



## **UPDATE ON RESERVE MONEY**

**AS AT 27<sup>TH</sup> NOVEMBER 2020**

## RESERVE MONEY

1. Reserve money for the week ending 27<sup>th</sup> November 2020 declined by ZW\$449.13 million, to ZW\$17.92 billion, largely reflecting a decrease of ZW\$678.76 million in banks' liquidity (RTGS balances) at the Reserve Bank.
2. The decrease in reserve money was largely attributable to liquidity mopping operations through issuance of open market operations (OMO) savings bonds, coupled with an increase of ZW\$819.6 million in Government deposits at the Central Bank, both of which had the impact of withdrawing liquidity from the market.
3. Partially offsetting the decline in liquidity were increases in required reserves and other deposits at RBZ of ZW\$124.38 million and ZW\$111.32 million, respectively.

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

								PRELIMINARY ESTIMATES		
	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Week Ending 30 Oct-20	Week Ending 20 Nov-20	Week Ending 27 Nov-20
Currency Issued by RBZ	1.31	1.34	1.46	1.67	1.90	2.06	2.14	2.12	2.14	2.13
Banking Sector Deposits at RBZ	8.79	10.20	12.08	10.42	11.46	10.06	10.25	12.83	16.12	15.56
<i>Statutory (Required) Reserves</i>	<i>1.21</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>1.80</i>	<i>1.92</i>
<i>Banks' RTGS Liquidity</i>	<i>7.58</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>11.15</i>	<i>14.32</i>	<i>13.64</i>

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	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Week Ending 30 Oct-20	Week Ending 20 Nov-20	Week Ending 27 Nov-20
Other Deposits	1.61	0.92	0.28	0.58	2.79	0.26	0.34	0.09	0.12	0.23
<b>Reserve Money</b>	<b>11.71</b>	<b>12.46</b>	<b>13.82</b>	<b>12.65</b>	<b>16.15</b>	<b>12.38</b>	<b>12.73</b>	<b>15.04</b>	<b>18.37</b>	<b>17.92</b>
<b>Memorandum Items</b>										
Currency Issued/Reserve Money Ratio (%)	11.2	10.8	10.5	13.2	11.8	16.6	16.8	14.11	11.63	11.89
Currency in Circulation /Deposits Ratio (%)	2.2	2.0	1.9	1.2	0.9	0.7	0.7	1.3	2.8	1.1
Monthly Change in RTGS Balances (%)	26.3	18.5	19.0	-10.9	-9.2	-15.2	0.3	-9.41	27.51	-4.74
Monthly Change in Reserve Money (%)	24.8	6.5	10.9	-8.4	27.6	-23.3	2.8	-6.69	20.92	-2.44
Government Deposits at RBZ (Stock)	2.85	2.97	2.09	7.46	6.02	9.52	10.45	5.48	4.33	5.16
Monthly Inflation (%)	26.6	17.6	15.1	31.7	35.5	1.4	-0.5	1.4	NA	NA
Inter-Bank Exchange Rate	25.00	25.00	25.00	57.36	76.76	83.40	81.44	81.35	81.71	81.82