



UPDATE ON RESERVE MONEY

AS AT 19TH FEBRUARY 2021

RESERVE MONEY

1. Reserve money for the week ending 19th February 2021 increased by ZW\$1.004 billion, to ZW\$19.91 billion. This largely reflected increases of ZW\$819.40 million and ZW\$225.74 million in banks' liquidity at the Reserve Bank (RTGS balances) and currency issued, respectively.
2. The increase in reserve money was largely attributable to payment of salaries, wages and other expenditures by Government, which saw the Government deposit at the RBZ declining by ZW\$5.12 billion, thus, injecting liquidity into the market. This was, however, significantly offset by net OMO savings bonds issuances amounting to ZW\$4.89 billion, which had the opposite 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 12 Feb-21	Week Ending 19 Feb-21
Currency Issued by RBZ	1.67	1.90	2.06	2.14	2.12	2.13	2.38	2.81	2.71	2.93
Banking Sector Deposits at RBZ	10.42	11.46	10.06	10.25	13.38	15.91	16.38	19.12	16.20	16.98
<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>2.56</i>	<i>2.52</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>13.64</i>	<i>14.46</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 12 Feb-21	Week Ending 19 Feb-21
Reserve Money	12.65	16.15	12.38	12.73	15.52	18.42	18.76	21.93	18.90	19.91
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	13.2	11.8	16.6	16.8	13.7	11.6	12.67	12.79	14.32	14.73
Currency in Circulation /Deposits Ratio (%)	1.2	0.9	0.7	0.7	0.7	0.6	1.2	1.1	1.4	1.3
Monthly Change in RTGS Balances (%)	-10.9	-9.2	-15.2	0.3	32.2	18.8	-8.03	20.71	-3.91	6.01
Monthly Change in Reserve Money (%)	-8.4	27.6	-23.3	2.8	21.9	18.7	-5.59	17.86	-2.44	5.31
Government Deposits at RBZ (Stock)	7.46	6.02	9.52	10.45	5.47	4.65	6.74	10.46	13.60	8.48
Monthly Inflation (%) – ZW\$ CPI	31.7	35.5	8.4	3.8	4.4	3.2	4.2	5.4	3.5	3.5
Monthly Inflation (%) - Blended	29.4	16.7	1.4	-0.5	1.4	2.2	2.8	2.8	0.7	0.7
Inter-Bank Exchange Rate	57.36	76.76	83.40	81.44	81.35	81.82	81.79	82.68	83.37	83.76

*Provisional until audit is completed.