasts Report - May 2024



The recent economic outlook points to continued recovery of economic activity and slowing global inflation.



Domestic inflation picked up slightly, but the single-digit inflation forecast over the medium term prevails.



The forecast for the recovery of economic activity remains, even excluding the output of Liquefied Natural Gas (LNG).



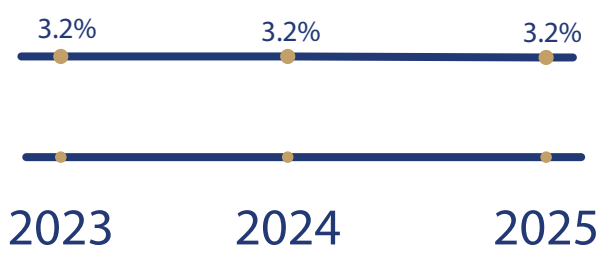
The Banco de Moçambique Monetary Policy Committee (MPC) decided to reduce the policy rate, MIMO, from 15.75% to 15.00%.

Infographics

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Global economic growth remains slow



Economic activity continued to improve in the world's main economies and the outlook points to ongoing economic growth over the medium term.



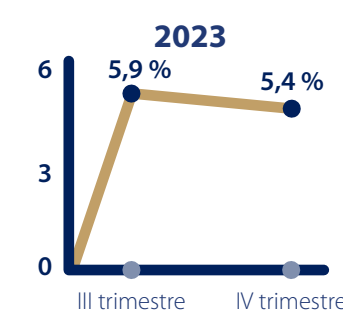
The trend of slowing year-on-year inflation in advanced economies and emerging markets continues and should persist over the medium term.



Prices of key commodities traded by the country slumped, with the exception of oil and aluminum.



Good performance of domestic economy



The forecast for an uptick in economic activity, excluding LNG output, remains in place, underpinned by the improved performance of the extractive industry and the tertiary sector.



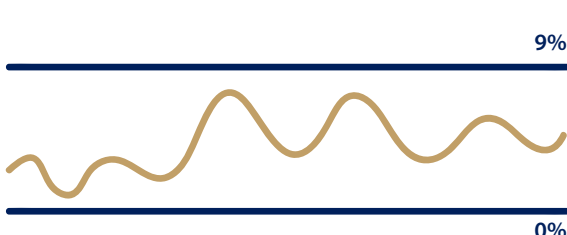
Domestic public indebtedness has increased.



Gross international reserves stand at USD 3,747 million, which is sufficient to ensure approximately 5 months of imports of goods and services, excluding megaprojects.



Single-digit inflation forecasts remain in place

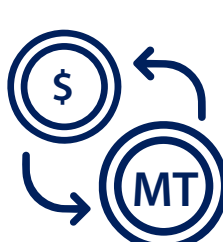


The prevailing exchange rate stability and the impact of the measures being taken by the MPC support the maintenance of single-digit inflation forecasts over the medium term.

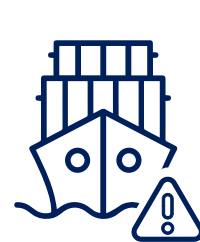


The assessment of the risks and uncertainties associated with inflation projections remains favorable.

Factors likely to support inflation stability include:



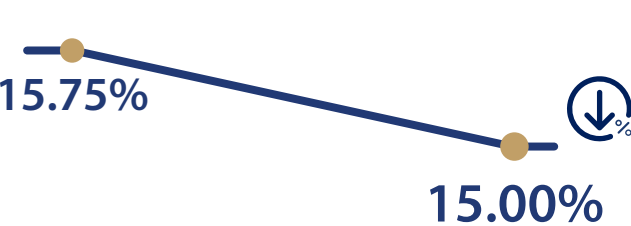
Metical stability; and



Milder impact of geopolitical conflicts on the logistics supply chain and global market commodity prices.



MIMO policy rate reduced for third consecutive time to 15.00%



This decision is underpinned by the continued consolidation of single-digit inflation prospects over the medium term, in a context where the assessment of the risks and uncertainties associated with projections remains favorable.