



UPDATE ON RESERVE MONEY

AS AT 31ST DECEMBER 2020

RESERVE MONEY

1. Reserve money for the week ending 31st December 2020*, decreased by ZW\$1.11 billion to ZW\$18.76 billion, compared to the position as at week ending 18th December 2020.
2. The fall in reserve money largely reflected a decline of ZW\$1.24 billion in banks' liquidity at the Reserve Bank (RTGS Balances), which was partly offset by increases of ZW\$102.54 million and ZW\$25.65 million in required reserves and currency issued, respectively.
3. The decrease in market liquidity over the period under review was largely due to liquidity management operations of the Bank, through issuance of saving bonds to banks.

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

								PRELIMINARY ESTIMATES		
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Week Ending 27 Nov-20	Week Ending 18 Dec-20	Week Ending 31 Dec-20
Currency Issued by RBZ	1.34	1.46	1.67	1.90	2.06	2.14	2.12	2.13	2.35	2.38
Banking Sector Deposits at RBZ	10.20	12.08	10.42	11.46	10.06	10.25	13.38	15.56	17.52	16.38
<i>Statutory (Required) Reserves</i>	<i>1.21</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>1.92</i>	<i>2.10</i>	<i>2.20</i>
<i>Banks' RTGS Liquidity</i>	<i>8.90</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>13.64</i>	<i>15.42</i>	<i>14.18</i>
Other Deposits	0.92	0.28	0.58	2.79	0.26	0.34	0.02	0.23	0.00	0.00

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	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Week Ending 27 Nov-20	Week Ending 18 Dec-20	Week Ending 31 Dec-20
Reserve Money	12.46	13.82	12.65	16.15	12.38	12.73	15.52	17.92	19.87	18.76*
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	10.8	10.5	13.2	11.8	16.6	16.8	13.7	11.89	11.83	12.67
Currency in Circulation /Deposits Ratio (%)	2.0	1.9	1.2	0.9	0.7	0.7	0.7	1.1	1.2	1.2
Monthly Change in RTGS Balances (%)	18.5	19.0	-10.9	-9.2	-15.2	0.3	32.2	-4.74	31.51	-8.03
Monthly Change in Reserve Money (%)	6.5	10.9	-8.4	27.6	-23.3	2.8	21.9	-2.44	24.23	-5.59
Government Deposits at RBZ (Stock)	2.97	2.09	7.46	6.02	9.52	10.45	5.47	5.15	5.79	6.74
Monthly Inflation (%)	17.6	15.1	31.7	35.5	1.4	-0.5	1.4	2.2	NA	NA
Inter-Bank Exchange Rate	25.00	25.00	57.36	76.76	83.40	81.44	81.35	81.82	81.74	81.79

*Provisional until audit is completed.