



UPDATE ON RESERVE MONEY

AS AT 20TH AUGUST 2021

RESERVE MONEY

1. Reserve money increased by ZW\$2.51 billion to ZW\$27.33 billion, as at week ending 20th August 2021, compared to last week's position of ZW\$24.82 billion.
2. The rise in reserve money reflected increases of ZW\$2.38 billion in banks' liquidity (RTGS balances) at the Reserve Bank, coupled with increases of ZW\$109.40 million and ZW\$16.31 million in currency issued and required reserves, respectively.
3. The increase in reserve money was largely due to payment of monthly salaries and wages of civil servants, which saw Government deposits at the Central Bank declining by ZW\$3.22 billion over the week, thus injecting liquidity into 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 13 Aug -21	Week Ending 20 Aug -21
Currency Issued by RBZ	2.38	2.70	2.95	3.15	3.25	3.61	3.90	4.51	4.62	4.73
Banking Sector Deposits at RBZ	16.38	19.12	19.43	16.10	19.37	19.77	20.28	20.43	20.20	22.60
<i>Statutory (Required) Reserves</i>	2.20	2.44	4.80	5.16	5.73	6.36	7.27	7.86	8.14	8.15
<i>Banks' RTGS Liquidity</i>	14.18	16.68	14.63	10.94	13.64	13.41	13.01	12.57	12.06	14.45
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	24.82	27.33

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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 13 Aug -21	Week Ending 20 Aug -21
Currency Issued/ Reserve Money Ratio (%)	12.67	12.39	13.17	16.37	14.38	15.43	16.12	18.09	18.62	17.31
Currency in Circulation /Deposits Ratio (%)	1.2	1.2	1.3	1.4	1.3	1.2	1.1	1.3	1.2	1.3
Monthly Change in RTGS Balances (%)	2.06	17.55	1.19	-25.24	-0.95	-0.41	-0.90	9.36	-14.74	19.77
Monthly Change in Reserve Money (%)	1.83	16.32	12.40	-13.99	0.34	1.04	1.23	6.59	-6.78	10.12
Government Deposits at RBZ (Stock)	6.74	10.31	9.86	15.73	11.38	7.56	12.69	10.12	13.97	10.74
Monthly Inflation (%) – ZW\$ CPI	4.2	5.4	3.5	2.26	1.58	2.54	3.88	2.56	4.19	4.19
Monthly Inflation (%) - Blended	2.8	2.8	0.7	1.09	0.94	1.80	4.49	0.67	1.32	1.32
Inter-Bank Exchange Rate	81.79	82.68	83.89	84.40	84.50	84.73	85.42	85.73	85.75	85.83