



UPDATE ON RESERVE MONEY

AS AT 30TH JULY 2021

RESERVE MONEY

1. Reserve money increased by ZW\$1.54 billion to ZW\$24.94 billion, as at week ending 30th July 2021. The rise in reserve money largely reflected an increase of ZW\$1.08 billion in banks' liquidity (RTGS balances) at the Reserve Bank, coupled with increases of ZW\$428 million and ZW\$37.84 million in required reserves and currency issued, respectively.
2. The increase in reserve money was on the back of payment of monthly salaries and wages to civil servants, which saw Government deposits at the RBZ declining by ZW\$703.15 million over the week, thus injecting liquidity into the economy.
3. Maturing non-negotiable certificates of deposits (NNCDs) also injected liquidity into the market.

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

						PRELIMINARY ESTIMATES				
	Nov-20	Dec-20*	Jan-21	Feb-21	Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 30 June -21	Week Ending 23 July -21	Week Ending 30 July -21
Currency Issued by RBZ	2.13	2.38	2.70	2.95	3.15	3.25	3.61	3.90	4.48	4.51
Banking Sector Deposits at RBZ	15.91	16.38	19.12	19.43	16.10	19.37	19.77	20.28	18.93	20.43
<i>Statutory (Required) Reserves</i>	<i>2.01</i>	<i>2.20</i>	<i>2.44</i>	<i>4.80</i>	<i>5.16</i>	<i>5.73</i>	<i>6.36</i>	<i>7.27</i>	<i>7.43</i>	<i>7.86</i>
<i>Banks' RTGS Liquidity</i>	<i>13.90</i>	<i>14.18</i>	<i>16.68</i>	<i>14.63</i>	<i>10.94</i>	<i>13.64</i>	<i>13.41</i>	<i>13.01</i>	<i>11.49</i>	<i>12.57</i>
Other Deposits	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Money	18.42	18.76	21.82	22.38	19.25	22.62	23.38	24.17	23.40	24.94

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	Nov-20	Dec-20*	Jan-21	Feb-21	Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 30 June -21	Week Ending 23 July -21	Week Ending 30 July -21
Currency Issued/ Reserve Money Ratio (%)	11.6	12.67	12.39	13.17	16.37	14.38	15.43	16.12	19.12	18.09
Currency in Circulation /Deposits Ratio (%)	0.6	1.2	1.2	1.3	1.4	1.3	1.2	1.1	1.3	1.3
Monthly Change in RTGS Balances (%)	18.8	2.06	17.55	1.19	-25.24	-0.95	-0.41	-0.90	-7.76	9.36
Monthly Change in Reserve Money (%)	18.7	1.83	16.32	12.40	-13.99	0.34	1.04	1.23	-3.73	6.59
Government Deposits at RBZ (Stock)	4.65	6.74	10.31	9.86	15.73	11.38	7.56	12.69	10.82	10.12
Monthly Inflation (%) – ZW\$ CPI	3.2	4.2	5.4	3.5	2.26	1.58	2.54	3.88	2.56	2.56
Monthly Inflation (%) - Blended	2.2	2.8	2.8	0.7	1.09	0.94	1.80	4.49	0.67	0.67
Inter-Bank Exchange Rate	81.82	81.79	82.68	83.89	84.40	84.50	84.73	85.42	85.64	85.73

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