



UPDATE ON RESERVE MONEY

AS AT 18TH JUNE 2021

RESERVE MONEY

1. Reserve money for the week ending 18th June 2021 fell by ZW\$176.84 million to ZW\$23.85 billion, compared to last week's position of ZW\$24.02 billion.
2. The decrease in reserve money largely reflected a decrease of ZW\$378.06 million in banks' liquidity (RGTS balances) at the Reserve Bank, which was partially offset by increases of ZW\$125.35 million and ZW\$75.87 million in currency issued and required reserves, respectively.
3. The fall in liquidity followed an increase in revenue collection by Government, which saw its deposit at the RBZ rising by ZW\$1.19 billion over the week under review, thus withdrawing liquidity from the market.

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

						PRELIMINARY ESTIMATES				
	Oct-20	Nov-20	Dec-20*	Jan-21	Feb-21	Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 11 June -21	Week Ending 18 June -21
Currency Issued by RBZ	2.12	2.13	2.38	2.70	2.95	3.15	3.25	3.61	3.76	3.88
Banking Sector Deposits at RBZ	13.38	15.91	16.38	19.12	19.43	16.10	19.37	19.77	20.27	19.96
<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>5.16</i>	<i>5.73</i>	<i>6.36</i>	<i>6.47</i>	<i>6.55</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>10.94</i>	<i>13.64</i>	<i>13.41</i>	<i>13.80</i>	<i>13.42</i>
Other Deposits	0.02	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Money	15.52	18.42	18.76	21.82	22.38	19.25	22.62	23.38	24.02	23.85
Memorandum Items										

						PRELIMINARY ESTIMATES				
	Oct-20	Nov-20	Dec-20*	Jan-21	Feb-21	Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 11 June -21	Week Ending 18 June -21
Currency Issued/Reserve Money Ratio (%)	13.7	11.6	12.67	12.39	13.17	16.37	14.38	15.43	15.64	16.28
Currency in Circulation /Deposits Ratio (%)	0.7	0.6	1.2	1.2	1.3	1.4	1.3	1.2	1.3	1.2
Monthly Change in RTGS Balances (%)	32.2	18.8	2.06	17.55	1.19	-25.24	-0.95	-0.41	-1.48	-2.74
Monthly Change in Reserve Money (%)	21.9	18.7	1.83	16.32	12.40	-13.99	0.34	1.04	-1.07	-0.74
Government Deposits at RBZ (Stock)	5.47	4.65	6.74	10.31	9.86	15.73	11.38	7.56	9.72	10.91
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	84.40	84.50	84.73	85.07	85.25

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