



UPDATE ON RESERVE MONEY

AS AT 5TH FEBRUARY 2021

RESERVE MONEY

1. Reserve money for the week ending 5th February 2021 fell by ZW\$2.55 billion, to ZW\$19.38 billion, largely reflecting a decrease of ZW\$2.48 billion in banks' liquidity at the Reserve Bank (RTGS balances).
2. The decline in market liquidity was mainly due to the uptake of savings bonds by banks, coupled with net foreign currency sales to the market by the Reserve Bank.

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

								PRELIMINARY ESTIMATES		
	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Week Ending 31 Dec-20	Week Ending 29 Jan-21	Week Ending 5 Feb-21
Currency Issued by RBZ	1.46	1.67	1.90	2.06	2.14	2.12	2.13	2.38	2.81	2.70
Banking Sector Deposits at RBZ	12.08	10.42	11.46	10.06	10.25	13.38	15.91	16.38	19.12	16.67
<i>Statutory (Required) Reserves</i>	<i>1.39</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>Banks' RTGS Liquidity</i>	<i>10.70</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>
Other Deposits	0.28	0.58	2.79	0.26	0.34	0.02	0.38	0.00	0.00	0.00
Reserve Money	13.82	12.65	16.15	12.38	12.73	15.52	18.42	18.76	21.93	19.38
Memorandum Items										

								PRELIMINARY ESTIMATES		
	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Week Ending 31 Dec-20	Week Ending 29 Jan-21	Week Ending 5 Feb-21
Currency Issued/Reserve Money Ratio (%)	10.5	13.2	11.8	16.6	16.8	13.7	11.6	12.67	12.79	13.96
Currency in Circulation /Deposits Ratio (%)	1.9	1.2	0.9	0.7	0.7	0.7	0.6	1.2	1.1	1.4
Monthly Change in RTGS Balances (%)	19.0	-10.9	-9.2	-15.2	0.3	32.2	18.8	-8.03	20.71	-14.88
Monthly Change in Reserve Money (%)	10.9	-8.4	27.6	-23.3	2.8	21.9	18.7	-5.59	17.86	-11.63
Government Deposits at RBZ (Stock)	2.09	7.46	6.02	9.52	10.45	5.47	4.65	6.74	10.46	9.64
Monthly Inflation (%)	15.1	31.7	35.5	1.4	-0.5	1.4	2.3	2.8	2.8	N/A
Inter-Bank Exchange Rate	25.00	57.36	76.76	83.40	81.44	81.35	81.82	81.79	82.68	83.37