



UPDATE ON RESERVE MONEY

AS AT 24TH SEPTEMBER 2021

RESERVE MONEY

1. Reserve money for the week ending 24th September 2021 declined by ZW\$236.02 million to ZW\$27.97 billion, compared to the previous week's position of ZW\$28.20 billion.
2. This decline largely reflected a decrease of ZW\$429.30 million in banks' liquidity (RTGS balances) at the Central Bank. Partially offsetting the decline in reserve money was an increase of ZW\$229.05 million in required reserves.
3. The fall in banks' liquidity followed sterilization of excess liquidity by the Reserve Bank through issuance of non-negotiable certificates of deposits (NNCDs) and other open market operations.

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

								PRELIMINARY ESTIMATES		
	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug -21	Week Ending 10 Sep -21	Week Ending 17 Sep -21	Week Ending 24 Sep -21
Currency Issued by RBZ	2.95	3.15	3.25	3.65	3.90	4.51	4.75	4.83	4.76	4.73
Banking Sector Deposits at RBZ	19.43	16.10	19.37	22.57	20.95	20.43	23.74	23.13	23.44	23.24
<i>Statutory (Required) Reserves</i>	4.80	5.16	5.73	6.66	7.27	7.86	8.22	8.53	8.84	9.07
<i>Banks' RTGS Liquidity</i>	14.63	10.94	13.64	15.91	13.68	12.57	15.53	14.60	14.60	14.17
<i>Other Deposits</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Money	22.38	19.25	22.62	26.22	24.84	24.94	28.50	27.96	28.20	27.97

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	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug -21	Week Ending 10 Sep -21	Week Ending 17 Sep -21	Week Ending 24 Sep -21
Currency Issued/ Reserve Money Ratio (%)	13.17	16.37	14.38	13.92	15.68	18.09	16.67	17.26	16.89	16.90
Currency in Circulation /Deposits Ratio (%)	1.3	1.4	1.3	1.1	1.4	1.4	1.5	1.2	1.4	1.3
Monthly Change in RTGS Balances (%)	1.19	-5.24	-0.95	16.62	-14.00	-8.12	23.52	0.00	0.00	-2.94
Monthly Change in Reserve Money (%)	12.40	13.99	0.34	15.89	-5.23	0.40	14.23	1.24	0.86	-0.84
Government Deposits at RBZ (Stock)	9.86	15.73	11.38	7.11	12.12	9.56	10.65	10.31	12.90	8.79
Monthly Inflation (%) – ZW\$ CPI	3.5	2.26	1.58	2.54	3.88	2.56	4.19	4.73	4.73	4.73
Monthly Inflation (%) - Blended	0.7	1.09	0.94	1.80	4.49	0.67	1.32	1.94	1.94	1.94
Inter-Bank Exchange Rate	83.89	84.40	84.50	84.73	85.42	85.64	86.06	86.21	86.30	86.93