



## **UPDATE ON RESERVE MONEY**

**AS AT 2<sup>ND</sup> JULY 2021**

## RESERVE MONEY

1. Reserve money declined by ZW\$917.13 million to ZW\$23.53 billion during the week ending 2<sup>nd</sup> July 2021, largely reflecting a decrease of ZW\$1.35 billion in banks' liquidity (RTGS balances), which was partially offset by increases of ZW\$400.36 million and ZW\$37.13 million in required reserves and currency issued, respectively.
2. The fall in liquidity was mainly due to payment of taxes for the Quarter ended June 2021, which led to an increase in Government revenue collections. As a result, Government's deposits at the RBZ rose by ZW\$9.15 billion, over the week under review.

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

							PRELIMINARY ESTIMATES			
	Oct-20	Nov-20	Dec-20*	Jan-21	Feb-21	Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 25 June -21	Week Ending 2 July -21
Currency Issued by RBZ	2.12	2.13	2.38	2.70	2.95	3.15	3.25	3.61	3.88	3.92
Banking Sector Deposits at RBZ	13.38	15.91	16.38	19.12	19.43	16.10	19.37	19.77	20.56	19.61
<i>Statutory (Required) Reserves</i>	<i>1.68</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>6.87</i>	<i>7.27</i>
<i>Banks' RTGS Liquidity</i>	<i>11.70</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>13.70</i>	<i>12.34</i>
Other Deposits	0.02	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Reserve Money</b>	<b>15.52</b>	<b>18.42</b>	<b>18.76</b>	<b>21.82</b>	<b>22.38</b>	<b>19.25</b>	<b>22.62</b>	<b>23.38</b>	<b>24.45</b>	<b>23.53</b>
<b>Memorandum Items</b>										
Currency Issued/Reserve Money Ratio (%)	13.7	11.6	12.67	12.39	13.17	16.37	14.38	15.43	15.89	16.67

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	Oct-20	Nov-20	Dec-20*	Jan-21	Feb-21	Mar-21	Week Ending 30 April-21	Week Ending 28 May -21	Week Ending 25 June -21	Week Ending 2 July -21
Currency in Circulation /Deposits Ratio (%)	0.7	0.6	1.2	1.2	1.3	1.4	1.3	1.2	1.3	1.3
Monthly Change in RTGS Balances (%)	32.2	18.8	2.06	17.55	1.19	-25.24	-0.95	-0.41	2.07	-9.89
Monthly Change in Reserve Money (%)	21.9	18.7	1.83	16.32	12.40	-13.99	0.34	1.04	2.53	-3.75
Government Deposits at RBZ (Stock)	5.47	4.65	6.74	10.31	9.86	15.73	11.38	7.56	6.57	15.73
Monthly Inflation (%) – ZW\$ CPI	4.4	3.2	4.2	5.4	3.5	2.26	1.58	2.54	3.88	n/a
Monthly Inflation (%) Blended	1.4	2.2	2.8	2.8	0.7	1.09	0.94	1.80	4.49	n/a
Inter-Bank Exchange Rate	81.35	81.82	81.79	82.68	83.89	84.40	84.50	84.73	85.37	85.42

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