



UPDATE ON RESERVE MONEY

AS AT 6TH NOVEMBER 2020

RESERVE MONEY

1. Reserve money increased by ZW\$923.83 million to ZW\$15.96 billion during the week ending 6th November 2020, largely reflecting an increase of ZW\$895.5 million in banks' deposits at the Reserve Bank.
2. Statutory reserves and currency issued also rose by ZW\$30.5 million and ZW\$8.9 million, respectively, while other deposits at the Central Bank fell by ZW\$11.1 million.
3. The growth in banks' RTGS liquidity was, in part, driven by maturing open market operations (OMO) savings bonds.

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

								PRELIMINARY ESTIMATES		
	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Week Ending 25 Sept-20	Week Ending 30 Oct-20	Week Ending 06 Nov-20
Currency Issued by RBZ	1.22	1.31	1.34	1.46	1.67	1.90	2.06	2.12	2.12	2.13
Banking Sector Deposits at RBZ	7.09	8.79	10.20	12.08	10.42	11.46	10.06	12.47	12.83	13.75
<i>Statutory (Required) Reserves</i>	<i>1.08</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>1.34</i>	<i>1.68</i>	<i>1.71</i>
<i>Banks' RTGS Liquidity</i>	<i>6.01</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>11.13</i>	<i>11.15</i>	<i>12.05</i>
Other Deposits	1.08	1.61	0.92	0.28	0.58	2.79	0.26	0.40	0.09	0.08
Reserve Money	9.38	11.71	12.46	13.82	12.65	16.15	12.38	14.99	15.04	15.96
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	13.0	11.2	10.8	10.5	13.2	11.8	16.6	14.1	14.11	13.35

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	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Week Ending 25 Sept-20	Week Ending 30 Oct-20	Week Ending 06 Nov-20
Currency in Circulation /Deposits Ratio (%)	2.5	2.2	2.0	1.9	1.2	0.9	0.7	1.4	1.3	1.3
Monthly Change in RTGS Balances (%)	-3.3	26.3	18.5	19.0	-10.9	-9.2	-15.2	9.4	-9.41	8.03
Monthly Change in Reserve Money (%)	1.4	24.8	6.5	10.9	-8.4	27.6	-23.3	5.8	-6.69	6.14
Government Deposits at RBZ (Stock)	3.35	2.85	2.97	2.09	7.46	6.02	9.52	7.94	5.48	7.02
Monthly Inflation (%)	13.5	26.6	17.6	15.1	31.7	35.5	1.4	-0.5	1.4	N/A
Inter-Bank Exchange Rate	17.95	25.00	25.00	25.00	57.36	76.76	83.40	81.50	81.35	81.67