



## **UPDATE ON RESERVE MONEY**

**AS AT 1<sup>ST</sup> APRIL 2021**

## RESERVE MONEY

1. Reserve money increased by ZW\$25.80 million to ZW\$20.80 billion during the week ending 1<sup>st</sup> April 2021, reflecting an increase of ZW\$10.47 million in banks' liquidity (RTGS balances) at the Central Bank, a rise in Statutory Reserves by ZW\$10.06 million and an increase in currency issued by ZW\$5.27 million.
2. In addition to liquidity mopping operations by the Bank, an increase of ZW\$1.66 billion in Government deposits at the RBZ also had the impact of withdrawing liquidity from the market, during the week under review.

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

								PRELIMINARY ESTIMATES		
	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20*	Week Ending 29 Jan-21	Week Ending 26 Feb-21	Week Ending 26 Mar-21	Week Ending 1 April-21
Currency Issued by RBZ	1.90	2.06	2.14	2.12	2.13	2.38	2.81	2.95	3.15	3.15
Banking Sector Deposits at RBZ	11.46	10.06	10.25	13.38	15.91	16.38	19.12	19.43	17.62	18.25
<i>Statutory (Required) Reserves</i>	<i>1.05</i>	<i>1.24</i>	<i>1.40</i>	<i>1.68</i>	<i>2.01</i>	<i>2.20</i>	<i>2.44</i>	<i>4.80</i>	<i>5.15</i>	<i>5.16</i>
<i>Banks' RTGS Liquidity</i>	<i>10.41</i>	<i>8.83</i>	<i>8.85</i>	<i>11.70</i>	<i>13.90</i>	<i>14.18</i>	<i>16.68</i>	<i>14.63</i>	<i>12.47</i>	<i>12.48</i>
Other Deposits	2.79	0.26	0.34	0.02	0.38	0.00	0.00	0.00	0.00	0.00
<b>Reserve Money</b>	<b>16.15</b>	<b>12.38</b>	<b>12.73</b>	<b>15.52</b>	<b>18.42</b>	<b>18.76</b>	<b>21.93</b>	<b>22.38</b>	<b>20.77</b>	<b>20.80</b>
<b>Memorandum Items</b>										
Currency Issued/Reserve Money Ratio (%)	11.8	16.6	16.8	13.7	11.6	12.67	12.79	13.17	15.16	14.74
Currency in Circulation	0.9	0.7	0.7	0.7	0.6	1.2	1.1	1.3	1.3	1.2

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	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20*	Week Ending 29 Jan-21	Week Ending 26 Feb-21	Week Ending 26 Mar-21	Week Ending 1 April-21
/Deposits Ratio (%)										
Monthly Change in RTGS Balances (%)	-9.2	-15.2	0.3	32.2	18.8	-8.03	20.71	1.19	-2.07	-22.45
Monthly Change in Reserve Money (%)	27.6	-23.3	2.8	21.9	18.7	-5.59	17.86	12.40	-0.47	-14.99
Government Deposits at RBZ (Stock)	6.02	9.52	10.45	5.47	4.65	6.74	10.46	10.06	14.65	16.31
Monthly Inflation (%) – ZW\$ CPI	35.5	8.4	3.8	4.4	3.2	4.2	5.4	3.5	2.26	N/A
Monthly Inflation (%) - Blended	16.7	1.4	-0.5	1.4	2.2	2.8	2.8	0.7	1.09	N/A
Inter-Bank Exchange Rate	76.76	83.40	81.44	81.35	81.82	81.79	82.68	83.89	84.12	84.40

\*The end-December 2020 reserve money is provisional until audit is completed.