



UPDATE ON RESERVE MONEY

AS AT 29TH JANUARY 2021

RESERVE MONEY

1. Reserve money for the week ending 29th January 2021 increased by ZW\$3.32 billion to ZW\$21.93 billion, compared to its position last week.
2. The increase in reserve money largely reflected an increase of ZW\$2.86 billion in banks' liquidity at the Reserve Bank (RTGS balances), coupled with increases of ZW\$424.93 million and ZW\$37.70 million in currency issued and required reserves, respectively.
3. The rise in market liquidity was largely attributable to maturity of savings bonds held by banking institutions, which released liquidity into the market.

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 22 Jan-21	Week Ending 29 Jan-21
Currency Issued by RBZ	1.46	1.67	1.90	2.06	2.14	2.12	2.13	2.38	2.38	2.81
Banking Sector Deposits at RBZ	12.08	10.42	11.46	10.06	10.25	13.38	15.91	16.38	16.22	19.12
<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>2.41</i>	<i>2.44</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>	14.18	13.82	16.68
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	18.60	21.93

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	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Week Ending 31 Dec-20	Week Ending 22 Jan-21	Week Ending 29 Jan-21
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	10.5	13.2	11.8	16.6	16.8	13.7	11.6	12.67	12.80	12.79
Currency in Circulation /Deposits Ratio (%)	1.9	1.2	0.9	0.7	0.7	0.7	0.6	1.2	1.2	1.1
Monthly Change in RTGS Balances (%)	19.0	-10.9	-9.2	-15.2	0.3	32.2	18.8	-8.03	-7.86	20.71
Monthly Change in Reserve Money (%)	10.9	-8.4	27.6	-23.3	2.8	21.9	18.7	-5.59	-5.72	17.86
Government Deposits at RBZ (Stock)	2.09	7.46	6.02	9.52	10.45	5.47	4.65	6.74	9.67	10.46
Monthly Inflation (%)	15.1	31.7	35.5	1.4	-0.5	1.4	2.3	2.8	2.8	2.8
Inter-Bank Exchange Rate	25.00	57.36	76.76	83.40	81.44	81.35	81.82	81.79	82.08	82.68