



UPDATE ON RESERVE MONEY

AS AT 23RD JULY 2021

RESERVE MONEY

1. Reserve money for the week ending 23rd July 2021 declined by ZW\$906.52 million to ZW\$23.40 billion. This largely reflected a decrease of ZW\$966.91 million in banks' liquidity (RTGS balances) at the Central Bank.
2. The decrease in reserve money was largely due to mopping up operations by the Bank, through issuance of non-negotiable certificates of deposits (NNCDs).
3. Partially offsetting the decline in liquidity were increases of ZW\$56.74 million and ZW\$3.66 million in required reserves and currency issued, respectively.

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

						PRELIMINARY ESTIMATES				
	Nov-20	Dec-20*	Jan-21	Feb-21	Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 30 June -21	Week Ending 16 July -21	Week Ending 23 July -21
Currency Issued by RBZ	2.13	2.38	2.70	2.95	3.15	3.25	3.61	3.90	4.47	4.48
Banking Sector Deposits at RBZ	15.91	16.38	19.12	19.43	16.10	19.37	19.77	20.28	19.84	18.93
<i>Statutory (Required) Reserves</i>	<i>2.01</i>	<i>2.20</i>	<i>2.44</i>	<i>4.80</i>	<i>5.16</i>	<i>5.73</i>	<i>6.36</i>	<i>7.27</i>	<i>7.38</i>	<i>7.43</i>
<i>Banks' RTGS Liquidity</i>	<i>13.90</i>	<i>14.18</i>	<i>16.68</i>	<i>14.63</i>	<i>10.94</i>	<i>13.64</i>	<i>13.41</i>	<i>13.01</i>	<i>12.46</i>	<i>11.49</i>
Other Deposits	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Money	18.42	18.76	21.82	22.38	19.25	22.62	23.38	24.17	24.31	23.40

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	Nov-20	Dec-20*	Jan-21	Feb-21	Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 30 June -21	Week Ending 16 July -21	Week Ending 23 July -21
Currency Issued/ Reserve Money Ratio (%)	11.6	12.67	12.39	13.17	16.37	14.38	15.43	16.12	18.40	19.12
Currency in Circulation /Deposits Ratio (%)	0.6	1.2	1.2	1.3	1.4	1.3	1.2	1.1	1.4	1.3
Monthly Change in RTGS Balances (%)	18.8	2.06	17.55	1.19	-25.24	-0.95	-0.41	-0.90	-3.54	-7.76
Monthly Change in Reserve Money (%)	18.7	1.83	16.32	12.40	-13.99	0.34	1.04	1.23	-0.61	-3.73
Government Deposits at RBZ (Stock)	4.65	6.74	10.31	9.86	15.73	11.38	7.56	12.69	15.60	10.82
Monthly Inflation (%) – ZW\$ CPI	3.2	4.2	5.4	3.5	2.26	1.58	2.54	3.88	2.56	2.56
Monthly Inflation (%) - Blended	2.2	2.8	2.8	0.7	1.09	0.94	1.80	4.49	0.67	0.67
Inter-Bank Exchange Rate	81.82	81.79	82.68	83.89	84.40	84.50	84.73	85.42	85.51	85.64

*The end-December 2020 reserve money is provisional until audit is completed.