



UPDATE ON RESERVE MONEY

AS AT 11TH DECEMBER 2020

RESERVE MONEY

1. Reserve money declined by ZW\$1.76 billion to ZW\$15.99 billion as at week ending 11 December 2020, from ZW\$17.75 billion recorded during the previous week.
2. The decrease in reserve money largely reflected a decline of ZW\$1.87 billion in bank's liquidity (RTGS balances), which was partially offset by increases of ZW\$72.88 million in currency issued and ZW\$35.48 million in required reserves.
3. Purchase of open market operations (OMO) savings bonds by banks largely accounted for the fall in reserve money during the week under review. Government deposits at the RBZ increased by ZW\$1.68 billion, signifying further withdrawal of liquidity from banks.

Table 1: Reserve Money Developments (ZW\$ Billions)

								PRELIMINARY ESTIMATES		
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Week Ending 27 Nov-20	Week Ending 04 Dec-20	Week Ending 11 Dec-20
Currency Issued by RBZ	1.34	1.46	1.67	1.90	2.06	2.14	2.12	2.13	2.18	2.25
Banking Sector Deposits at RBZ	10.20	12.08	10.42	11.46	10.06	10.25	13.38	15.56	15.57	13.74
<i>Statutory (Required) Reserves</i>	<i>1.21</i>	<i>1.39</i>	<i>0.89</i>	<i>1.05</i>	<i>1.24</i>	<i>1.40</i>	<i>1.68</i>	<i>1.92</i>	<i>1.98</i>	<i>2.01</i>
<i>Banks' RTGS Liquidity</i>	<i>8.90</i>	<i>10.70</i>	<i>9.53</i>	<i>10.41</i>	<i>8.83</i>	<i>8.85</i>	<i>11.70</i>	<i>13.64</i>	<i>13.59</i>	<i>11.73</i>

								PRELIMINARY ESTIMATES		
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Week Ending 27 Nov-20	Week Ending 04 Dec-20	Week Ending 11 Dec-20
Other Deposits	0.92	0.28	0.58	2.79	0.26	0.34	0.02	0.23	0.00	0.00
Reserve Money	12.46	13.82	12.65	16.15	12.38	12.73	15.52	17.92	17.75	15.99
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	10.8	10.5	13.2	11.8	16.6	16.8	13.7	11.89	12.28	14.08
Currency in Circulation /Deposits Ratio (%)	2.0	1.9	1.2	0.9	0.7	0.7	0.7	1.1	1.2	1.2
Monthly Change in RTGS Balances (%)	18.5	19.0	-10.9	-9.2	-15.2	0.3	32.2	-4.74	-0.37	-13.72
Monthly Change in Reserve Money (%)	6.5	10.9	-8.4	27.6	-23.3	2.8	21.9	-2.44	-0.96	-9.90
Government Deposits at RBZ (Stock)	2.97	2.09	7.46	6.02	9.52	10.45	5.47	5.15	6.54	7.61
Monthly Inflation (%)	17.6	15.1	31.7	35.5	1.4	-0.5	1.4	2.2	NA	NA
Inter-Bank Exchange Rate	25.00	25.00	57.36	76.76	83.40	81.44	81.35	81.82	81.88	81.86