



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

For Quarter 3, 2025

This Quarterly Snapshot Update is provided in line with the commitment made by the Reserve Bank of Zimbabwe (RBZ) in the February 2025 Monetary Policy Statement, to use Communication as an effective tool for implementing monetary policy.

Overview

This Quarterly Snapshot provides an update on recent monetary and financial developments, including the performance and stability of the ZIG during the third quarter of 2025. The report reflects the Reserve Bank of Zimbabwe's commitment to transparency and communication on monetary and financial matters, through regular updates and the publication of high frequency indicators that support the monetary policy stance.

In this regard, the Reserve Bank reaffirms its commitment to fostering certainty, predictability, and informed decision-making in both consumer spending and business planning. This publication also aligns with the Reserve Bank's strategic emphasis on communication as a vital tool to the formulation, implementation, analysis, and review of monetary policy.

- The Reserve Bank's ongoing monetary policy stance has further entrenched stability in inflation and the exchange rate, as evidenced by:
 - Monthly ZIG inflation which averaged 0.5% from February to September 2025. Notably, the month-on-month inflation remained largely anchored below 1%, declining from 0.4% in August 2025 to 0.25% in September 2025.
 - Exchange rate stability, as reflected by the interbank exchange rate oscillating around ZIG 26.70 per US dollar during the third quarter of 2025; The parallel market premium has also been declining towards convergence with the interbank exchange rate, with a remaining gap being explained by the illegality premium and search costs associated with risks of obtaining foreign currency from informal channels.
 - Continued soundness and stability in the financial sector and the national payment system.

The strong performance in gold and platinum prices has boosted the country's foreign currency receipts, which reached US\$10.3 billion as at the end of September 2025. The performance in foreign currency receipts is underpinned by a narrowing trade balance which is projected to be a surplus of 100 million in 2025, as well as a sustained current account surplus amounting to a projected US\$45.1 million in 2025 Q3. The strong foreign currency inflows have bolstered the Reserve Bank's foreign reserves accumulation, resulting in a significant build-up in foreign currency reserves from US\$731 million as at June 2025 to US\$900 million as at the end of the third quarter of 2025. Precisely, foreign reserves are equivalent to about 1 months import cover at current levels of the country's import bill which averaged US\$ 880.0 million per month up to September 2025.

Furthermore, the foreign reserves covered about 4 times the reserve money, in line with the Reserve Bank's commitment to ensure full backing of ZIG. The reserves also cover all ZIG deposits in the banking sector, signaling the sustained stability of ZIG.

This Quarterly Snapshot report, therefore, represents the RBZ's official communication on monetary policy management and its impact on inflation and output.

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.

Key Macroeconomic and Financial Indicators

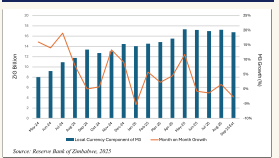
	Apr-24	Sep-24	Dec-24	Jun-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	July-25	Aug-25	Sep-25
ZIG Month-on-Month Inflation (%)	-	5.76	5.67	16.59	8.46	41.06	8.64	8.93	8.28	1.87	8.48	-4.25
Total ZIG Deposits (million)	4,098	11,280	11,958	13,397	14,142	14,593	16,179	16,974	16,387	16,377	16,406	16,763
Non-performing Loans (%)	-	3.19	3.37	-	-	3.34	-	-	2.08	-	-	6.9
Reserve Money (ZIG million)	1,239	2,248	3,516	3,441	3,783	3,780	4,311	4,677	4,658	4,564	4,590	4,732
Reserve Money Cover (ZIG million)	2,283	9,034	12,164	12,816	13,358	14,871	17,339	17,909	19,087	19,800	21,091	23,175
Market Position + NNCNs (ZIG million)	1,997	987	1,445	949	1,063	2,041	2,899	2,108	1,877	924	284	1,721
Cash and Notes (USD million)	151	186	192	186	213	296	243	245	309	381	374	339
Gold Holdings (Kgs)	1,580	1,948	2,626	2,689	2,725	2,779	3,166	3,348	3,439	3,419	3,449	3,577
Gold Holdings Value (USD Million)	113	147	210	241	242	251	278	306	387	361	366	400
Total Reserve Covering ZIG (USD Million)	276	419	472	486	525	608	666	639	731	731	822	900
Uncovered Demand for Foreign Currency	-	11.68	12.27	12.72	11.49	14.84	37.24	16.52	17.52	3.64	13.79	10.22
BBWS Exchange Rate	13.43	24.8831	25.7985	26.3656	26.5615	26.7645	26.8158	26.9012	26.9457	26.7863	26.7548	26.6439
Implied Exchange Rate	-	25.8489	26.7374	26.3039	25.8716	25.6988	26.7335	26.0417	22.6416	22.4841	26.3127	19.2724

Source: Reserve Bank of Zimbabwe and ZIMSTAT, 2025

Key Macroeconomic and Financial Indicators Indicators: as of 30 September 2025

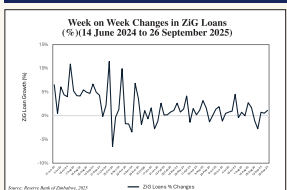
Bank Policy Rate 35%	Minimum Savings Deposit Rate ZIG = 3.75% / US\$ = 1.61%	Minimum Time Deposit Rate (90-Day) ZIG = 6.50% / US\$ = 4.46%	Month-on-Month Growth in Money Supply (M3-Bank Deposits) 7.4%	Interbank Exchange Rate (ZIG/US\$) 26.6439	ZIG Month-on-Month Inflation (September 2025) -0.25%	Trade Balance (US\$ million) 2025 August: 7.0 2025 End of Year (proj): 100	Current Account (US\$ million) 2024 Q3: -84.5 2025 Q3 (proj): 454.1	Total Reserves Covering ZIG US\$ 900 million Import Cover Equivalent: 1 Month
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Money Supply (M3) Developments



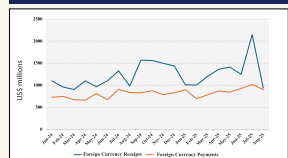
- The month-on-month growth in the local currency component of broad money (M3) fell from 7.4% in August 2025 to 7.1% in September 2025. This is due to a decline in the growth rate of M3 deposits, which fell from 7.4% in August 2025 to 6.9% in September 2025.
- The Reserve Bank is committed to keeping money supply growth under control, to ensure continued stability in the economy.
- The growth in money supply is consistent with levels supporting of the envisaged economic growth and the need for continued exchange rate stability necessary to sustain the disinflationary process.

Developments in Weekly Bank Loans



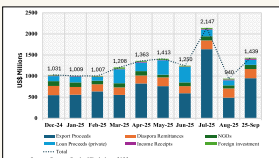
- The Reserve Bank's monetary policy stance has supported the stability of both ZIG and US dollar-denominated bank loans.
- Weekly average ZIG bank loans for the period July to September 2025 was 0.73% compared to 0.90% for April to June 2025. Over the same period, the foreign currency-denominated bank loans grew by weekly average growth of 5.6% compared to 1.00%.
- The share of ZIG loans to total loans has risen steadily, as reflected by the increase in ZIG loan-to-deposit ratio, from below 30% in April 2024 to 46% in September 2025.

Foreign Currency Receipts and Payments



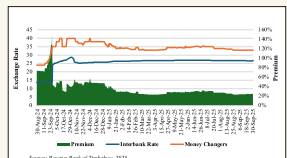
- The country has continued to receive foreign currency inflows enough to cover its external payment obligations leaving a sizeable surplus.
- The surplus averaged US\$21.3 million during the first eight months of 2025, compared to US\$21.1 million during the same period in 2024. The surplus has been used in supporting domestic transactions.
- Foreign currency receipts averaged US\$1.3 billion per month during the first eight months of 2025.
- The country's external payments obligations averaged US\$870.98 million per month during the same period.

Foreign Currency Receipts



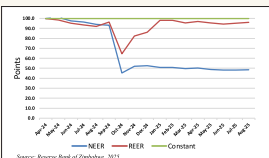
- The country's foreign currency receipts have continued to increase, amounting to US\$10.3 billion during the first eight months of 2025, up 21.9% from US\$8.4 billion in the comparable period in 2024.
- Export goods dominated the basket of foreign currency receipts, averaging 56% of total foreign currency receipts during the period under review, followed by import payments at 16.9%, and Dispersed Remittances at 14.7%.
- The significant growth in foreign currency receipts has supported the stability of the implementation of prices of key export minerals and the growth in remittances.

Exchange Rate Developments April 2024 to Sept 2025



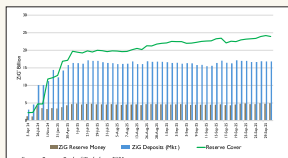
- The exchange rate remained stable against the US dollar, averaging ZW26.66 per US dollar in September 2025.
- The parallel market exchange rate fell from ZIG13.51 per US\$ in August 2025, to ZIG13.43 per US\$ in September 2025. Notably, the parallel market exchange rate has converged with the exchange rate used in most retail outlets such as supermarkets.
- The additional measures to deepen the foreign exchange market announced in the Monetary Policy Statement of August 2025 are expected to reinforce the stability of the exchange rate.

REER & NEER Developments April 2024 to Aug 2025



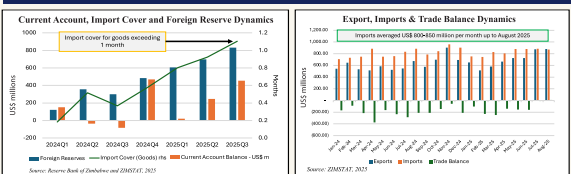
- The Real Effective Exchange Rate (REER) remained stable between June 2025 and September 2025.
- The NEER stabilized around 50 points following a significant nominal depreciation in the ZIG/US\$ exchange rate compared to trading partner in Q3 2024.
- The stability in both the REER and NEER reflects the ongoing stability of domestic prices and exchange rate.
- In addition, Monetary Instrument 34 of 2025 has not resulted in untoward pricing by retail businesses, which reflects the alignment of the exchange rate.

ZIG Reserve Money, Bank Deposits and Forex Reserve Cover



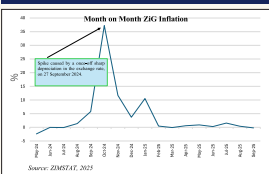
- The Reserve Bank continued the accumulation of foreign currency reserves backing the ZIG during the third quarter of 2025.
- Foreign currency reserves have increased to around US\$900 million as of 30 September 2025, from US\$731 million in June 2025.
- The foreign reserves were sufficient to cover both ZIG reserve money and the entire stock of ZIG deposits as at end-September 2025.
- The build-up of foreign currency reserves is critical for the lasting stability of the ZIG currency.

Trends in Foreign Reserves, Import Cover and the Current Account Balance



- The country recorded a trade surplus of about US\$1 million in August 2025 after a prolonged period with persistent trade deficits.
- The trade surplus is expected to persist during the remaining months of 2025, thus ending the year with an overall trade surplus of around US\$100 million, a significant improvement from a trade deficit of US\$100 million in 2024.
- Reflecting the strong foreign currency receipts and favourable trade dynamics, the country is expected to record a strong current account surplus of US\$1.1 billion in 2025, a significant improvement from a current account deficit of US\$1.1 billion in 2024.
- The increase in foreign currency inflows has contributed to the build-up of foreign currency reserves, which is crucial in sustaining exchange rate stability.
- The country's foreign reserves stood at US\$900 million as at September 2025, up from just over US\$731 million at the end of June 2025 representing 1.1 months import cover for goods at end of 2025 (up from 0.37 in the same period in 2024).

Broad Based Decline In Monthly Inflation



- Month-on-month inflation has largely remained below 1% since February 2025, reflecting the effects of tight monetary policy.
- Monthly inflation declined to -0.25% in September 2025, from 0.4% in August 2025, on account of declining non-food inflation.
- ZIG annual inflation recorded at 82.7% in September 2025 from 93.8% in May 2025.
- Annual inflation is projected to end the year at between 20% and 30%.

Broad Based Decline In Monthly Inflation

Drivers of ZIG M-O-M Inflation for September 2025		
Food Inflation	0.2%	-0.5% Non-Food
Meat	1.1%	-4.2% Electricity
Fish and Sea Food	0.8%	-1.7% Fuels and lubricants
Vegetables	0.4%	-1.1% Tools and equipment for home and garden
Oils and Fats	-0.1%	-0.9% Tobacco
Bread and Cereals	-0.2%	-0.9% Non-durable household goods

- The drivers for the decline in September month-on-month inflation were broad-based across the key categories of food and non-food items.
- This scenario reflects the fruits of well-anchored inflation expectations following the implementation of the current monetary policy measures.

Economic and Inflation Outlook

- The economic growth momentum is expected to persist in the near and medium term, underpinned by the conducive macroeconomic environment, resulting from the ongoing macroeconomic stability. Consequently, the economy is expected to go beyond the initial growth target of 6% in 2025.
- The monthly ZIG inflation is projected to remain low and stable, while annual inflation will continue to decline as Monetary Policy remains appropriately tight to balance stability and economic growth.
- The Reserve Bank is operating well within its inflation target, with annual inflation expected to be less than 20% by December 2025, which is aligned with the projected economic growth of 6% in 2025.
- The Reserve Bank will continue to build-up its FX reserves buffer to support ZIG stability going forward. However, given that the last quarter of the year is traditionally characterised by high FX demand pressures due to the onset of the agricultural season and low FX receipts, the rate of accumulation in FX reserves will slowdown.
- The Reserve Bank remains committed to prudent monetary policy, characterized by data-driven policy insights and well-calibrated monetary and financial parameters. The Bank also remains committed to regularly updating stakeholders on monetary policy implementation and outcomes to engender certainty and predictability in monetary policy, consistent with the operationalization of effective communication as part of its monetary policy toolkit.

Definitions and Explanatory Notes

- Monthly Inflation:** Measures the rate of change in the Consumer Price Index (CPI) from one month to the other.
- 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 (or) payments for 90 days 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.
- Cash and Notes Balance:** Refers to the amount of foreign currency held by the Reserve Bank in cash and balances held with other banks outside Zimbabwe.
- Gold Holding (kg):** Refers to the total volume in kilograms of gold that the Reserve Bank of Zimbabwe holds.
- Gold Holding Value:** Measures the value of the total volume of gold held by the Reserve Bank expressed in ZIG 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 country'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 (CPI) 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 projected 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 set in the FX market by authorized dealers.