



## **UPDATE ON RESERVE MONEY**

**AS AT 21<sup>ST</sup> MAY 2021**

## RESERVE MONEY

1. Reserve money for the week ending 21<sup>st</sup> May 2021 increased by ZW\$227.82 million to ZW\$23.14 billion, compared to last week's position of ZW\$22.91 billion.
2. The increase in reserve money largely reflected an increase of ZW\$98.64 million in banks' liquidity (RTGS balances) at the Reserve Bank, coupled with increases of ZW\$79.74 million and ZW\$49.44 million in required reserves and currency issued, respectively.
3. Government had begun payment of monthly wages and salaries to civil servants, which saw its deposit balance at the Reserve Bank declining by ZW\$4.77 billion during the week under review. This injected liquidity into the market.

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

						PRELIMINARY ESTIMATES				
	Sep-20	Oct-20	Nov-20	Dec-20*	Jan-21	Week Ending 26 Feb-21	Week Ending 26 Mar-21	Week Ending 30 April-21	Week Ending 14 May -21	Week Ending 21 May -21
Currency Issued by RBZ	2.14	2.12	2.13	2.38	2.70	2.95	3.15	3.25	3.51	3.56
Banking Sector Deposits at RBZ	10.25	13.38	15.91	16.38	19.12	19.43	17.62	19.37	19.41	19.58
<i>Statutory (Required) Reserves</i>	<i>1.40</i>	<i>1.68</i>	<i>2.01</i>	<i>2.20</i>	<i>2.44</i>	4.80	5.15	5.73	6.04	6.12
<i>Banks' RTGS Liquidity</i>	<i>8.85</i>	<i>11.70</i>	<i>13.90</i>	14.18	16.68	14.63	12.47	13.64	13.37	13.47
Other Deposits	0.34	0.02	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Reserve Money</b>	<b>12.73</b>	<b>15.52</b>	<b>18.42</b>	<b>18.76</b>	<b>21.82</b>	<b>22.38</b>	<b>20.77</b>	<b>22.62</b>	<b>22.91</b>	<b>23.14</b>
<b>Memorandum Items</b>										

						PRELIMINARY ESTIMATES				
	Sep-20	Oct-20	Nov-20	Dec-20*	Jan-21	Week Ending 26 Feb-21	Week Ending 26 Mar-21	Week Ending 30 April-21	Week Ending 14 May -21	Week Ending 21 May -21
Currency Issued/Reserve Money Ratio (%)	16.8	13.7	11.6	12.67	12.39	13.17	15.16	14.38	15.31	15.37
Currency in Circulation /Deposits Ratio (%)	0.7	0.7	0.6	1.2	1.2	1.3	1.3	1.3	1.2	1.2
Monthly Change in RTGS Balances (%)	0.3	32.2	18.8	2.06	17.55	1.19	-2.07	-0.95	1.49	0.74
Monthly Change in Reserve Money (%)	2.8	21.9	18.7	1.83	16.32	12.40	-0.47	0.34	2.13	0.99
Government Deposits at RBZ (Stock)	10.45	5.47	4.65	6.74	10.31	10.06	14.65	11.38	12.17	7.40
Monthly Inflation (%) – ZW\$ CPI	3.8	4.4	3.2	4.2	5.4	3.5	2.26	1.58	2.54	2.54
Monthly Inflation (%) - Blended	-0.5	1.4	2.2	2.8	2.8	0.7	1.09	0.94	1.80	1.80
Inter-Bank Exchange Rate	81.44	81.35	81.82	81.79	82.68	83.89	84.12	84.50	84.61	84.65

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