



UPDATE ON RESERVE MONEY

AS AT 4TH JUNE 2021

RESERVE MONEY

1. Reserve money increased by ZW\$902.23 million to ZW\$24.28 billion, as at week ending 4th June 2021. The rise in reserve money reflected an increase of ZW\$590.80 million in banks' liquidity (RGTS balances) at the Reserve Bank, coupled with increases of ZW\$196.18 million and ZW\$115.25 million in required reserves and currency issued, respectively.
2. The rise in market liquidity was largely attributable to maturing savings bonds held by banking institutions, which was partially offset by issuance of non-negotiable certificates of deposits (NNCDs) to banks with excess liquidity balances.

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 28 May -21	Week Ending 04 June -21
Currency Issued by RBZ	2.14	2.12	2.13	2.38	2.70	2.95	3.15	3.25	3.61	3.72
Banking Sector Deposits at RBZ	10.25	13.38	15.91	16.38	19.12	19.43	17.62	19.37	19.77	20.56
<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>	<i>4.80</i>	<i>5.15</i>	<i>5.73</i>	<i>6.36</i>	<i>6.56</i>
<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>	<i>14.63</i>	<i>12.47</i>	<i>13.64</i>	<i>13.41</i>	<i>14.00</i>
Other Deposits	0.34	0.02	0.38	0.00	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	23.38	24.28
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	16.8	13.7	11.6	12.67	12.39	13.17	15.16	14.38	15.43	15.33

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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 28 May -21	Week Ending 04 June -21
Currency in Circulation /Deposits Ratio (%)	0.7	0.7	0.6	1.2	1.2	1.3	1.3	1.3	1.2	1.3
Monthly Change in RTGS Balances (%)	0.3	32.2	18.8	2.06	17.55	1.19	-2.07	-0.95	-0.41	4.40
Monthly Change in Reserve Money (%)	2.8	21.9	18.7	1.83	16.32	12.40	-0.47	0.34	1.04	3.86
Government Deposits at RBZ (Stock)	10.45	5.47	4.65	6.74	10.31	10.06	14.65	11.38	7.56	7.75
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	84.73	84.77

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