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### MAIN UPDATES

**ZAR:** The rand firmed in early trade on Friday, building on the previous session's gains spurred by improved risk appetite among global investors hungry for yield. At 0647 GMT, the rand was up 0.16% at R15.15 versus the US dollar, after Thursday's 0.7% gain.

"Dollar weakness was a major theme this week amid positive developments on the vaccine front and renewed optimism around US stimulus talks. Naturally, emerging currencies wasted no time in exploiting the dollar's steep decline," said Lukman Otunuga, senior research analyst at FXTM.

**EUR:** EUR: EUR/USD is widely expected to rise and traders have prepared for the eventuality, the chance the pair holds expected gains is remote.

The 1.25-1.26 area is predicted by a great many speculators whose aim is to sell in order to profit.

That alone makes 1.25-1.26 a high hurdle but it also capped the last major EUR/USD rise in 2018 so there will be a lot of profit taking at a point of huge resistance.

The minimum objective for a correction of EUR/USD's drop in the aftermath of the 2008 crisis was 1.2517, met when an excessively bearish situation that arose during the euro zone crisis was unwound, yet it still capped that rally.

**GBP:** The GBP/USD pair quickly reversed an early European session dip to the 1.3430 region and has now moved back to the top end of its daily trading range.

Following the previous day's pullback from the key 1.3500 psychological mark, or fresh YTD tops, the pair witnessed a modest pullback on the last trading day of the week amid persistent Brexit uncertainties. In the latest Brexit-related headlines, the French Junior European Affairs secretary Clément Beaune said there is a risk there will not be a Brexit deal and added that they would veto any deal that is deemed unsatisfactory.

**INR:** Reversing previous session losses, Indian rupee ended significantly higher against dollar on Friday, owing to dollar sale by exporters and banks and positive domestic equities. Traders took encouragement with Finance Minister Nirmala Sitharaman's statement that India's economy will return to growth in 2021-22 and higher spending in the budget due in February will lay the foundations for even stronger growth in the next four to five years. Adding optimism, Finance Ministry in its latest Monthly Economic Review has said that the Indian economy is witnessing a V-shaped recovery as the GDP has recorded a quarter-on-quarter growth of 23 per cent in the July-September quarter of this fiscal. Meanwhile, RBI has kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 4.0 per cent. On the global front; euro was headed for its best week in a month on Friday and has blown past major resistance levels as investors piled into bets the U.S. dollar has further to fall while the world begins to emerge from the COVID-19 pandemic.

**MZN:** The foreign exchange market is extremely short, the demand for foreign currency has been increasing daily. On Dec. 3rd, the exchange rate was fixed at

### HIGHLIGHTS

**ALUMINIUM:** Aluminum futures remained above \$2,000 per tonne, close to levels not seen since October 2018 as strong demand from China and prospects of a global economic recovery offset a rise in production. Industrial production in China, which accounts for approximately 55% of global output, has been rising strongly since April as the economy returns to normality from the Covid-19 pandemic. Meanwhile, recent figures from the International Aluminum Institute showed global production rose 3.5% from a month earlier in October.

**BRENT CRUDE:** Brent crude futures touched \$49.85 per barrel on Friday, close to the \$50 mark for the first time since early March, and headed for their fifth consecutive week of gains. OPEC and Russia agreed to only raise production by 500,000 barrels per day from January, well below the 2 million bpd they had previously inked in. Major oil producers also agreed that future output levels will be decided at monthly meetings. Oil prices have also been supported by news of the rollout of COVID-19 vaccines and prospects of a bigger US stimulus package.

**COAL:** Coal prices rose towards \$75 per tonne in December, a level not seen since January amid expectations of higher restocking levels and a boost in seasonal demand. Also, China placed an unofficial ban on imports of coal from Australia in October but there are reports that a cargo of 135,000 tons of thermal coal will be allowed to be shipped into the country. At the same time, stringent inspections on Chinese mines and tightening imports fuelled supply concerns, supporting bullish sentiment in the last quarter of 2020.

**COTTON:** Cotton increased 0.28 USD/Lbs or 0.40% since the beginning of 2020, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.

**CORN:** Corn increased 33 USd/BU or 8.52% since the beginning of 2020, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.

**GOLD:** Gold continued to edge higher towards \$1850 on Friday, consolidating the rebound from five-month lows of \$1,764 reported last week. The metal's appeal as an inflation hedge remains the key driver as investors weighed a worsening inflation outlook if Congress approves a second major fiscal package. Lending further support was a weaker dollar, as concerns about rising levels of debt in the US made the greenback an increasingly unattractive investment.

### CURRENCIES

| Ccy       | Bid     | Ask     | Average |
|-----------|---------|---------|---------|
| USD / MZN | 73.56   | 75.02   | 74.29   |
| ZAR / MZN | 4.90    | 4.98    | 4.940   |
| EUR / MZN | 89.79   | 91.57   | 90.680  |
| GBP / MZN | 98.93   | 100.93  | 99.930  |
| INR / MZN | 0.9999  | 1.0201  | 1.010   |
| USD / ZAR | 15.1670 | 15.1678 | 15.167  |
| EUR / USD | 1.2150  | 1.2152  | 1.2151  |
| GBP / USD | 1.3458  | 1.3460  | 1.3459  |
| USD / INR | 73.7350 | 73.7370 | 73.7360 |

### COMMODITIES

|               | Actual   | Close    |
|---------------|----------|----------|
| Aluminium     | 2,044.75 | 2,027.75 |
| Brent Crude   | 49.32    | 47.98    |
| Coal Rchd Bay | 77.69    | 77.69    |
| Coal Maputo   | 71.68    | 71.68    |
| Cotton        | 69.55    | 69.99    |
| Maize/Corn    | 419.75   | 413.00   |
| Rice          | 12.3100  | 12.4150  |
| Soy           | 1,166.75 | 1,159.75 |
| Wheat         | 568.75   | 574.75   |
| Gold          | 1,840.95 | 1,838.10 |

| Companies | 12/04/2020 | Volum     | Amount     |
|-----------|------------|-----------|------------|
| CDM       | 65.00      | 7,000.00  | 455,000.00 |
| Emose     | 13.50      | -         | -          |
| HCB       | 2.50       | 27,980.00 | 69,950.00  |
| CMH       | 3,700.00   | -         | -          |

| Description | Actual | Previous |
|-------------|--------|----------|
| TB 91 days  | 7.90%  | 8.00%    |
| TB 182 days | 7.87%  | 8.00%    |
| TB 364 days | 7.72%  | 7.81%    |
| Prime MZN   | 15.90% | 16.70%   |
| Inflation   | 3.20%  | 2.98%    |
| FPC         | 13.25% | 13.25%   |
| FPD         | 7.25%  | 7.25%    |
| MIMO        | 10.25% | 10.25%   |

| Securities Custody Operations                   |                                |
|---|--------------------------------|
| Buying and selling Securities                   | From 0,4/1000 to 2,00/1000     |
| BVM Expenses                                    | From 50,00 MZN to 2,00/1000    |
| Custody   | 0,25% p.a. (charged quarterly) |
| Buying and Selling Securities Over the Exchange | Minimum 100 MZN to 4,00/1000   |
| Financial Flow Settlement Process               | Minimum 100 MZN to 2,00/1000   |

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Source Reuters

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