



UPDATE ON RESERVE MONEY

AS AT 22ND JANUARY 2021

RESERVE MONEY

1. Reserve money for the week ending 22nd January 2021 declined by ZW\$1.13 billion to ZW\$18.60 billion, compared to the last week's position.
2. The decrease in reserve money largely reflected a reduction of ZW\$1.18 billion in banks' liquidity at the Reserve Bank (RTGS balances), which was partially offset by increases of ZW\$46.76 million and ZW\$1.96 million in required reserves and currency issued, respectively.
3. The fall in market liquidity was largely attributable to the take up of savings bonds by banking institutions, which withdrew liquidity from the market.

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

								PRELIMINARY ESTIMATES		
	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Week Ending 31 Dec-20	Week Ending 15 Jan-21	Week Ending 22 Jan-21
Currency Issued by RBZ	1.46	1.67	1.90	2.06	2.14	2.12	2.13	2.38	2.38	2.38
Banking Sector Deposits at RBZ	12.08	10.42	11.46	10.06	10.25	13.38	15.91	16.38	17.35	16.22
<i>Statutory (Required) Reserves</i>	<i>1.39</i>	<i>0.89</i>	<i>1.05</i>	<i>1.24</i>	<i>1.40</i>	<i>1.68</i>	<i>2.01</i>	<i>2.20</i>	<i>2.36</i>	<i>2.41</i>
<i>Banks' RTGS Liquidity</i>	<i>10.70</i>	<i>9.53</i>	<i>10.41</i>	<i>8.83</i>	<i>8.85</i>	<i>11.70</i>	<i>13.90</i>	14.18	14.99	13.82
Other Deposits	0.28	0.58	2.79	0.26	0.34	0.02	0.38	0.00	0.00	0.00

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	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Week Ending 31 Dec-20	Week Ending 15 Jan-21	Week Ending 22 Jan-21
Reserve Money	13.82	12.65	16.15	12.38	12.73	15.52	18.42	18.76	19.73	18.60
Memorandum Items										
Currency Issued/Reserve Money Ratio (%)	10.5	13.2	11.8	16.6	16.8	13.7	11.6	12.67	12.05	12.80
Currency in Circulation /Deposits Ratio (%)	1.9	1.2	0.9	0.7	0.7	0.7	0.6	1.2	1.2	1.2
Monthly Change in RTGS Balances (%)	19.0	-10.9	-9.2	-15.2	0.3	32.2	18.8	-8.03	-5.54	-7.86
Monthly Change in Reserve Money (%)	10.9	-8.4	27.6	-23.3	2.8	21.9	18.7	-5.59	-4.94	-5.72
Government Deposits at RBZ (Stock)	2.09	7.46	6.02	9.52	10.45	5.47	4.65	6.74	10.18	9.67
Monthly Inflation (%)	15.1	31.7	35.5	1.4	-0.5	1.4	2.3	2.8	2.8	2.8
Inter-Bank Exchange Rate	25.00	57.36	76.76	83.40	81.44	81.35	81.82	81.79	82.09	82.08