



## **UPDATE ON RESERVE MONEY**

**AS AT 11<sup>TH</sup> JUNE 2021**

## RESERVE MONEY

1. Reserve money for the week ending 11<sup>th</sup> June 2021 declined by ZW\$258.74 million to ZW\$24.02 billion. This largely reflected decreases of ZW\$207.46 million and ZW\$85.46 million in banks' liquidity (RGTS balances) at the Reserve Bank and required reserves, respectively.
2. The decrease in reserve money largely reflected excess liquidity withdrawal through issuance of non-negotiable certificates of deposits (NNCDs) worth ZW\$8.68 billion.
3. Reduction in market liquidity was associated with an increase of ZW\$1.97 billion in Government deposits at the RBZ, as tax payers began mobilizing for the next quarterly payment date (QPD), falling due on 25 June 2021.

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

						PRELIMINARY ESTIMATES				
	Oct-20	Nov-20	Dec-20*	Jan-21	Feb-21	Week Ending 26 Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 04 June -21	Week Ending 11 June -21
Currency Issued by RBZ	2.12	2.13	2.38	2.70	2.95	3.15	3.25	3.61	3.72	3.76
Banking Sector Deposits at RBZ	13.38	15.91	16.38	19.12	19.43	17.62	19.37	19.77	20.56	20.27
<i>Statutory (Required) Reserves</i>	<i>1.68</i>	<i>2.01</i>	<i>2.20</i>	<i>2.44</i>	<i>4.80</i>	<i>5.15</i>	<i>5.73</i>	<i>6.36</i>	<i>6.56</i>	<i>6.47</i>
<i>Banks' RTGS Liquidity</i>	<i>11.70</i>	<i>13.90</i>	<i>14.18</i>	<i>16.68</i>	<i>14.63</i>	<i>12.47</i>	<i>13.64</i>	<i>13.41</i>	<i>14.00</i>	<i>13.80</i>
Other Deposits	0.02	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Reserve Money</b>	<b>15.52</b>	<b>18.42</b>	<b>18.76</b>	<b>21.82</b>	<b>22.38</b>	<b>20.77</b>	<b>22.62</b>	<b>23.38</b>	<b>24.28</b>	<b>24.02</b>
<b>Memorandum Items</b>										

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	Oct-20	Nov-20	Dec-20*	Jan-21	Feb-21	Week Ending 26 Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 04 June -21	Week Ending 11 June -21
Currency Issued/Reserve Money Ratio (%)	13.7	11.6	12.67	12.39	13.17	15.16	14.38	15.43	15.33	15.64
Currency in Circulation /Deposits Ratio (%)	0.7	0.6	1.2	1.2	1.3	1.3	1.3	1.2	1.3	1.3
Monthly Change in RTGS Balances (%)	32.2	18.8	2.06	17.55	1.19	-2.07	-0.95	-0.41	4.40	-1.48
Monthly Change in Reserve Money (%)	21.9	18.7	1.83	16.32	12.40	-0.47	0.34	1.04	3.86	-1.07
Government Deposits at RBZ (Stock)	5.47	4.65	6.74	10.31	10.06	14.65	11.38	7.56	7.75	9.72
Monthly Inflation (%) – ZW\$ CPI	4.4	3.2	4.2	5.4	3.5	2.26	1.58	2.54	n/a	n/a
Monthly Inflation (%) - Blended	1.4	2.2	2.8	2.8	0.7	1.09	0.94	1.80	n/a	n/a
Inter-Bank Exchange Rate	81.35	81.82	81.79	82.68	83.89	84.12	84.50	84.73	84.77	85.07

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