



## **UPDATE ON RESERVE MONEY**

**AS AT 27<sup>TH</sup> AUGUST 2021**

## RESERVE MONEY

1. Reserve money for the week ending 27<sup>th</sup> August increased by ZW\$374.51 million to ZW\$27.71 billion, compared to last week's position of ZW\$27.33 billion.
2. The rise in reserve money largely reflected increases of ZW\$214.85 million and ZW\$151.15 million in required reserves and banks' liquidity (RTGS balances) at the Reserve Bank, respectively. RTGS balances increased due to maturing open market operations (OMO) savings bonds.

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

								PRELIMINARY ESTIMATES		
	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Week Ending 30 July -21	Week Ending 20 Aug -21	Week Ending 27 Aug -21
Currency Issued by RBZ	2.38	2.70	2.95	3.15	3.25	3.65	3.90	4.51	4.73	4.74
Banking Sector Deposits at RBZ	16.38	19.12	19.43	16.10	19.37	22.57	20.95	20.43	22.60	22.97
<i>Statutory (Required) Reserves</i>	2.20	2.44	4.80	5.16	5.73	6.66	7.27	7.86	8.15	8.37
<i>Banks' RTGS Liquidity</i>	14.18	16.68	14.63	10.94	13.64	15.91	13.68	12.57	14.45	14.60
Other Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Reserve Money</b>	<b>18.76</b>	<b>21.82</b>	<b>22.38</b>	<b>19.25</b>	<b>22.62</b>	<b>26.22</b>	<b>24.84</b>	<b>24.94</b>	<b>27.33</b>	<b>27.71</b>
Currency Issued/ Reserve Money Ratio (%)	12.67	12.39	13.17	16.37	14.38	13.92	15.68	18.09	17.31	17.10

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	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Week Ending 30 July -21	Week Ending 20 Aug -21	Week Ending 27 Aug -21
Currency in Circulation /Deposits Ratio (%)	1.2	1.2	1.3	1.4	1.3	1.1	1.4	1.3	1.3	1.2
Monthly Change in RTGS Balances (%)	2.06	17.55	1.19	-25.24	-0.95	16.62	-14.00	9.36	19.77	1.05
Monthly Change in Reserve Money (%)	1.83	16.32	12.40	-13.99	0.34	15.89	-5.23	6.59	10.12	1.37
Government Deposits at RBZ (Stock)	6.74	10.31	9.86	15.73	11.38	7.11	12.12	10.12	10.74	11.36
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	85.83	85.91