



UPDATE ON RESERVE MONEY

AS AT 8TH OCTOBER 2021

RESERVE MONEY

1. Reserve money for the week ending 8th October 2021 decreased by ZW\$225.32 million to ZW\$28.05 billion, compared to the previous week's position of ZW\$28.28 billion.
2. The decline in reserve money reflected declines of ZW\$217.99 million and ZW\$12.29 million in required reserves and banks' liquidity (RTGS balances) at the Central Bank, respectively. Partially offsetting the decline was an increase in currency issued of ZW\$4.96 million.
3. The fall in market liquidity was mainly due to Government revenue collections, which saw its deposits at RBZ rising by ZW\$6.18 billion over the week.

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

								PRELIMINARY ESTIMATES		
	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug -21	Week Ending 24 Sep -21	Week Ending 01 Oct -21	Week Ending 08 Oct -21
Currency Issued by RBZ	2.95	3.15	3.25	3.65	3.90	4.51	4.75	4.73	4.81	4.81
Banking Sector Deposits at RBZ	19.43	16.10	19.37	22.57	20.95	20.43	23.74	22.64	23.47	23.24
<i>Statutory (Required) Reserves</i>	4.80	5.16	5.73	6.66	7.27	7.86	8.22	9.07	9.26	9.04
<i>Banks' RTGS Liquidity</i>	14.63	10.94	13.64	15.91	13.68	12.57	15.53	13.57	14.21	14.20
<i>Other Deposits</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Money	22.38	19.25	22.62	26.22	24.84	24.94	28.50	27.36	28.28	28.05

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	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug -21	Week Ending 24 Sep -21	Week Ending 01 Oct -21	Week Ending 08 Oct -21
Currency Issued/ Reserve Money Ratio (%)	13.17	16.37	14.38	13.92	15.68	18.09	16.67	17.27	17.01	17.16
Currency in Circulation /Deposits Ratio (%)	1.3	1.4	1.3	1.1	1.4	1.4	1.5	1.3	1.2	1.4
Monthly Change in RTGS Balances (%)	1.19	-5.24	-0.95	16.62	-14.00	-8.12	23.52	-11.39	4.73	-0.09
Monthly Change in Reserve Money (%)	12.40	13.99	0.34	15.89	-5.23	0.40	14.23	-5.36	3.34	-0.80
Government Deposits at RBZ (Stock)	9.86	15.73	11.38	7.11	12.12	9.56	10.68	8.44	11.88	18.06
Monthly Inflation (%) – ZW\$ CPI	3.5	2.26	1.58	2.54	3.88	2.56	4.19	4.73	n/a	n/a
Monthly Inflation (%) - Blended	0.7	1.09	0.94	1.80	4.49	0.67	1.32	1.94	n/a	n/a
Inter-Bank Exchange Rate	83.89	84.40	84.50	84.73	85.42	85.64	86.06	86.93	87.67	88.55