



## **UPDATE ON RESERVE MONEY**

**AS AT 1<sup>ST</sup> OCTOBER 2021**

## RESERVE MONEY

1. Reserve money increased by ZW\$912.93 million to ZW\$28.28 billion during the week ending 1<sup>st</sup> October 2021, compared to the previous week's position of ZW\$27.36 billion.
2. The increase in reserve money largely reflected an increase of ZW\$641.91 million in banks' liquidity (RTGS balances) at the Central Bank, coupled with increases of ZW\$187.74 million and ZW\$83.28 million in required reserves and currency issued, respectively.
3. The rise in banks' liquidity at the RBZ was mainly associated with an increase in banking system deposits, owing to expansion in the economy.

**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 17 Sep -21	Week Ending 24 Sep -21	Week Ending 01 Oct -21
Currency Issued by RBZ	2.95	3.15	3.25	3.65	3.90	4.51	4.75	4.76	4.73	4.81
Banking Sector Deposits at RBZ	19.43	16.10	19.37	22.57	20.95	20.43	23.74	24.15	22.64	23.47
<i>Statutory (Required) Reserves</i>	4.80	5.16	5.73	6.66	7.27	7.86	8.22	8.84	9.07	9.26
<i>Banks' RTGS Liquidity</i>	14.63	10.94	13.64	15.91	13.68	12.57	15.53	15.31	13.57	14.21
<i>Other Deposits</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Reserve Money</b>	<b>22.38</b>	<b>19.25</b>	<b>22.62</b>	<b>26.22</b>	<b>24.84</b>	<b>24.94</b>	<b>28.50</b>	<b>28.91</b>	<b>27.36</b>	<b>28.28</b>

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	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug -21	Week Ending 17 Sep -21	Week Ending 24 Sep -21	Week Ending 01 Oct -21
Currency Issued/ Reserve Money Ratio (%)	13.17	16.37	14.38	13.92	15.68	18.09	16.67	16.47	17.27	17.01
Currency in Circulation /Deposits Ratio (%)	1.3	1.4	1.3	1.1	1.4	1.4	1.5	1.4	1.3	1.2
Monthly Change in RTGS Balances (%)	1.19	-5.24	-0.95	16.62	-14.00	-8.12	23.52	4.87	-11.39	4.73
Monthly Change in Reserve Money (%)	12.40	13.99	0.34	15.89	-5.23	0.40	14.23	3.40	-5.36	3.34
Government Deposits at RBZ (Stock)	9.86	15.73	11.38	7.11	12.12	9.56	10.68	12.55	8.44	40.73
Monthly Inflation (%) – ZW\$ CPI	3.5	2.26	1.58	2.54	3.88	2.56	4.19	4.73	4.73	n/a
Monthly Inflation (%) - Blended	0.7	1.09	0.94	1.80	4.49	0.67	1.32	1.94	1.94	n/a
Inter-Bank Exchange Rate	83.89	84.40	84.50	84.73	85.42	85.64	86.06	86.30	86.93	87.67