



## **UPDATE ON RESERVE MONEY**

**AS AT 12<sup>TH</sup> FEBRUARY 2021**

## RESERVE MONEY

1. Reserve money for the week ending 12<sup>th</sup> February 2021 declined by ZW\$472.89 million, to ZW\$18.90 billion, largely reflecting a decrease of ZW\$554.73 million in banks' liquidity at the Reserve Bank (RTGS balances). Partially offsetting this decline, were increases of ZW\$79.80 million and ZW\$2.04 in required reserves and currency issued, respectively.
2. The decline in reserve money was largely attributable to revenue collections by Government, coupled with net foreign exchange sales to the market by the RBZ. Consequently, Government deposits at the Central Bank increased by close to ZW\$4 billion, which had effect of withdrawing liquidity from the market.

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

							PRELIMINARY ESTIMATES			
	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20*	Week Ending 29 Jan-21	Week Ending 5 Feb-21	Week Ending 12 Feb-21
Currency Issued by RBZ	1.67	1.90	2.06	2.14	2.12	2.13	2.38	2.81	2.70	2.71
Banking Sector Deposits at RBZ	10.42	11.46	10.06	10.25	13.38	15.91	16.38	19.12	16.67	16.20
<i>Statutory (Required) Reserves</i>	<i>0.89</i>	<i>1.05</i>	<i>1.24</i>	<i>1.40</i>	<i>1.68</i>	<i>2.01</i>	<i>2.20</i>	<i>2.44</i>	<i>2.48</i>	<i>2.56</i>
<i>Banks' RTGS Liquidity</i>	<i>9.53</i>	<i>10.41</i>	<i>8.83</i>	<i>8.85</i>	<i>11.70</i>	<i>13.90</i>	<i>14.18</i>	<i>16.68</i>	<i>14.19</i>	<i>13.64</i>
Other Deposits	0.58	2.79	0.26	0.34	0.02	0.38	0.00	0.00	0.00	0.00

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	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20*	Week Ending 29 Jan-21	Week Ending 5 Feb-21	Week Ending 12 Feb-21
<b>Reserve Money</b>	<b>12.65</b>	<b>16.15</b>	<b>12.38</b>	<b>12.73</b>	<b>15.52</b>	<b>18.42</b>	<b>18.76</b>	<b>21.93</b>	<b>19.38</b>	<b>18.90</b>
<b>Memorandum Items</b>										
Currency Issued/Reserve Money Ratio (%)	13.2	11.8	16.6	16.8	13.7	11.6	12.67	12.79	13.96	14.32
Currency in Circulation /Deposits Ratio (%)	1.2	0.9	0.7	0.7	0.7	0.6	1.2	1.1	1.4	1.4
Monthly Change in RTGS Balances (%)	-10.9	-9.2	-15.2	0.3	32.2	18.8	-8.03	20.71	-14.88	-3.91
Monthly Change in Reserve Money (%)	-8.4	27.6	-23.3	2.8	21.9	18.7	-5.59	17.86	-11.63	-2.44
Government Deposits at RBZ (Stock)	7.46	6.02	9.52	10.45	5.47	4.65	6.74	10.46	9.64	13.60
Monthly Inflation (%)	31.7	35.5	1.4	-0.5	1.4	2.3	2.8	2.8	N/A	N/A
Inter-Bank Exchange Rate	57.36	76.76	83.40	81.44	81.35	81.82	81.79	82.68	83.37	83.37

\*Provisional until audit is completed.