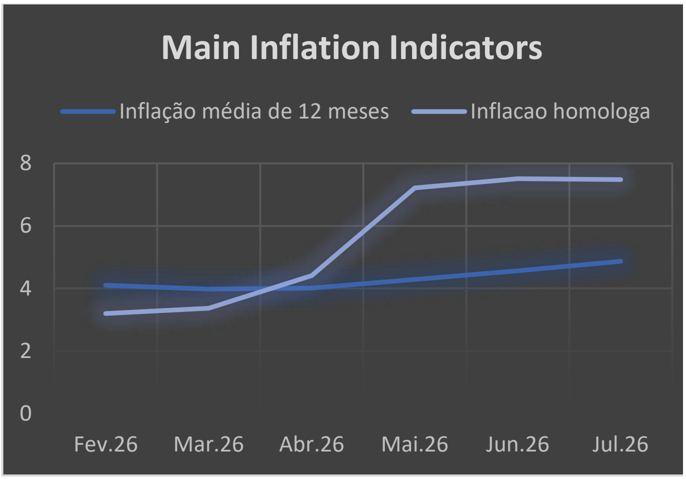
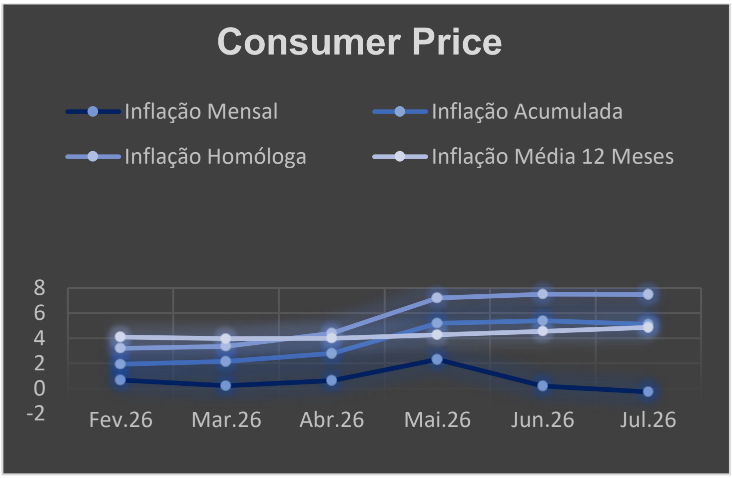
Monthly Economic Bulletin of the Mozambican Economy

July 2026

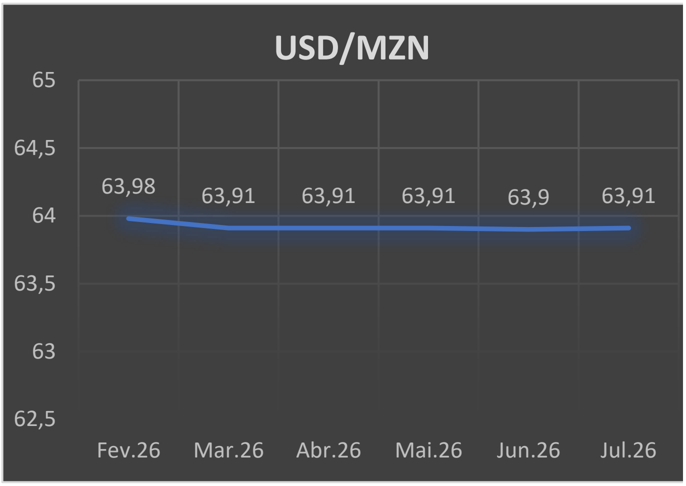
Main Highlights

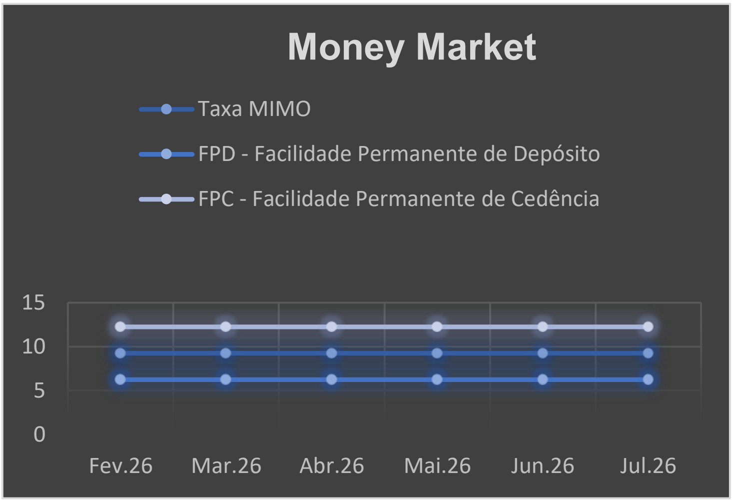


Source: National Institute of Statistics



Source: National Institute of Statistics





Source: Bank of Mozambique

- Gross Domestic Product (GDP) registered annual growth of 0.1% in the first quarter of 2026;
- In July, the country registered deflation of 0.26%, accumulated at 5.12% and annual at 7.48%;
- Domestic public debt stands at 529.8 billion meticais, representing a 12% increase compared to the fourth quarter of 2025;
- The Mozambique Stock Exchange (BVM) showed an average overall variation of 1.2 percentage points in July;
- In July, the main indices showed mixed variations: Dow Jones, NASDAQ, Euro Stoxx, and CAC40 closed with -0.07, -6.94, 0.47, and 1.32 percentage points respectively;
- The Bank of Mozambique in July set the rates as follows: MIMO at 9.25%, (FPD) at 6.25%, (FPC) at 12.25%, (PRSF) at 12.5%.

Sources: Bank of Mozambique | National Institute of Statistics

Macroeconomic Indicators

Projection of Indicators	Year 2024	Year 2025	Projection 2026
GDP	5.5	4.7	4.5
Nominal GDP (Millions of MZN)	1,453,541.00	1,544,884.00	1,655,907.00
Inflation	3.2	7	3.7
Exports (Millions of USD)	8,211.3	8,231.00	8,436.00
Imports (Millions of USD)	6,455.2	9,254.00	9,549.00
Debt Charges (Millions of MZN)	60 218.10	63,892.80	67,616.00
World Economy (%)	3.2	3.0	3.1
Gross International Reserves (Millions of USD)	3804	3442	3234
Months of import coverage	5.0	4.7	4.4
Credit to the Economy (Millions of MZN)	-	322,500 (12.62%)	349 389 (8.34%)
Average Annual Exchange Rate (MZN/USD)	64	60.5	60.5

Source: National Institute of Statistics, Bank of Mozambique, IMF and MEF

Economic Activity

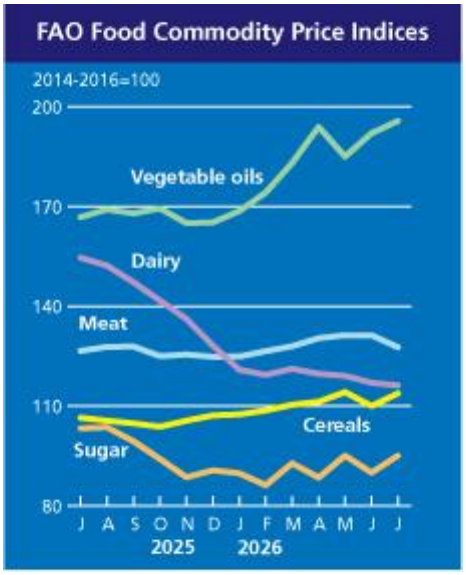
According to the *Confidence and Economic Climate Indicators – Second Quarter of 2026* , published by the National Institute of Statistics (INE), Mozambican economic activity shows signs of gradual recovery, although still conditioned by structural and sectoral challenges. In the second quarter of 2026, the Economic Climate Indicator (ICE) fell from 88.0 to 87.2 points, remaining below its historical average, reflecting a slight deterioration in business confidence, especially in the industry and commerce sectors.

Despite this, demand prospects improved for the third consecutive quarter, driven mainly by the services sector, while price expectations showed positive developments. The services sector consolidated its recovery, contrasting with the deterioration in confidence in industry and commerce. Meanwhile, 49.8% of companies reported constraints on their activity, notably the lack of raw materials, low demand, and difficulties in accessing credit.

Despite the moderation shown by the business climate in the second quarter, high-frequency indicators also point to a recovery in economic activity. In this sense, Standard Bank highlights the improved supply of foreign exchange, the progress of LNG projects, and the performance of coal exports as factors supporting activity, with the PMI reaching 51.4 points in July 2026. (Standard Bank , FI & FX Africa – Flash Note) August 2026.

Thus, the available indicators suggest that the economy is on a recovery path, but still moderate and uneven, with improving demand and some sectors coexisting with reduced levels of business confidence and constraints that continue to limit the expansion of economic activity.

In July 2026, the Food and Agriculture Organization of the United Nations (FAO) Food Price Index averaged 131.1 points, representing an increase of 0.7 points (0.6%) compared to June. The rise resulted mainly from increased prices for cereals, vegetable oils, and sugar, which offset reductions in meat and dairy prices. Year-on-year, the index was 1.3 points (1.0%) above the level of July 2025, but remained 29.1 points (18.2%) below the peak observed in March 2022.



Source: FAO

The Cereal Price Index averaged 113.8 points, reflecting an increase of 3.8 points (3.4%) compared to June. The rise was mainly driven by increased wheat and maize prices, associated with concerns about disruptions in Black Sea export flows, damage to export infrastructure, and the impact of heat waves on crop yields. Year-on-year, the index registered a 6.9% increase.

The Vegetable Oil Price Index stood at an average of 195.7 points, representing an increase of 3.7 points (2%) compared to the previous month and reaching its highest level since June 2022. This evolution was mainly driven by the rise in palm and soybean oil prices, supported by strong demand for biodiesel production and the increase in crude oil prices. Conversely, sunflower and rapeseed oil prices decreased due to expectations of greater supply in the 2026/27 season.

The Meat Price Index averaged 127.7 points, a decrease of 3.6 points (2.8%) compared to June. This was the first monthly decline in the index in 2026, reflecting lower prices for poultry, pork, and beef, associated with greater availability for export and moderating international demand. In contrast, sheep meat prices continued to rise, reaching a new record, due to limited export supply in Oceania and the maintenance of robust global demand. Despite the monthly decrease, the index remained 0.8% above the level of July 2025.

The Dairy Products Price Index averaged 116.2 points, representing a decrease of 0.8 points (0.7%) compared to the previous month and extending the downward trend observed since April. The decline was mainly driven by lower prices for butter and milk powder, resulting from increased availability for export in the European Union and Oceania, and more cautious demand in some markets. Conversely, cheese prices increased by 1.7%, driven by the seasonal reduction in milk supply in the European Union. Year-on-year, the index registered a decrease of 24.8%.

Finally, the Sugar Price Index averaged 95.0 points, reflecting an increase of 5.1 points (5.6%) compared to June. The rise was associated with concerns about the impact of hot and dry weather conditions on crop yields in the European Union and production prospects in major Asian producing countries, influenced by the El Niño phenomenon . Expectations of higher demand for ethanol in Brazil also contributed to supporting prices, increasing the possibility of greater use of sugarcane in ethanol production. Despite the monthly increase, the index remained 8.0% below the level recorded in July 2025.

Regarding metal commodities , aluminum registered a monthly devaluation of 8.08%, although it remains 21.30% above the level observed in July 2025, reflecting the maintenance of high prices despite the recent correction.

In the energy sector, South African coal remained stable in July, registering no monthly variation. In annual terms, it showed an increase of 2.88%, demonstrating relative price stability over the period. Meanwhile, Brent crude oil registered a monthly decrease of 2.34%. Despite the monthly reduction, Brent remained 17.46% above the level observed in July 2025.
Finally, the natural gas market showed a downward trend in both the United States and Japan. US natural gas registered a monthly decrease of 8.25% and an annual decrease of 9.40%. In contrast, Japanese liquefied natural gas (LNG) registered a monthly decrease of 8.03% and an annual decrease of 0.92%. These movements suggest a reduction in natural gas prices in the main markets analyzed, following periods of greater volatility.

Data relating to the month of July 2026

Convenience	July 2025	June 2026	July 2026	VM(%)	VH(%)
Corn ($/ mt)	192.00	197.1	213.4	8.27	11.15
Wheat, USA HRW ($/ mt)	235.00	286	310	8.39	31.91
Rice, Thai 5% ($/ mt)	392.00	494	467	-5.47	19.13
Sugar, World ($/kg)	0.37	0.32	0.34	6.25	-8.11
Cotton, A index ($/ mt)	1.74	1.9	1.96	3.16	12.64
Aluminum ($/ mt)	2,606.00	3,439.00	3,161.00	-8.08	21.30
Coal, South Africa ($/ mt)	93.6	96.3	96.3	0.00	2.88
Brent crude oil ($/ bbl)	71.00	85.4	83.4	-2.34	17.46
Natural gas, USA ($/ mmbtu)	3.19	3.15	2.89	-8.25	-9.40
Liquefied Natural Gas, JPN ($/ mmbtu)	11.91	12.83	11.8	-8.03	-0.92

Source: World Bank Commodity Price Data I FAO
Legend: VM - Monthly variation; VH - Homologous variation

Inflation

According to data released by the National Institute of Statistics, in July the country recorded a deflation of 0.26%, resulting in an accumulated inflation of 5.12%. This reduction was mainly influenced by the behavior of food and non-alcoholic beverage prices, contributing approximately 0.42 negative percentage points (pp).

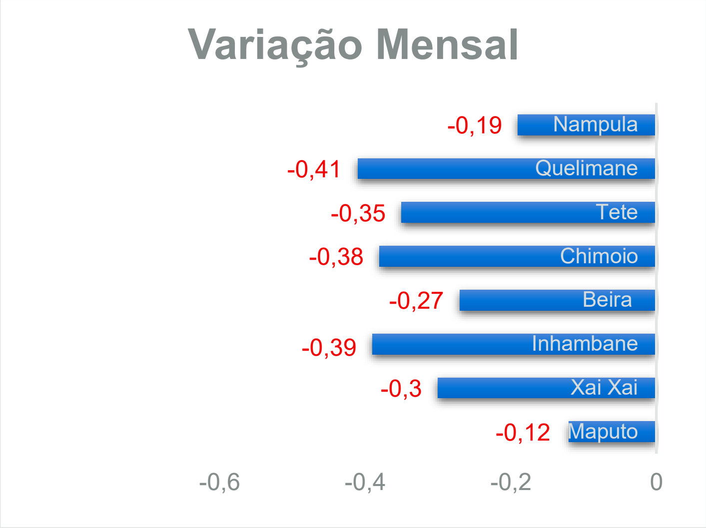
Analyzing the monthly variation by product category, it is worth highlighting the drop in prices for tomatoes (18.7%), cabbage (7.2%), onions (8.6%), lettuce (9.3%), cabbage (9.0%), coconuts (2.4%) and live chickens (0.8%). These contributed to the total monthly variation with approximately -0.57 pp.

However, some products, notably dried fish (3.3%), mackerel (1.2%), complete meals in restaurants (0.4%), corn kernels (5.3%), dead chicken pieces (2.7%), fresh fish (0.8%) and cement (0.5%), bucked the upward trend in prices, contributing approximately 0.19 pp to the total monthly variation.

Analyzing the monthly variation by collection centers, it is observed that in July, all centers registered a drop in prices, with the most notable being the City of Quelimane with 0.41%, followed by the Province of Inhambane with 0.39%, the City of Chimoio with 0.38%, the City of Tete with 0.35%, the City of Xai-Xai with 0.30%, the City of Beira with 0.27%, the City of Nampula with 0.19%, and the City of Maputo with 0.12%.

Data from July 2026

Description	Contribution
Food products and non-alcoholic beverages	-0.42
Alcoholic beverages and tobacco	0.00
Clothing and Footwear	0.03
Housing, water, electricity, gas and others	0.03
Furniture, decorative items	0.01
Health	0.00
Transportation	0.02
Communications	0.00
Education	0.01
Leisure, Recreation and Culture	0.00
Restaurants, hotels, cafes and similar establishments.	0.03
Various goods and services	0.03
Total	**-0.26**



Source: National Institute of Statistics

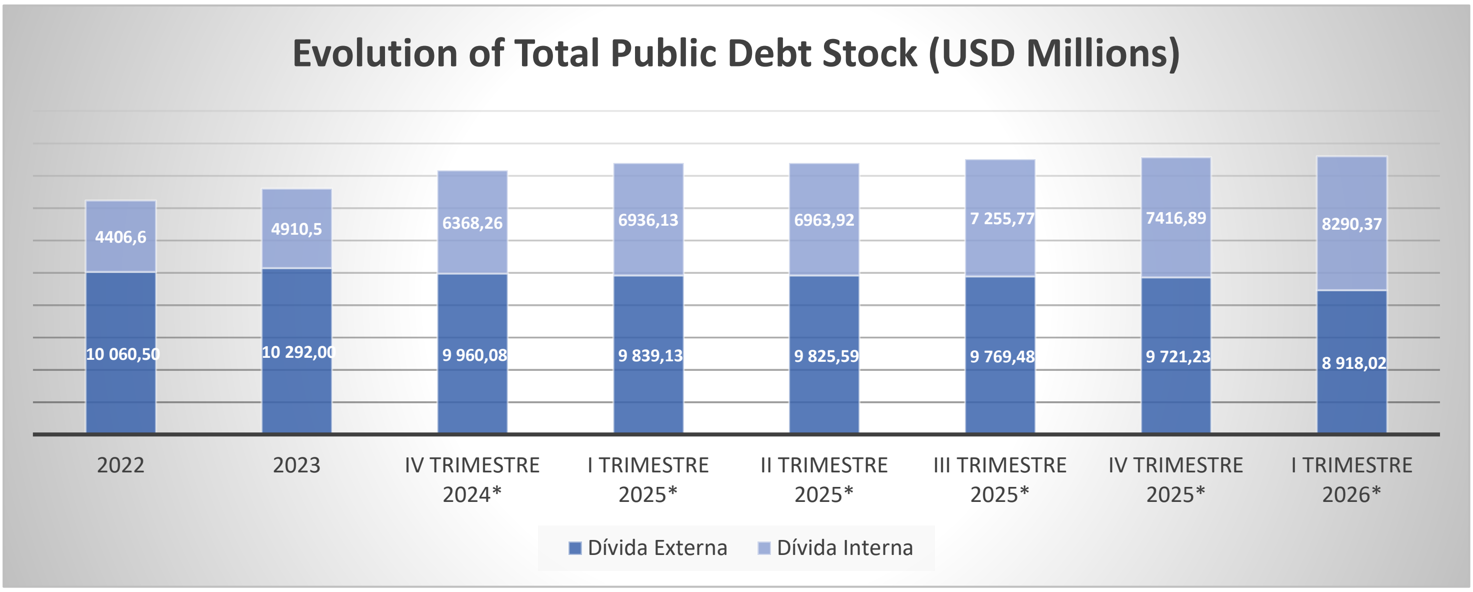
Public Debt Market

According to the *Quarterly Bulletin on Public Debt (January-March 2026)* , published by the Ministry of Finance, the total stock of public debt stood at 1,099,788.31 million meticais (US$17,208.39 million), representing an increase of 9,188.25 million meticais (1.0%) compared to the fourth quarter of 2025. This performance is mainly due to the increase in domestic debt, whose stock rose from 474,508.83 to 529,837.81 million meticais, corresponding to a growth of 12.0%. This increase was justified by new debt issuances under the Central Bank's Credit Facility.

Conversely, the stock of external public debt stood at US$8,918.02 million, of which US$4,636.01 million (52%) corresponded to loans from multilateral creditors and US$3,384.94 million (38%) to bilateral creditors. Compared to the fourth quarter of 2025, there was a reduction of US$721.97 million, equivalent to 7.5%, reflecting the Central Bank's advance payment to the IMF for debt service and the Government's commitment to prioritize borrowing on highly concessional terms.

During the first quarter of 2026, the Government signed a credit agreement with BADEA for US$20 million, intended to finance the Construction Project of Two Secondary Schools in the provinces of Tete and Nampula. During the same period, no Reversion Agreements or Sovereign Guarantees were signed in favor of public companies.

Data relating to public debt

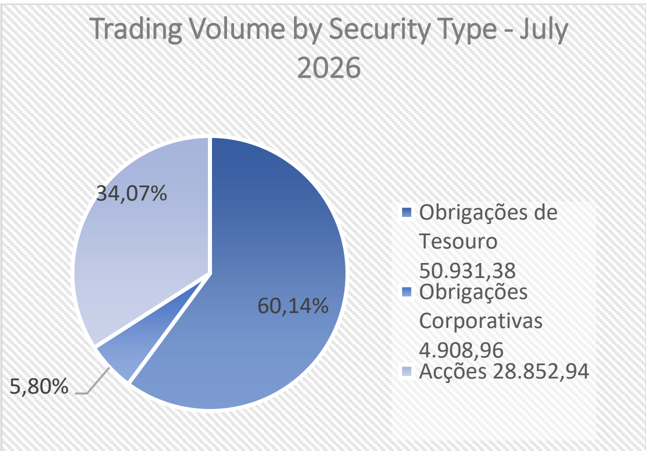


Quarterly Data

Source: Ministry of Economy and Finance | Informative Flash on Public Debt 2026 | Quarterly Bulletin on Public Debt

Capital Markets

In the capital market, the Mozambique Stock Exchange (BVM) closed the month of July with a market capitalization of 235,427.12 million meticais, reflecting the performance observed in the daily market indicators. During the same period, 89 securities were admitted to trading, of which 62.9% corresponded to Treasury Bonds, 20.2% to Corporate Bonds, 12.4% to Shares and 4.5% to Commercial Paper, highlighting the predominance of public debt instruments in the Mozambican stock market.



Regarding the volume traded by type of security in July: Shares ended with 28,852.94 (34.07%), Corporate Bonds with 4,908.96 (5.80%) and Treasury Bonds with 50,931.38 (60.14%).

Source: Mozambique Stock Exchange

Regarding the main financial indices, July 2026 was marked by mixed performance in international markets, with some indices registering slight monthly corrections, while others maintained an upward trajectory. Despite the monthly fluctuations, all the indices analyzed remained above the levels recorded in the same period of 2025, demonstrating a generally positive evolution of the markets in year-on-year terms.

In the United States, performance varied among the main indices. The Dow Jones Futures registered a slight monthly decline of 0.07%, accumulating, however, an annual growth of 17.92%, reflecting the maintenance of a positive trajectory in the US stock market. The S&P 500 also showed a slight monthly decline of 0.13%, although it maintained a significant year-on-year growth of 18.15%. In turn, the Nasdaq 100 stood out for the largest monthly correction among the indices analyzed, with a decline of 6.94%. Despite this drop, the index registered year-on-year growth of 20.34%, maintaining the best annual performance among the main indices considered.

In Europe, markets showed predominantly positive developments. The Euro Stoxx 50 recorded a monthly increase of 0.47% and a year-on-year growth of 19.51%, demonstrating the continued favorable trajectory of the Eurozone stock markets. The DAX showed the largest monthly increase among the indices analyzed, with a rise of 2.53%, although its year-on-year growth was more moderate, at 6.50%. In turn, the CAC 40 recorded a monthly increase of 1.32% and a year-on-year growth of 9.55%, confirming the positive evolution of the French stock market.

In Africa, the JSE Top 40 recorded a monthly increase of 1.30%. Year-on-year, the index showed growth of 13.74%, demonstrating that the South African stock market continues to maintain positive performance over the twelve-month period.

Data from July 2026

Indicators	July 2025	June 2026	July 2026	VM (%)	VH(%)
JSE TOP 40	90,781.37	101,936.15	103 257.69	1.30	13.74
Dow Jones futures	44,638.00	52,670.00	52,635.00	-0.07	17.92
S&P 500	6,339.39	7,499.36	7,489.72	-0.13	18.15
Nasdaq 100	23,604.25	30,523.50	28,404.25	-6.94	20.34
Euro Stoxx 50	5,319.92	6,328.09	6,358.01	0.47	19.51
DAX	24,065.47	24,995.81	25,629.24	2.53	6.50
CAC 40	7,778.50	8,410.00	8,521.00	1.32	9.55

Source: Investing.com Financial Market

Money Market

At its ordinary meeting held on July 29, 2026, the Monetary Policy Committee (CPMO) of the Bank of Mozambique decided to maintain the monetary policy interest rate, the MIMO rate, at 9.25%. This decision stems from the reduction in liquidity in national currency in the banking system, resulting from the increase in the Required Reserve Ratio last May, notwithstanding the prevalence of high risks and uncertainties associated with inflation projections, particularly regarding the duration of the conflict in the Middle East and the consequent impact on the logistics chain, the supply of goods, and the volatility of international fuel prices.

The next regular meeting of the CPMO is scheduled for September 30, 2026.

The banking sector remains solid, well-capitalized, and resilient. As of June 2026, the overall solvency ratio stood at 28.1% and the short-term liquidity coverage ratio at 55.2%, both above the minimum regulatory limits. Systemic risk remained moderate. Additionally, the macroprudential stress test showed that the banking sector continues to have sufficient capital reserves to absorb potential losses and ensure the maintenance of its soundness in the medium term.

Financial inclusion levels continue to rise, driven by the digitization of financial services and the expansion of electronic money institution services. Between December 2024 and May 2026, the number of access points to financial services increased by 47.0%, mainly reflecting the 54.0% growth in electronic money agents. This evolution was accompanied by an 18.0% increase in the number of electronic money accounts, highlighting the growing use of digital financial services by the adult population. This performance stems, among other factors, from the impact of interoperability between electronic money institutions, banks, microbanks , and other payment service providers through SIMOrede .

The implementation of the instant payment system (METIX) is streamlining financial transactions. With the introduction of METIX, there has been a trend of increased use of this system, which shows a greater preference for carrying out interbank transfers in an immediate, convenient and free manner, and since its entry into production in March 2026, the number of transfers has tripled to more than 11,000 per day.

The risks and uncertainties associated with inflation projections remain high. Domestically, risks and uncertainties are evident regarding the magnitude of the indirect impacts of rising fuel prices; the pace of restoring productive capacity in the wake of the floods that devastated the country in the first quarter of the year; the effects of worsening fiscal risk, particularly the increased level of indebtedness and delays in payments due by the State; and the effects of climate shocks. Externally, uncertainties stand out regarding the duration and magnitude of the impact of the geopolitical conflict in the Middle East on the logistics chain, as well as on the supply of goods and the prices of energy and food products.

According to the 2026 State Budget Plan (PESOE 2026), fiscal policy in 2026 will consist of a gradual fiscal consolidation process, seeking a balance between the need for macroeconomic stabilization and the promotion of economic growth, as well as strengthening transparency and accountability in the management of public finances. The fiscal consolidation process will consist of combined measures on both the revenue and expenditure sides. On the revenue side, the strategy involves the increased mobilization of domestic resources, notably:

(i) Review of the Customs Tariff and the respective Preliminary Instructions;

(ii) Revision of the National Tax Code;

(iii) Review of the legislation approving the Simplified Tax for Small Taxpayers and

(iv) Review of the Tax Benefits Code

In the area of expenditure, emphasis will be placed on improving mechanisms to control the growth of payroll and compensation and on implementing the Medium-Term Debt Management Strategy (2025-2029).

Data from July 2026

Fees	July -25	June 26	July -26	VM (pp)	VH(pp)
FPD (%)	7.25	6.25	6.25	0.00	-1.00
FPC (%)	13.25	12.25	12.25	0.00	-1.00
GIFT (%)	10.25	9.25	9.25	0.00	-1.00
PRSF (%)	17.4	15.5	12.5	-3.00	-4.90
BT - 91D	12.52	12.26	12.32	0.06	-0.20
BT - 182D	12.85	12.27	12.35	0.08	-0.50

Source: National Institute of Statistics and Bank of Mozambique

Legend: FPD: Permanent Deposit Facility; FPC: Permanent Lending Facility; MIMO: Monetary Policy Interest Rate; PRSF: Prime Rate of the Financial System; VM: Monthly Variation; VH: Year-on-Year Variation; pp: Perceptual Points

Foreign Exchange Market

In July 2026, the Metical remained practically stable against the USD, registering a slight monthly depreciation of 0.02%. In annual terms, there was also a depreciation of 0.02%, demonstrating the continued exchange rate stability between Mozambique and the United States.

In relation to the EUR, the Metical registered a monthly appreciation of 0.86%. In annual terms, an appreciation of 2.09% was also observed, indicating an appreciation of the Metical against the Euro during the analyzed period.

With regard to GBP, the Metical showed a slight monthly depreciation of 0.25%. However, in annual terms, there was an appreciation of 0.90% in the Metical, showing that, despite the slight appreciation of the pound during the month, it remained below the level recorded in July 2025.

Regarding the ZAR, the Metical registered a slight monthly appreciation of 0.51%. In annual terms, however, there was a depreciation of 7.78%, reflecting the significant appreciation of the rand against the Metical.

In the international market, the GBP/USD exchange rate appreciated by 1.65% in July 2026. In annual terms, the pair also showed an appreciation of 2.08%, reflecting the pound's appreciation against the dollar over the last twelve months.

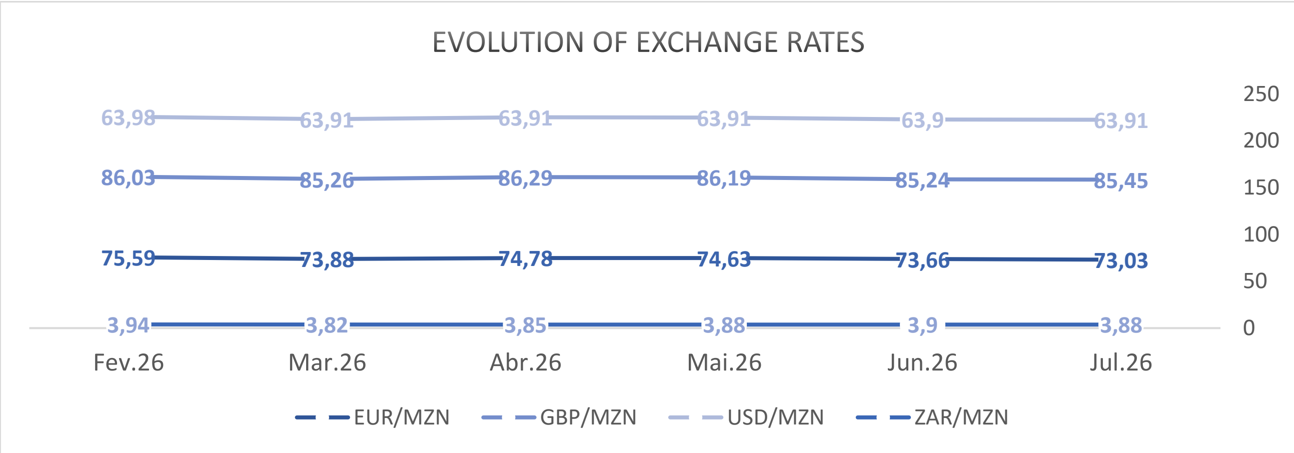
Finally, the USD/ZAR rate registered a depreciation of 0.95% month-on-month. Year-on-year, there was also a depreciation of 9.14%, showing that, from an annual perspective, the rand appreciated significantly against the US dollar.

According to the statement from the Central Bank of Mozambique's Monetary Policy Committee (CPMO) dated July 29, 2026, the foreign exchange market is more fluid, driven by the performance of the extractive industry and characterized by high levels of foreign exchange buying and selling. In the first half of 2026, foreign exchange purchases by commercial banks increased by USD 352 million compared to the same period in 2025, reaching USD 4.24 billion. During the same period, foreign exchange sales by banks to their clients grew by USD 356 million, totaling USD 4.16 billion. Among the main purchasing sectors, the fuel sector stood out as the largest absorber of foreign exchange, representing 50.0% of the total sales made by banks to the main buyers in the foreign exchange market.

Data from July 2026

Coins	July 2025	June 2026	July 2026	VM(%)	VH(%)
USD/MZN	63.90	63.90	63.91	0.02	0.02
EUR/MZN	74.59	73.66	73.03	-0.86	-2.09
GBP/MZN	86.23	85.24	85.45	0.25	-0.90
ZAR/MZN	3.60	3.90	3.88	-0.51	7.78
GBP/USD	1,32	1,33	1,35	1,65	2,08
USD/ZAR	18,21	16,39	16,55	0.95	-9.14

Source: Bank of Mozambique I Macrotrends date I Investing.com



Source: Bank of Mozambique | The Global Economic

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Contacts

Dipak Lalgi,

Country Managing Partner, Audit & Assurance

Tel: +258 84 311 5340

Dipak.Lalgi@forvismazars.com

Household

Forvis Mazars - SCAC, Lda.

Maryah Building , 1233 Street, 5th Floor,

Maputo - Mozambique