



UPDATE ON RESERVE MONEY

AS AT 5TH NOVEMBER 2021

RESERVE MONEY

1. Reserve money technically increased by ZW\$3.91 billion to ZW\$28.27 billion during the week ending 5th November 2021, compared to the previous week's position of ZW\$24.36 billion.
2. The increase in reserve money was necessitated by an increase of ZW\$8.77 billion in required reserves, following the increase in statutory reserve requirement ratios. The Monetary Policy Committee (MPC) meeting of 28th October 2021 raised the statutory reserve ratio on demand and call deposits from 5% to 10% to reduce money supply.
3. Partially offsetting the increase was a decrease of ZW\$4.78 billion in banks' liquidity (RTGS balances) at the Central Bank, through issuance of open market operations (OMO) instruments.

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 22 Oct -21	Week Ending 29 Oct -21	Week Ending 5 Nov -21
Currency Issued by RBZ	3.15	3.25	3.65	3.90	4.51	4.75	4.77	4.85	4.81	4.74
Banking Sector Deposits at RBZ	16.10	19.37	22.57	20.95	20.43	23.74	21.47	21.86	19.54	23.53
<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>9.09</i>	<i>9.54</i>	<i>18.31</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>12.77</i>	<i>10.00</i>	<i>5.22</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	26.71	24.36	28.27

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	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug -21	Sep -21	Week Ending 22 Oct -21	Week Ending 29 Oct -21	Week Ending 5 Nov -21
Currency Issued/ Reserve Money Ratio (%)	16.37	14.38	13.92	15.68	18.09	16.67	18.18	18.50	19.76	16.75
Currency in Circulation /Deposits Ratio (%)	1.4	1.3	1.1	1.4	1.4	1.5	1.5	1.3	1.2	1.2
Monthly Change in RTGS Balances (%)	-5.24	-0.95	16.62	-14.00	-8.12	23.52	-21.31	4.97	-21.71	-47.82
Monthly Change in Reserve Money (%)	13.99	0.34	15.89	-5.23	0.40	14.23	-7.90	2.30	-8.81	16.07
Government Deposits at RBZ (Stock)	15.73	11.38	7.11	12.12	9.56	10.68	13.84	16.41	13.47	11.63
Monthly Inflation (%) – ZW\$ CPI	2.26	1.58	2.54	3.88	2.56	4.19	4.73	6.40	6.40	N/A
Monthly Inflation (%) - Blended	1.09	0.94	1.80	4.49	0.67	1.32	1.94	2.62	2.62	N/A
Inter-Bank Exchange Rate	84.40	84.50	84.73	85.42	85.64	86.06	87.67	93.08	97.14	98.98