



UPDATE ON RESERVE MONEY

AS AT 13TH AUGUST 2021

RESERVE MONEY

1. Reserve money for the week ending 13th August 2021 declined by ZW\$1.81 billion to ZW\$24.82 billion, compared to last week's position of ZW\$26.63 billion.
2. The decrease in reserve money largely reflected a decline of ZW\$2.09 billion in banks' liquidity (RTGS balances) at the Central Bank, which was partially offset by increases of ZW\$175.01 million and ZW\$105.19 million in required reserves and currency issued, respectively.
3. The fall in liquidity followed mopping up of excess liquidity by the RBZ, through issuance of non-negotiable certificates of deposits (NNCDs), coupled by net sales of foreign exchange to the market.

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

						PRELIMINARY ESTIMATES				
	Dec-20*	Jan-21	Feb-21	Mar-21	Apr-21	Week Ending 28 May -21	Week Ending 30 June -21	Week Ending 30 July -21	Week Ending 6 Aug -21	Week Ending 13 Aug -21
Currency Issued by RBZ	2.38	2.70	2.95	3.15	3.25	3.61	3.90	4.51	4.52	4.62
Banking Sector Deposits at RBZ	16.38	19.12	19.43	16.10	19.37	19.77	20.28	20.43	22.11	20.20
<i>Statutory (Required) Reserves</i>	<i>2.20</i>	<i>2.44</i>	<i>4.80</i>	<i>5.16</i>	<i>5.73</i>	<i>6.36</i>	<i>7.27</i>	<i>7.86</i>	<i>7.96</i>	<i>8.14</i>
<i>Banks' RTGS Liquidity</i>	<i>14.18</i>	<i>16.68</i>	<i>14.63</i>	<i>10.94</i>	<i>13.64</i>	<i>13.41</i>	<i>13.01</i>	<i>12.57</i>	<i>14.15</i>	<i>12.06</i>
Other Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Money	18.76	21.82	22.38	19.25	22.62	23.38	24.17	24.94	26.63	24.82

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	Dec-20*	Jan-21	Feb-21	Mar-21	Apr-21	Week Ending 28 May -21	Week Ending 30 June -21	Week Ending 30 July -21	Week Ending 6 Aug -21	Week Ending 13 Aug -21
Currency Issued/ Reserve Money Ratio (%)	12.67	12.39	13.17	16.37	14.38	15.43	16.12	18.09	16.96	18.62
Currency in Circulation /Deposits Ratio (%)	1.2	1.2	1.3	1.4	1.3	1.2	1.1	1.3	1.2	1.2
Monthly Change in RTGS Balances (%)	2.06	17.55	1.19	-25.24	-0.95	-0.41	-0.90	9.36	12.59	-14.74
Monthly Change in Reserve Money (%)	1.83	16.32	12.40	-13.99	0.34	1.04	1.23	6.59	6.74	-6.78
Government Deposits at RBZ (Stock)	6.74	10.31	9.86	15.73	11.38	7.56	12.69	10.12	15.56	13.97
Monthly Inflation (%) – ZW\$ CPI	4.2	5.4	3.5	2.26	1.58	2.54	3.88	2.56	n/a	n/a
Monthly Inflation (%) - Blended	2.8	2.8	0.7	1.09	0.94	1.80	4.49	0.67	n/a	n/a
Inter-Bank Exchange Rate	81.79	82.68	83.89	84.40	84.50	84.73	85.42	85.73	85.73	85.75

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