



UPDATE ON RESERVE MONEY

AS AT 16TH APRIL 2021

RESERVE MONEY

1. Reserve money increased by ZW\$1.83 billion to ZW\$21.90 billion, as at week ending 16th April 2021, reflecting increases of ZW\$1.63 billion and ZW\$201.12 million in banks' liquidity (RTGS balances) at the Reserve Bank and statutory reserves, respectively.
2. The increase in reserve money was mainly attributed to the payment of monthly wages and salaries of civil servants by Government. The fall in Government deposits at the RBZ by ZW\$4.71 billion during the week, was consistent with this development, which injected liquidity into the market.
3. Partially offsetting the increase in liquidity were mopping up operations by the Bank, which resulted in an increase of ZW\$2.32 billion in savings bond issuances during the week under review.

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

						PRELIMINARY ESTIMATES				
	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 9 April-21	Week Ending 16 April-21
Currency Issued by RBZ	2.06	2.14	2.12	2.13	2.38	2.81	2.95	3.15	3.16	3.15
Banking Sector Deposits at RBZ	10.06	10.25	13.38	15.91	16.38	19.12	19.43	17.62	16.92	18.75
<i>Statutory (Required) Reserves</i>	<i>1.24</i>	<i>1.40</i>	<i>1.68</i>	<i>2.01</i>	<i>2.20</i>	2.44	4.80	5.15	5.09	5.29
<i>Banks' RTGS Liquidity</i>	8.83	8.85	<i>11.70</i>	<i>13.90</i>	14.18	16.68	14.63	12.47	11.83	13.46
Other Deposits	0.26	0.34	0.02	0.38	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Money	12.38	12.73	15.52	18.42	18.76	21.93	22.38	20.77	20.08	21.90
Memorandum Items										

						PRELIMINARY ESTIMATES				
	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 9 April-21	Week Ending 16 April-21
Currency Issued/Reserve Money Ratio (%)	16.6	16.8	13.7	11.6	12.67	12.79	13.17	15.16	15.72	14.39
Currency in Circulation /Deposits Ratio (%)	0.7	0.7	0.7	0.6	1.2	1.1	1.3	1.3	1.3	1.3
Monthly Change in RTGS Balances (%)	-15.2	0.3	32.2	18.8	-8.03	20.71	1.19	-2.07	-5.21	13.76
Monthly Change in Reserve Money (%)	-23.3	2.8	21.9	18.7	-5.59	17.86	12.40	-0.47	-3.45	9.09
Government Deposits at RBZ (Stock)	9.52	10.45	5.47	4.65	6.74	10.46	10.06	14.65	16.02	11.32
Monthly Inflation (%) – ZW\$ CPI	8.4	3.8	4.4	3.2	4.2	5.4	3.5	2.26	N/A	N/A
Monthly Inflation (%) - Blended	1.4	-0.5	1.4	2.2	2.8	2.8	0.7	1.09	N/A	N/A
Inter-Bank Exchange Rate	83.40	81.44	81.35	81.82	81.79	82.68	83.89	84.12	84.40	84.48

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