



UPDATE ON RESERVE MONEY

AS AT 5TH MARCH 2021

RESERVE MONEY

1. Reserve money for the week ending 5th March 2021 decreased by ZW\$1.83 billion, to ZW\$20.55 billion. This largely reflected a decline of ZW\$2.11 billion in banks' liquidity at the Reserve Bank (RTGS balances). Partially offsetting this decrease, were increases of ZW\$141.41 million and ZW\$138.38 million in required reserves and currency in issued, respectively.
2. The decrease in reserve money was largely attributable to net issuances of open market operations (OMO) savings bonds amounting to ZW\$1.99 billion, which had the effect of withdrawing liquidity from the market.

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

							PRELIMINARY ESTIMATES			
	Jun-20	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
Currency Issued by RBZ	1.67	1.90	2.06	2.14	2.12	2.13	2.38	2.81	2.95	3.09
Banking Sector Deposits at RBZ	10.42	11.46	10.06	10.25	13.38	15.91	16.38	19.12	19.43	17.46
<i>Statutory (Required) Reserves</i>	<i>0.89</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>Banks' RTGS Liquidity</i>	<i>9.53</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>
Other Deposits	0.58	2.79	0.26	0.34	0.02	0.38	0.00	0.00	0.00	0.00
Reserve Money	12.65	16.15	12.38	12.73	15.52	18.42	18.76	21.93	22.38	20.55

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	Jun-20	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
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	13.2	11.8	16.6	16.8	13.7	11.6	12.67	12.79	13.17	15.02
Currency in Circulation /Deposits Ratio (%)	1.2	0.9	0.7	0.7	0.7	0.6	1.2	1.1	1.3	1.4
Monthly Change in RTGS Balances (%)	-10.9	-9.2	-15.2	0.3	32.2	18.8	-8.03	20.71	1.19	-14.43
Monthly Change in Reserve Money (%)	-8.4	27.6	-23.3	2.8	21.9	18.7	-5.59	17.86	12.40	-8.18
Government Deposits at RBZ (Stock)	7.46	6.02	9.52	10.45	5.47	4.65	6.74	10.46	10.06	9.84
Monthly Inflation (%) – ZW\$ CPI	31.7	35.5	8.4	3.8	4.4	3.2	4.2	5.4	3.5	3.5
Monthly Inflation (%) - Blended	29.4	16.7	1.4	-0.5	1.4	2.2	2.8	2.8	0.7	N/A
Inter-Bank Exchange Rate	57.36	76.76	83.40	81.44	81.35	81.82	81.79	82.68	83.89	83.89

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