



UPDATE ON RESERVE MONEY

AS AT 2ND SEPTEMBER 2022

RESERVE MONEY

1. Reserve money increased by ZW\$28.42 billion to ZW\$64.80 billion during the week ending 2nd September 2022, compared to the previous week's position of ZW\$36.38 billion.
2. The increase was largely due to the banks' compliance with statutory reserve requirements on foreign currency accounts (FCA) deposits, which became effective 1st of September 2022. The statutory reserve requirement ratios on foreign currency deposits were set at 5% for call deposits and 2.5% for time and savings deposits.
3. The one-off increase in statutory reserves, which amounted to ZW\$27.33 billion, further consolidates the Bank's efforts to sterilize excess liquidity from the market.

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

								PRELIMINARY ESTIMATES		
	Jan -22	Feb -22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Week Ending 19-Aug-22	Week Ending 26-Aug-22	Week Ending* 2-Sep-22
Currency Issued by RBZ	5.09	5.19	5.34	6.11	6.27	6.27	6.51	6.72	6.65	6.68
Banking Sector Deposits at RBZ	21.41	22.62	22.54	23.12	22.95	27.28	29.01	29.26	29.72	58.12
<i>Statutory (Required) Reserves</i>	20.41	20.83	21.54	23.01	22.86	27.18	28.91	29.16	29.62	58.02
<i>of which stat reserves - ZWL</i>										30.69
<i>of which stat reserves - FCA</i>										27.33
<i>Banks' RTGS Liquidity</i>	1.01	1.79	1.00	0.10	0.10	0.10	0.10	0.10	0.10	0.10
<i>Other Deposits</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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	Jan -22	Feb -22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Week Ending 19-Aug-22	Week Ending 26-Aug-22	Week Ending* 2-Sep-22
Reserve Money	26.51	27.81	27.89	29.23	29.22	33.55	35.52	35.99	36.38	64.80
Currency Issued/ Reserve Money Ratio (%)	19.21	18.67	19.15	20.92	21.44	18.67	18.33	18.68	18.29	10.30
Currency Issued /Deposits Ratio (%)	1.2	1.0	1.0	0.98	0.65	0.61	0.54	0.61	0.58	0.43
Monthly Change in RTGS Balances (%)	-77.89	77.68	-44.18	-89.59	-4.49	0.95	-1.00	-23.06	0.00	0.00
Monthly Change in Reserve Money (%)	-7.95	4.93	0.26	4.82	-0.03	14.81	5.88	1.22	1.08	78.13
Government Deposits at RBZ (Stock)	34.62	30.65	27.77	18.57	31.80	66.02	52.33	54.87	91.32	106.76
Monthly Inflation (%) – ZW\$ CPI	5.34	6.99	6.31	15.55	20.97	30.70	25.56	12.40	12.40	N/A
Monthly Inflation (%) - Blended	3.09	2.66	9.63	9.63	8.68	18.02	16.09	6.60	6.60	N/A
Inter-Bank Exchange Rate	115.42	124.02	142.42	159.35	301.50	370.96	443.88	500.63	532.01	559.88