



UPDATE ON RESERVE MONEY

AS AT 29TH OCTOBER 2021

RESERVE MONEY

1. Reserve money fell by ZW\$2.35 billion to ZW\$24.36 billion during the week ending 29th October 2021, compared to the previous week's position of ZW\$26.71 billion.
2. The decline in reserve money largely reflected decreases of ZW\$2.77 billion and ZW\$32.40 million in banks' liquidity (RTGS balances) at the Central Bank and currency issued, respectively. Partially offsetting the decrease was an increase of ZW\$453.29 million in required reserves.
3. Liquidity mopping up operations by the Bank through issuance of non-negotiable certificates of deposits (NNCDs) resulted in the fall in market liquidity.

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

								PRELIMINARY ESTIMATES		
	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug -21	Sep -21	Week Ending 15 Oct -21	Week Ending 22 Oct -21	Week Ending 29 Oct -21
Currency Issued by RBZ	3.15	3.25	3.65	3.90	4.51	4.75	4.77	4.83	4.85	4.81
Banking Sector Deposits at RBZ	16.10	19.37	22.57	20.95	20.43	23.74	21.47	21.28	21.86	19.54
<i>Statutory (Required) Reserves</i>	<i>5.16</i>	<i>5.73</i>	<i>6.66</i>	<i>7.27</i>	<i>7.86</i>	<i>8.22</i>	<i>9.26</i>	<i>9.11</i>	<i>9.09</i>	<i>9.54</i>
<i>Banks' RTGS Liquidity</i>	<i>10.94</i>	<i>13.64</i>	<i>15.91</i>	<i>13.68</i>	<i>12.57</i>	<i>15.53</i>	<i>12.22</i>	<i>12.17</i>	<i>12.77</i>	<i>10.00</i>
<i>Other Deposits</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Reserve Money	19.25	22.62	26.22	24.84	24.94	28.50	22.24	26.11	26.71	24.36

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	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug -21	Sep -21	Week Ending 15 Oct -21	Week Ending 22 Oct -21	Week Ending 29 Oct -21
Currency Issued/ Reserve Money Ratio (%)	16.37	14.38	13.92	15.68	18.09	16.67	18.18	18.50	18.50	19.76
Currency in Circulation /Deposits Ratio (%)	1.4	1.3	1.1	1.4	1.4	1.5	1.5	1.3	1.3	1.2
Monthly Change in RTGS Balances (%)	-5.24	-0.95	16.62	-14.00	-8.12	23.52	-21.31	-14.29	4.97	-21.71
Monthly Change in Reserve Money (%)	13.99	0.34	15.89	-5.23	0.40	14.23	-7.90	-6.92	2.30	-8.81
Government Deposits at RBZ (Stock)	15.73	11.38	7.11	12.12	9.56	10.68	13.84	17.37	16.41	13.47
Monthly Inflation (%) – ZW\$ CPI	2.26	1.58	2.54	3.88	2.56	4.19	4.73	6.40	6.40	6.40
Monthly Inflation (%) - Blended	1.09	0.94	1.80	4.49	0.67	1.32	1.94	2.62	2.62	2.62
Inter-Bank Exchange Rate	84.40	84.50	84.73	85.42	85.64	86.06	87.67	90.08	93.08	97.14