



UPDATE ON RESERVE MONEY

AS AT 18TH DECEMBER 2020

RESERVE MONEY

1. Reserve money for the week ending 18th December 2020 increased by ZW\$3.88 billion to ZW\$19.87 billion, largely reflecting an increase in banks' liquidity (RTGS balances) at the Reserve Bank of ZW\$3.70 billion. Currency issued and required reserves also rose by ZW\$97.64 million and ZW\$82.85 million, respectively.
2. The rise in reserve money was largely due to liquid injections associated with payment of salaries and bonuses for civil servants. Consistent with this development, Government deposits at the RBZ also declined by ZW\$1.83 billion during the week under review.

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 11 Dec-20	Week Ending 18 Dec-20
Currency Issued by RBZ	1.34	1.46	1.67	1.90	2.06	2.14	2.12	2.13	2.25	2.35
Banking Sector Deposits at RBZ	10.20	12.08	10.42	11.46	10.06	10.25	13.38	15.56	13.74	17.52
<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>2.01</i>	<i>2.10</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>11.73</i>	<i>15.42</i>
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	15.99	19.87

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	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Week Ending 27 Nov-20	Week Ending 11 Dec-20	Week Ending 18 Dec-20
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	10.8	10.5	13.2	11.8	16.6	16.8	13.7	11.89	14.08	11.83
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	-13.72	31.51
Monthly Change in Reserve Money (%)	6.5	10.9	-8.4	27.6	-23.3	2.8	21.9	-2.44	-9.90	24.23
Government Deposits at RBZ (Stock)	2.97	2.09	7.46	6.02	9.52	10.45	5.47	5.15	7.61	5.79
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	81.86	81.74