



UPDATE ON RESERVE MONEY

AS AT 7TH MAY 2021

RESERVE MONEY

1. Reserve money for the week ending 7th May 2021 fell by ZW\$181.07 million to ZW\$22.44 billion, largely reflecting a decrease of ZW\$464.85 million in banks' liquidity (RTGS balances) at the Reserve Bank, due to excess liquidity mopping up operations by the Bank.
2. Partially offsetting the decrease in reserve money were increases of ZW\$191.46 million and ZW\$92.31 million in statutory reserves and currency issued, respectively.

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 07 May -21
Currency Issued by RBZ	2.14	2.12	2.13	2.38	2.70	2.95	3.15	3.25	3.34
Banking Sector Deposits at RBZ	10.25	13.38	15.91	16.38	19.12	19.43	17.62	19.37	19.09
<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	5.92
<i>Banks' RTGS Liquidity</i>	<i>8.85</i>	<i>11.70</i>	<i>13.90</i>	<i>14.18</i>	<i>16.68</i>	14.63	12.47	13.64	13.17
Other Deposits	0.34	0.02	0.38	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Money	12.73	15.52	18.42	18.76	21.82	22.38	20.77	22.62	22.44
Memorandum Items									
Currency Issued/Reserve Money Ratio (%)	16.8	13.7	11.6	12.67	12.39	13.17	15.16	14.38	14.91
Currency in Circulation /Deposits Ratio (%)	0.7	0.7	0.6	1.2	1.2	1.3	1.3	1.3	1.3

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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 07 May -21
Monthly Change in RTGS Balances (%)	0.3	32.2	18.8	2.06	17.55	1.19	-2.07	-0.95	-3.41
Monthly Change in Reserve Money (%)	2.8	21.9	18.7	1.83	16.32	12.40	-0.47	0.34	-0.80
Government Deposits at RBZ (Stock)	10.45	5.47	4.65	6.74	10.31	10.06	14.65	11.38	11.53
Monthly Inflation (%) – ZW\$ CPI	3.8	4.4	3.2	4.2	5.4	3.5	2.26	1.58	n/a
Monthly Inflation (%) - Blended	-0.5	1.4	2.2	2.8	2.8	0.7	1.09	0.94	n/a
Inter-Bank Exchange Rate	81.44	81.35	81.82	81.79	82.68	83.89	84.12	84.50	84.53

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