



## **UPDATE ON RESERVE MONEY**

**AS AT 28<sup>TH</sup> MAY 2021**

## RESERVE MONEY

1. Reserve money increased by ZW\$239.55 million to ZW\$23.38 billion, as at week ending 28<sup>th</sup> May 2021, from ZW\$23.14 million in the previous week.
2. The rise in reserve money largely reflected increases of ZW\$242.73 million in required reserves and ZW\$51.69 million in currency issued. Partially offsetting these increases was a decline of ZW\$54.87 million in banks' liquidity (RGTS balances) at the Central Bank.
3. Maturing OMO savings bonds injected ZW\$532.75 million into the market, thus contributing to the increase in liquidity during the week under review.

**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 21 May -21	Week Ending 28 May -21
Currency Issued by RBZ	2.14	2.12	2.13	2.38	2.70	2.95	3.15	3.25	3.56	3.61
Banking Sector Deposits at RBZ	10.25	13.38	15.91	16.38	19.12	19.43	17.62	19.37	19.58	19.77
<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	6.12	6.36
<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	13.47	13.41
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>23.14</b>	<b>23.38</b>
<b>Memorandum Items</b>										
Currency Issued/Reserve Money Ratio (%)	16.8	13.7	11.6	12.67	12.39	13.17	15.16	14.38	15.37	15.43

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	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 21 May -21	Week Ending 28 May -21
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	0.74	-0.41
Monthly Change in Reserve Money (%)	2.8	21.9	18.7	1.83	16.32	12.40	-0.47	0.34	0.99	1.04
Government Deposits at RBZ (Stock)	10.45	5.47	4.65	6.74	10.31	10.06	14.65	11.38	7.40	7.56
Monthly Inflation (%) – ZW\$ CPI	3.8	4.4	3.2	4.2	5.4	3.5	2.26	1.58	2.54	254
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	84.65	84.73

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