



# SNAPSHOT ON RECENT MONETARY, CURRENCY, PRICE AND FINANCIAL DEVELOPMENTS

For Quarter 1 2026

The Reserve Bank will continue to align money supply growth with real economic activity in 2026. Liquidity conditions will remain consistent with the inflation objective of preserving ZiG stability and ensuring sustainable economic growth.

The monetary policy framework will remain anchored on transparency, market-based instruments and strict adherence to sustained build-up of foreign reserves buffer. The Reserve Bank will also continue to enhance coordination with fiscal authorities to ensure that monetary and fiscal policies remain mutually reinforcing.

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## MAJOR HIGHLIGHTS AND ACHIEVEMENTS IN Q1 2026

This Quarterly Snapshot provides key monetary and financial sector developments during the first quarter of 2026, highlighting continued consolidation of macroeconomic stability under the current monetary policy framework. Reflecting the adoption of communication as an integral tool of monetary policy, the Reserve Bank remains committed to providing timely, high frequency indicators and evidence-based insights on prevailing economic conditions underpinning the monetary policy stance.

Notable achievements realised in the first quarter of 2026 include the following:

- Attainment of single digit annual local currency inflation of 4.1% in January 2026 for the first time in over 3 decades.
- Sustained low and stable ZiG annual inflation at 3.8% in February and 4.4% in March 2026.
- Stability in month-on-month ZiG inflation averaging 0.2% from January to March 2026.
- Continued exchange rate stability, with the interbank exchange rate oscillating around ZiG25 per US dollar and the parallel market premium contained below 20%.
- Reserve money growth kept under check, with total local currency reserve money amounting to ZiG5.8 billion as at end March 2026, up from ZiG5.3 billion in December 2025.
- Continued non-central bank financing of Government expenditure.
- Sustained increase in foreign currency receipts amounting to US\$4.97 billion in first three months to March 2026, up from US\$3.22 billion in the same period in 2025.
- The increase in foreign currency receipts resulted in a trade surplus of US\$109.9 million and US\$46.4 million in January and February 2026, respectively.
- Consistent accumulation of foreign currency reserves, which stood at US\$1.4 billion, representing about 1.5 months of import cover as at 31 March 2026.
- Foreign currency reserves backing the local currency, equivalent to around 6 times cover of ZiG reserve money and almost double the total ZiG deposits.
- Launch of the upgraded **BiG 5 ZiG Banknote Series** to support wider use of the local currency, complemented by an extensive nationwide education and awareness campaign.
- Continued soundness, resilience and stability in the financial sector and the national payment system.

The 2026 first quarter macroeconomic performance reflected greater price, currency and exchange rate stability. To safeguard the stability and ensure that inflation expectations remain well anchored, the Reserve Bank will continue to pursue prudent monetary policy measures that promote price stability, while supporting sustainable economic growth.

The data included in this Quarterly Snapshot is sourced from Official data providers, the Reserve Bank of Zimbabwe for monetary and financial statistics and the Zimbabwe National Statistics Agency (ZIMSTAT) for inflation and international trade statistics.

NB: some data for the respective quarter may be provisional and subject to revisions.

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## KEY MACROECONOMIC AND FINANCIAL INDICATORS

	Apr-24	Dec-24	Mar-25	June-25	July-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
(ZiG Month-on-Month Inflation (%))	--	3.67	-0.06	0.28	1.57	0.40	-0.25	-0.36	0.20	0.20	0.01	0.10	0.52
ZiG Annual Inflation (%)	--	--	--	92.5	95.8	93.8	82.7	32.7	19	15	4.1	3.8	4.4
Total ZiG Deposits (million)	4,098	11,958	14,593	16,387	16,377	16,696	16,763	17,539	17,723	19,756	19,107	19,527	21,541
Non-Performing Loans (%)	---	3.37	3.34	2.90	---	---	3.07	---	---	3.47	---	---	---
Reserve Money (ZiG million)	1,239	3,516	3,785	4,658	4,564	4,590	4,732	4,931	5,218	5,307	5,504	5,592	5,755
Reserve Money Cover (ZiG million)	2,203	12,164	16,871	19,697	19,580	21,991	23,175	24,829	27,348	31,408	34,307	36,497	35,743
Market Position + NNCDs (ZiG million)	1,597	1,445	2,401	1,877	924	2,042	1,721	2,399	2,220	3,824	3,395	2,911	4,751
Cash and Nostro (USD million)	151	192	296	309	301	374	359	410	440	574	497	605	690
Gold Holdings (Kgs)	1,500	2,626	2,779	3,439	3,449	3,449	3,577	3,594	3,982	4,030	4,247	4,298	4,382
Gold Holdings Value (USD Million)	113	220	275	361	366	383	440	462	532	566	738	714	638
Total Reserve Covering ZiG (USD Million)	276	472	630	731	731	822	870	941	1,044	1,209	1,341	1,416	1,412
Uncovered Demand for Foreign Currency	--	12.27	14.84	17.52	3.64	13.79	10.22	19.02	2.53	29.74	4.17	23.02	36.17
WBWS Exchange Rate	13.43	25.7985	26.7654	26.9457	26.7863	26.7548	26.6439	26.3865	26.1901	25.9807	25.5806	25.7733	25.3209
Implied Exchange Rate	--	24.7374	22.5598	22.6416	22.4041	20.3127	19.2724	18.6397	16.9731	15.1464	14.2470	13.7012	15.2599

Source: Reserve Bank of Zimbabwe and ZIMSTAT, 2026

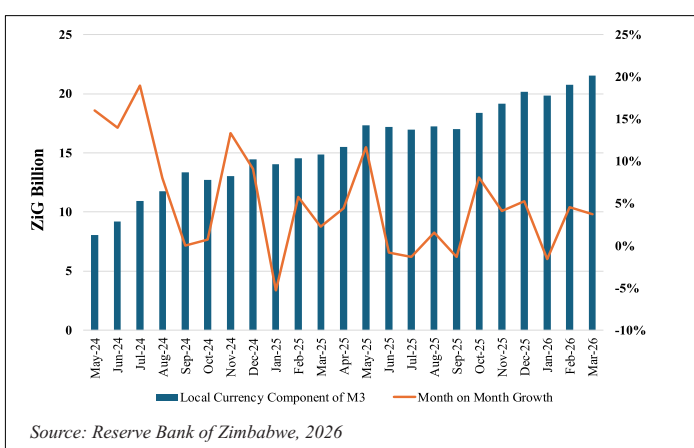
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## KEY MONETARY POLICY INDICATORS: AS AT 31 MARCH 2026

<b>Bank Policy Rate</b> 35%	<b>Minimum Savings Deposit Rate</b> ZiG = 5% US\$ = 2.5%	<b>Minimum Time Deposit Rate (90-Day)</b> ZiG = 7.5% US\$ = 4%	<b>ZiG Inflation (March 2026)</b> Month-on-Month 0.5% Year-on-year 4.4%
<b>Interbank Exchange Rate (ZiG/US\$)</b> End-period March 2026 25.3209	<b>Lending to Government</b> Nil	<b>ZiG currency in circulation</b> 3% of ZiG bank deposits	<b>Average Month-on-Month Growth (January to March) in ZiG Deposits</b> 3%
<b>Total foreign currency receipts (Jan to Mar 2026)</b> US\$4.97 billion	<b>Trade Balance (US\$ million)</b> 2026 Feb: 46.4	<b>Current Account Surplus Q1 2026</b> over US\$590 million (proj.)	<b>Foreign currency ZiG Reserve Money Cover</b> About 6 times
<b>Cumulative Foreign Currency Receipts (Apr 2024 to March 2026)</b> US\$32.7 billion	<b>Cumulative Foreign Payments (Apr 2024 to March 2026)</b> US\$19.67 billion	<b>Total Reserves Covering ZiG</b> US\$1.4 billion - Import Cover Equivalent: 1.5 Months	<b>RBZ total intervention (FX supply) since April 2024</b> US\$1.6 bn

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## ZiG MONEY SUPPLY (M3) DEVELOPMENTS

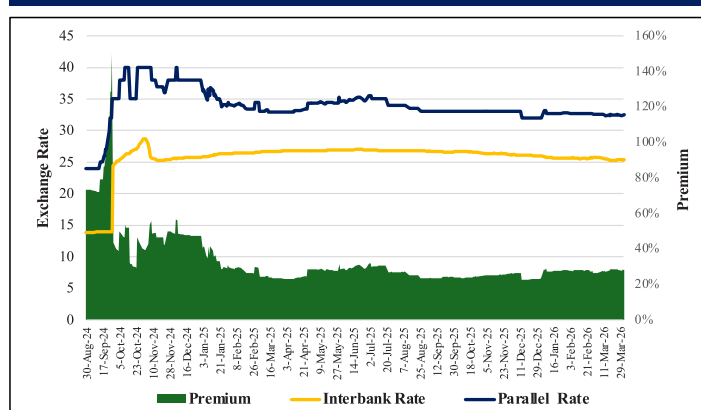


- The month-on-month growth in the local currency component of broad money (M3) remained under check and averaged about 2.3% in the first quarter of 2026, largely reflecting the Central Bank's prudent monetary policy stance.
- Money supply growth is expected to remain stable and aligned to the envisaged growth and the desired inflation path.

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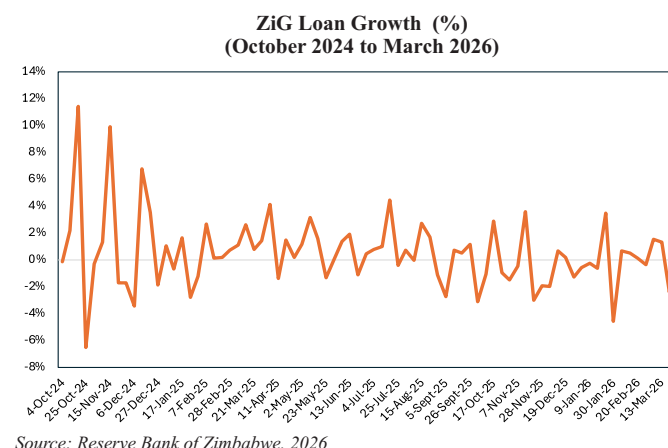
## EXCHANGE RATE DEVELOPMENTS

### Exchange Rate (Aug 2024 to Mar 2026)



- The exchange rate was stable during the first quarter of 2026, averaging ZiG25.59 per US dollar.
- The parallel market exchange premium also remained within 20% for most of the first quarter of 2026.
- Foreign exchange market interventions amounting to US\$1.6 billion since April 2024 have contributed to the smooth functioning of the foreign exchange market under the Willing-Buyer Willing-Seller (WBWS) arrangement.

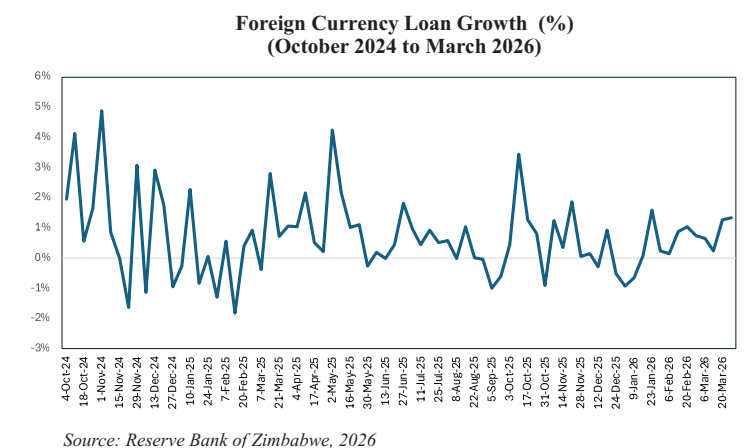
## DEVELOPMENTS IN WEEKLY BANK LOANS



- The Reserve Bank's monetary policy stance has supported the stability of both ZiG and US dollar-denominated loans growth.
- In the first quarter of 2026, the weekly average growth of ZiG and foreign currency denominated loans was 0.1% and 0.51%, respectively.
- The share of ZiG loans to total loans stood at 16.51% as at March 2026.

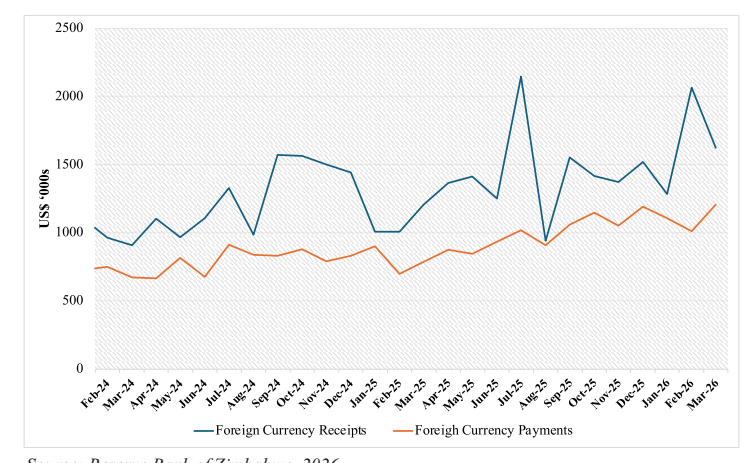
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## DEVELOPMENTS IN WEEKLY BANK LOANS



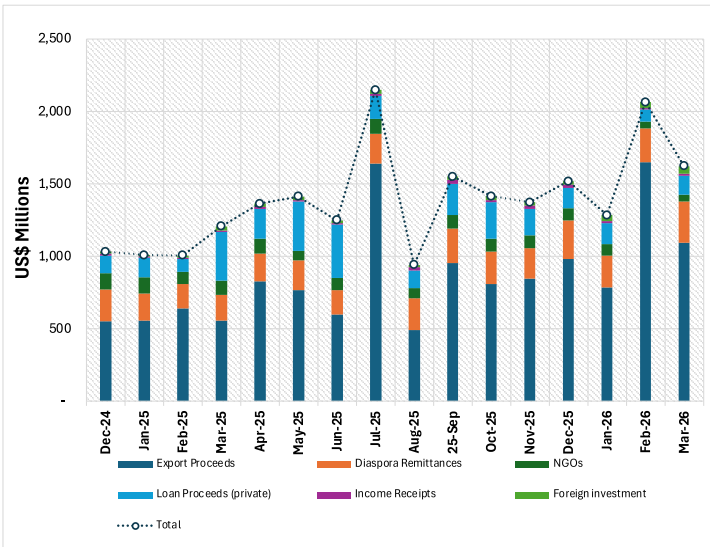
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## FOREIGN CURRENCY RECEIPTS AND PAYMENTS



- Foreign currency receipts have remained robust, consistently covering external payment obligations and yielding significant surpluses.
- The surpluses averaged US\$548.4 million per month from January to March 2026, providing liquidity to support domestic economic transactions.
- For the first quarter of 2026, total foreign currency inflows amounted to US\$4.97 billion, against total currency payments of US\$3.32 billion.

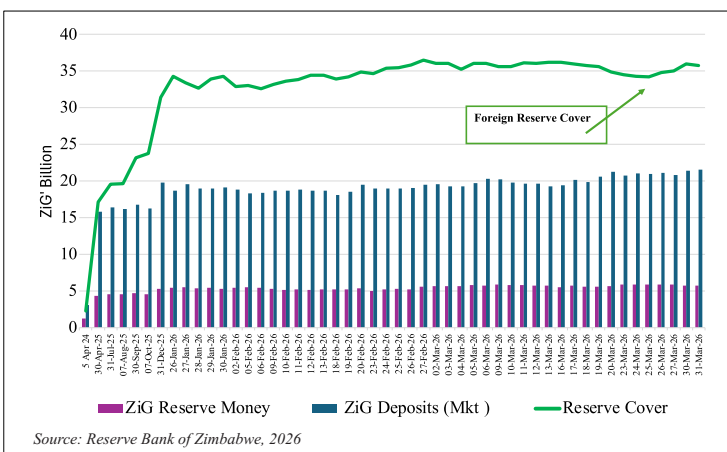
## FOREIGN CURRENCY RECEIPTS



Source: Reserve Bank of Zimbabwe, 2026

- Total foreign currency inflows increased by 54.1% to US\$4.97 billion in the first three months of 2026, compared to US\$3.22 billion in the same period in 2025.
- Export earnings dominated the basket of foreign currency receipts, averaging 71% of total foreign currency receipts in the first quarter of 2026, followed by Diaspora Remittances at 14.8% and loan proceeds at 7.3%.
- Higher exports of tobacco and favorable prices for gold, PGMs, and lithium drove export performance.
- Foreign currency receipts are expected to continue to grow in 2026, driven by firming international mineral prices and resilient remittance inflows.

## ZIG RESERVE MONEY, BANK DEPOSITS AND FOREX RESERVE COVER



Source: Reserve Bank of Zimbabwe, 2026

- The Reserve Bank continued the accumulation of foreign currency reserves backing the ZiG during the first quarter of 2026.
- Foreign currency reserves increased to US\$1.4 billion in March 2026, sufficient to cover about 6 times the stock of ZiG reserve money and about double the ZiG deposits.
- The build-up of foreign currency reserves is critical for the lasting stability of ZiG.

## OFFICIAL LAUNCH AND INTRODUCTION OF THE UPGRADED BIG 5 ZIG BANKNOTE SERIES



- The introduction of the **BIG 5 ZiG Banknote Series** marks a significant milestone, featuring an appealing design, enhanced durability and security elements that align with international best practice.
- The Reserve Bank undertook comprehensive nationwide ZiG education and awareness campaigns from 1 to 31 March 2026 to sensitise the public on the upgraded **BIG 5 ZiG Banknote Series**.
- Commercial banks commenced the disbursement of the new banknotes to the public from 7 April 2026.

## ECONOMIC AND INFLATION OUTLOOK

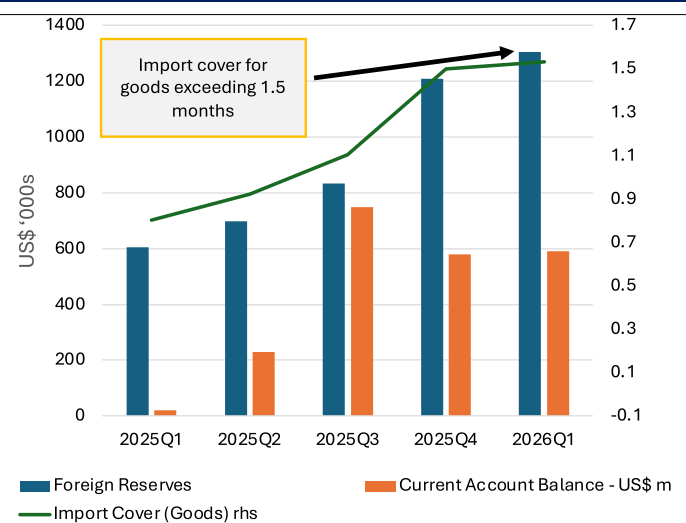
Despite a mid-season dry spell that affected agriculture, the economy is expected to grow by 5% in 2026. In light of the elevated international oil prices, the Reserve Bank will continue to assess evolving domestic and international economic developments, outlook and the balance of risks to ensure that annual inflation remains low and stable in single digit levels. The exchange rate is anticipated to remain stable with the premium continuing to narrow and contained at levels below 20% in 2026. The positive reception of the recent launch and issuance of the upgraded **BIG 5 ZiG Banknote series**, is expected to engender trust, confidence and credibility to deepen domestic currency usage and consolidate price and exchange rate stability. Going forward, the Reserve Bank will continue to *“walk the talk”* and *“stay the course”* through prudent monetary policy management supported by deliberate efforts to promote the demand for the local currency and entrench overall macroeconomic stability.

## DEFINITIONS AND EXPLANATORY NOTES

**Monthly Inflation:** Measures the rate of change in the Consumer Price Index (CPI) from one month to the next.  
**Disinflation:** Disinflation refers to a deceleration in the rate of inflation and occurs when the general price level is still increasing but at a slower pace than before.  
**Reserve Money:** Measures the stock of the Central Bank's most liquid liabilities, which include currency issued, statutory reserves and banks' excess reserves at RBZ.  
**Broad Money:** Known as money supply, measures the total stock of banking sector liabilities including all deposits and banknotes and coins (currency) in circulation.  
**Total Deposits:** Measures the amount of all deposits in the banking sector, inclusive of foreign currency denominated deposits.  
**Total Foreign Reserves in ZiG Backing the Local Currency:** Measures the value of cash, foreign exchange reserves including gold and other precious minerals, backing the stock of ZiG reserve money or ZiG deposits in the banking sector.  
**Non-Performing Loans:** Measures the value of loans that have not met scheduled (re)payments for 90 days or more compared to total loans in the banking sector.  
**Market Liquidity Position:** Refers to the amount of liquidity in the market comprising of excess reserves (banks' deposits at Reserve Bank) and the total holding of non-negotiable certificates of deposits (NNCDs), which is available for banks to effect transactions through the national payment system platforms. A positive position signifies market surplus while a negative position would imply a shortage.  
**Cash and Nostro Balances:** Refers to the amount of foreign currency held by the Reserve Bank in cash and balances held with other banks outside Zimbabwe.  
**Gold Holding (kgs):** Refers to the total volume in kilograms of gold that the Reserve Bank of Zimbabwe holds.  
**Gold Holdings Value:** Measures the value of the total volume of gold held by the Reserve Bank expressed in ZiG millions or US dollar millions.  
**Other Reserves (in kind royalties):** refers to the value of other minerals excluding gold that are received by the Reserve Bank as royalties.  
**Nominal Effective Exchange Rate (NEER):** is the ratio of an index of a currency's average exchange rate for a month to a weighted average of exchange rates for currencies of selected countries normally the country's main trading partners.  
**Real Effective Exchange Rate (REER):** is a measure of the NEER adjusted to an index of consumer price indices (CPIs) of a country's main trading partners.  
**Equilibrium Exchange Rate:** refers to the level of the exchange rate that is consistent with economic fundamentals where the economy experiences both internal (price stability and sustained growth) and external balance (sustainable current account position).  
**Uncovered Foreign Currency Demand:** Refers to the total demand for foreign exchange reported by Authorized Dealers to the Reserve Bank, which could not be met by the supply of foreign exchange in the willing buyer – willing seller (WBWS) market.  
**Willing-Buyer Willing-Seller (WBWS) Exchange Rate:** Refers to the average ZiG to US\$ exchange rate determined in the FX market by Authorized Dealers.  
**Implied Exchange Rate:** Is the exchange rate implied by the ratio of ZiG bank deposits expressed in ZiG to foreign currency reserves covering ZiG expressed in US dollars.

## TRENDS IN FOREIGN RESERVES, IMPORT COVER AND THE CURRENT ACCOUNT BALANCE

## Current Account, Foreign Reserves, Import Cover and Dynamics

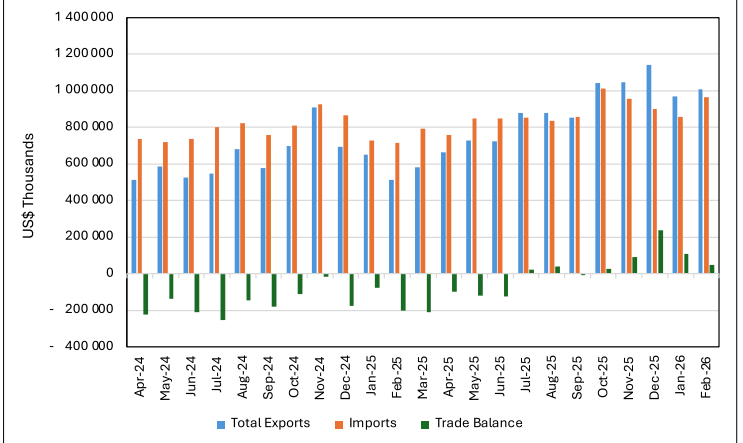


Source: Reserve Bank of Zimbabwe and ZIMSTAT, 2026

- At the close of March 2026, foreign exchange reserves were valued at US\$1.4 billion, providing an import cover of 1.5 months.
- The expansion of foreign currency inflows has contributed to a steady build-up of reserves, which remains a cornerstone for domestic exchange rate stability.
- The upward trend in merchandise trade, which shifted into surplus in July 2025, remained consistent during the for two months of 2026.
- The country is expected to record a current account surplus of over US\$590.0 million in Q1 2026, compared to a deficit of US\$19.7 million recorded in Q1 2025.

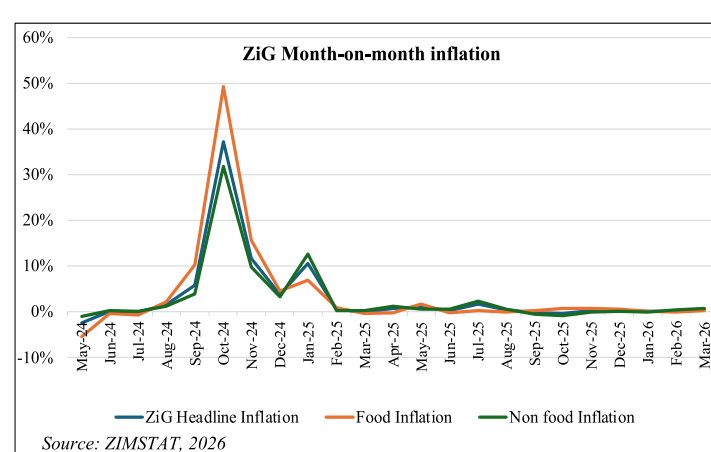
## Exports, Imports and Trade Balance Dynamics

The average monthly import bill amounted to US\$912 million for January and February 2026



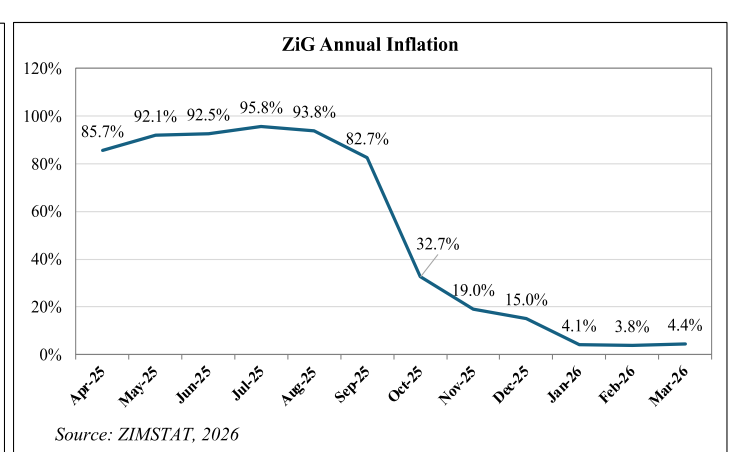
Source: ZIMSTAT, 2026

## SUSTAINED LOW AND STABLE SINGLE DIGIT INFLATION



Source: ZIMSTAT, 2026

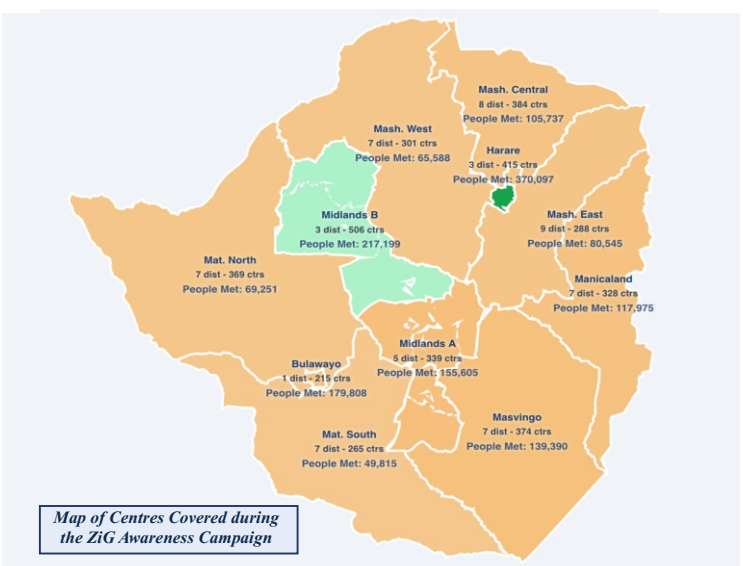
- Month-on-month ZiG inflation averaged around 0.2% during the first quarter of 2026, supported by the prudent monetary policy stance.
- Annual ZiG inflation reached single digit at 4.1% in January 2026 for the first time in over 3 decades and was sustained at 4.4% in March 2026 despite inflationary pressures emanating from the recent oil price shock owing to geopolitical tensions from the US-Israel-Iran conflict.
- Annual inflation is expected to temporarily increase in the near term to June 2026, before returning to its steady state levels.
- The Reserve Bank maintained the Bank Policy Rate at 35% at its March 2026 Monetary Policy Committee (MPC) quarterly meeting to contain second round effects of the fuel price increase in the economy.



Source: ZIMSTAT, 2026

## NATIONWIDE EDUCATION AND ZIG AWARENESS CAMPAIGN

The success of any currency is underpinned by confidence in banknotes which is determined by the ability of the public to recognise the currency structures and their security features



Map of Centres Covered during the ZiG Awareness Campaign

- The Reserve Bank conducted a Nationwide Education and Awareness Campaign on the **BIG 5 ZiG Banknote Series** from 1-31 March 2026, reaching **3,783 centers** with over **1.5 million participants** across the **64 districts** in all Provinces.
- The Reserve Bank received an overwhelming positive response on the upgraded **BIG 5 ZiG Banknotes**. Business and general public expressed their readiness to use the upgraded notes.
- Business and communities commended the Reserve Bank for engaging them and highlighted the importance of the awareness campaigns, which helped in understanding the rationale, features and design of the upgraded **BIG 5 ZiG Banknote Series**.
- The awareness campaign was also critical for the Reserve Bank to receive feedback on monetary policy and currency management, which included the public's call to ensure that fuel and passports are payable in local currency.
- The Reserve Bank explained that at the introduction of ZiG in 2024, the country had low foreign reserves, which could not support critical imports, including fuel. Since then, the Reserve Bank has been aggressively building reserves as one of the conditions precedent for the exclusive use of local currency in the economy.
- As reserves continue to grow towards the recommended threshold of 3 to 6 months import cover, the economy will be in a position to support critical imports allowing for payment of fuel in ZiG.

Through this comprehensive awareness campaign, the Reserve Bank ensured that no one and no place is left behind.

*Dr. John Mushayavanhu*  
Governor  
17 April 2026

