



## **UPDATE ON RESERVE MONEY**

**AS AT 19<sup>TH</sup> MARCH 2021**

## RESERVE MONEY

1. Reserve money for the week ending 19<sup>th</sup> March 2021 increased by ZW\$2.14 billion to ZW\$20.87 billion, compared to last week's position of ZW\$18.72 billion.
2. The increase in reserve money largely reflected an increase of ZW\$2.13 billion in banks' liquidity at the Reserve Bank (RTGS balances), coupled with an increase of ZW\$86.10 million in currency in circulation. Required reserves, however, declined by ZW\$71.30 million.
3. The rise in reserve money was largely due to payment of civil servants' monthly salaries and wages, which saw Government deposits at the Reserve Bank falling by ZW\$1.98 billion during the week under review, thus injecting liquidity into the market.

4. **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 12 Mar-21	Week Ending 19 Mar-21
Currency Issued by RBZ	1.90	2.06	2.14	2.12	2.13	2.38	2.81	2.95	3.06	3.15
Banking Sector Deposits at RBZ	11.46	10.06	10.25	13.38	15.91	16.38	19.12	19.43	15.66	17.72
<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>5.06</i>	<i>4.99</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>10.61</i>	<i>12.73</i>
Other Deposits	2.79	0.26	0.34	0.02	0.38	0.00	0.00	0.00	0.00	0.00
<b>Reserve Money</b>	<b>16.15</b>	<b>12.38</b>	<b>12.73</b>	<b>15.52</b>	<b>18.42</b>	<b>18.76</b>	<b>21.93</b>	<b>22.38</b>	<b>18.72</b>	<b>20.87</b>
<b>Memorandum Items</b>										

								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 12 Mar-21	Week Ending 19 Mar-21
Currency Issued/Reserve Money Ratio (%)	11.8	16.6	16.8	13.7	11.6	12.67	12.79	13.17	16.35	15.08
Currency in Circulation /Deposits Ratio (%)	0.9	0.7	0.7	0.7	0.6	1.2	1.1	1.3	1.2	1.1
Monthly Change in RTGS Balances (%)	-9.2	-15.2	0.3	32.2	18.8	-8.03	20.71	1.19	-15.29	20.08
Monthly Change in Reserve Money (%)	27.6	-23.3	2.8	21.9	18.7	-5.59	17.86	12.40	-8.87	11.45
Government Deposits at RBZ (Stock)	6.02	9.52	10.45	5.47	4.65	6.74	10.46	10.06	12.93	10.94
Monthly Inflation (%) – ZW\$ CPI	35.5	8.4	3.8	4.4	3.2	4.2	5.4	3.5	2.26	2.26
Monthly Inflation (%) - Blended	16.7	1.4	-0.5	1.4	2.2	2.8	2.8	0.7	1.09	1.09
Inter-Bank Exchange Rate	76.76	83.40	81.44	81.35	81.82	81.79	82.68	83.89	83.98	83.98

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