



UPDATE ON RESERVE MONEY

AS AT 12TH MARCH 2021

RESERVE MONEY

1. Reserve money declined to ZW\$18.72 billion on 12th March 2021, from ZW\$20.55 billion recorded the previous week. This was largely due to a decrease of ZW\$1.91 billion in banks' liquidity (banks' RTGS balances at RBZ). Currency in circulation also declined by ZW\$24.06 million.
2. Government deposits at the Reserve Bank increased by ZW\$3.08 billion, as companies began preparing for the March 2021 quarterly tax payments. This has the effect of withdrawing liquidity from the market.
3. Partially offsetting the decrease in reserve money was an increase of ZW\$116.83 million in banks' required reserves.

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

								PRELIMINARY ESTIMATES		
	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20*	Week Ending 29 Jan-21	Week Ending 26 Feb-21	Week Ending 5 Mar-21	Week Ending 12 Mar-21
Currency Issued by RBZ	1.90	2.06	2.14	2.12	2.13	2.38	2.81	2.95	3.09	3.06
Banking Sector Deposits at RBZ	11.46	10.06	10.25	13.38	15.91	16.38	19.12	19.43	17.46	15.66
<i>Statutory (Required) Reserves</i>	<i>1.05</i>	<i>1.24</i>	<i>1.40</i>	<i>1.68</i>	<i>2.01</i>	<i>2.20</i>	<i>2.44</i>	<i>4.80</i>	<i>4.94</i>	<i>5.06</i>
<i>Banks' RTGS Liquidity</i>	<i>10.41</i>	<i>8.83</i>	<i>8.85</i>	<i>11.70</i>	<i>13.90</i>	<i>14.18</i>	<i>16.68</i>	<i>14.63</i>	<i>12.52</i>	<i>10.61</i>
Other Deposits	2.79	0.26	0.34	0.02	0.38	0.00	0.00	0.00	0.00	0.00
Reserve Money	16.15	12.38	12.73	15.52	18.42	18.76	21.93	22.38	20.55	18.72

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	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20*	Week Ending 29 Jan-21	Week Ending 26 Feb-21	Week Ending 5 Mar-21	Week Ending 12 Mar-21
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	11.8	16.6	16.8	13.7	11.6	12.67	12.79	13.17	15.02	16.35
Currency in Circulation /Deposits Ratio (%)	0.9	0.7	0.7	0.7	0.6	1.2	1.1	1.3	1.4	1.2
Monthly Change in RTGS Balances (%)	-9.2	-15.2	0.3	32.2	18.8	-8.03	20.71	1.19	-14.43	-15.29
Monthly Change in Reserve Money (%)	27.6	-23.3	2.8	21.9	18.7	-5.59	17.86	12.40	-8.18	-8.87
Government Deposits at RBZ (Stock)	6.02	9.52	10.45	5.47	4.65	6.74	10.46	10.06	9.84	12.93
Monthly Inflation (%) – ZW\$ CPI	35.5	8.4	3.8	4.4	3.2	4.2	5.4	3.5	N/A	N/A
Monthly Inflation (%) - Blended	16.7	1.4	-0.5	1.4	2.2	2.8	2.8	0.7	N/A	N/A
Inter-Bank Exchange Rate	76.76	83.40	81.44	81.35	81.82	81.79	82.68	83.89	83.89	83.98

*Provisional until audit is completed.