



UPDATE ON RESERVE MONEY

AS AT 25TH JUNE 2021

RESERVE MONEY

1. Reserve money increased by ZW\$602.35 million to ZW\$24.45 billion, as at week ending 25th June 2021, from ZW\$23.85 billion recorded in the previous week.
2. The rise in reserve money largely reflected increases of ZW\$323.06 million and ZW\$277.23 million in required reserves and banks' liquidity (RGTS balances) at the Reserve Bank, respectively. Currency issued increased marginally by ZW\$2.07 million during the week under review.
3. Payment of monthly salaries and wages by Government injected liquidity into the economy, as reflected by a decline of ZW\$4.34 billion in Government deposits at the Central Bank. Partially offsetting the liquidity injections was net issuance of non-negotiable certificates of deposits (NNCDs), worth ZW\$4.61 billion.

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 18 June -21	Week Ending 25 June -21
Currency Issued by RBZ	2.12	2.13	2.38	2.70	2.95	3.15	3.25	3.61	3.88	3.88
Banking Sector Deposits at RBZ	13.38	15.91	16.38	19.12	19.43	16.10	19.37	19.77	19.96	20.56
<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>6.55</i>	<i>6.87</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>13.42</i>	<i>13.70</i>
Other Deposits	0.02	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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	Oct-20	Nov-20	Dec-20*	Jan-21	Feb-21	Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 18 June -21	Week Ending 25 June -21
Reserve Money	15.52	18.42	18.76	21.82	22.38	19.25	22.62	23.38	23.85	24.45
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	13.7	11.6	12.67	12.39	13.17	16.37	14.38	15.43	16.28	15.89
Currency in Circulation /Deposits Ratio (%)	0.7	0.6	1.2	1.2	1.3	1.4	1.3	1.2	1.2	1.3
Monthly Change in RTGS Balances (%)	32.2	18.8	2.06	17.55	1.19	-25.24	-0.95	-0.41	-1.45	2.07
Monthly Change in Reserve Money (%)	21.9	18.7	1.83	16.32	12.40	-13.99	0.34	1.04	0.01	2.53
Government Deposits at RBZ (Stock)	5.47	4.65	6.74	10.31	9.86	15.73	11.38	7.56	10.91	6.57
Monthly Inflation (%) – ZW\$ CPI	4.4	3.2	4.2	5.4	3.5	2.26	1.58	2.54	3.88	3.88
Monthly Inflation (%) - Blended	1.4	2.2	2.8	2.8	0.7	1.09	0.94	1.80	4.49	4.49
Inter-Bank Exchange Rate	81.35	81.82	81.79	82.68	83.89	84.40	84.50	84.73	85.25	85.37

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