



UPDATE ON RESERVE MONEY

AS AT 23RD APRIL 2021

RESERVE MONEY

1. Reserve money increased by ZW\$637.41 Million to ZW\$22.54 billion, as at week ending 23rd April 2021, largely reflecting increases of ZW\$309.98 million in banks' liquidity (RTGS balances) at the Reserve Bank and ZW\$293.85 million in statutory reserves. Currency issued also rose by ZW\$33.59 million.
2. The increase in reserve money was mainly attributed to maturing saving bonds, which injected ZW\$3.52 billion into the market, 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 16 April-21 | Week Ending 23 April-21 |
| Currency Issued by RBZ | 2.06 | 2.14 | 2.12 | 2.13 | 2.38 | 2.81 | 2.95 | 3.15 | 3.15 | 3.19 |
| Banking Sector Deposits at RBZ | 10.06 | 10.25 | 13.38 | 15.91 | 16.38 | 19.12 | 19.43 | 17.62 | 18.75 | 19.36 |
| <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 | 5.29 | 5.59 |
| <i>Banks' RTGS Liquidity</i> | <i>8.83</i> | <i>8.85</i> | <i>11.70</i> | <i>13.90</i> | <i>14.18</i> | 16.68 | 14.63 | 12.47 | 13.46 | 13.77 |
| 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 | 21.90 | 22.54 |
| Memorandum Items | | | | | | | | | | |
| Currency Issued/Reserve Money Ratio (%) | 16.6 | 16.8 | 13.7 | 11.6 | 12.67 | 12.79 | 13.17 | 15.16 | 14.39 | 14.13 |
| Currency in Circulation /Deposits Ratio (%) | 0.7 | 0.7 | 0.7 | 0.6 | 1.2 | 1.1 | 1.3 | 1.3 | 1.3 | 1.2 |

| | | | | | | 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 16 April-21 | Week Ending 23 April-21 |
| Monthly Change in RTGS Balances (%) | -15.2 | 0.3 | 32.2 | 18.8 | -8.03 | 20.71 | 1.19 | -2.07 | 13.76 | 2.30 |
| Monthly Change in Reserve Money (%) | -23.3 | 2.8 | 21.9 | 18.7 | -5.59 | 17.86 | 12.40 | -0.47 | 9.09 | 2.91 |
| Government Deposits at RBZ (Stock) | 9.52 | 10.45 | 5.47 | 4.65 | 6.74 | 10.46 | 10.06 | 14.65 | 11.32 | 12.88 |
| Monthly Inflation (%) – ZW\$ CPI | 8.4 | 3.8 | 4.4 | 3.2 | 4.2 | 5.4 | 3.5 | 2.26 | 1.58 | 1.58 |
| Monthly Inflation (%) - Blended | 1.4 | -0.5 | 1.4 | 2.2 | 2.8 | 2.8 | 0.7 | 1.09 | 0.94 | 0.94 |
| Inter-Bank Exchange Rate | 83.40 | 81.44 | 81.35 | 81.82 | 81.79 | 82.68 | 83.89 | 84.12 | 84.48 | 84.48 |

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