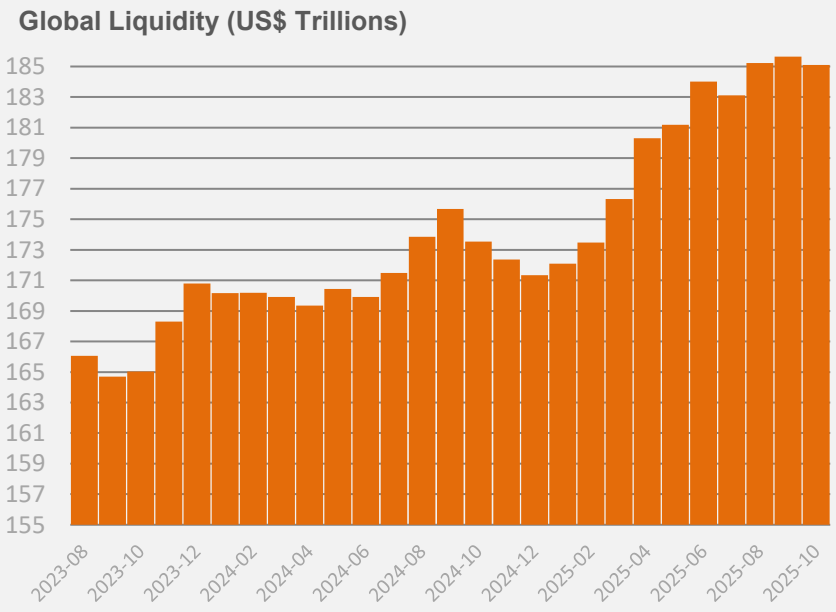
GLI™
GLOBAL LIQUIDITY INDEXES

A Giant Hissing Sound?

Bond markets (in the US and overseas) are remarkably robust, considering the fiery backdrop of turmoil in the repo markets (e.g. the SOFR spreads at their widest since the 2019 crisis); sticky inflation (i.e. well-above the Fed's 2% target); a seemingly robust US economy (e.g. latest signals from *GDPNow* show the economy could print 4%-plus in Q3) and a Treasury persistently monetizing the US fiscal deficit (e.g. US banks' holdings of government securities are growing 2% points faster than M2 money). Evidence, how the US 10-year Treasuries just tested the lower end of their 4-5% yield range; the MOVE index of US bond volatility is printing some of the lowest readings since 2021, and World bond term premia are generally flatlining or falling. Odd?! See Figure 1.

Yet, worryingly for investors in risk assets, this may be consistent with a topping-out of the Global Liquidity cycle. **Government bond term premia reflect the supply and demand for both duration and 'safe assets'**. The 12-month change in World bond term premia tends to follow the pattern of Global Liquidity. In short, rising and falling term premia mark the upswings and downswings in Global Liquidity, respectively. Evidence Figure 2.



Source
GL Indexes

Highlights

- **Bond market calm is deceptive**. Despite low volatility and stable yields, underlying liquidity conditions are tightening, evidenced by repo market stress and a slowdown in World Central Bank liquidity injections
- **The Global Liquidity cycle**, the primary engine for the *Everything Bubble* is peaking. Our **Global Liquidity Index** (GLI™) for Advanced Economies slips back to index reading of 59.8 (range 0-100)
- **Chinese Liquidity** rebounds slightly to 26.7 (index), but it remains at a low ebb and a drag on Global Liquidity (index 41.2). PBoC which has been offering support, pulled back in October
- **US repo tensions** force the Fed to formally end QT and hint of a return to 'Not-QE, QE'. But, in size, this looks too little to prevent liquidity conditions from tightening further

GLOBAL LIQUIDITY UPDATE

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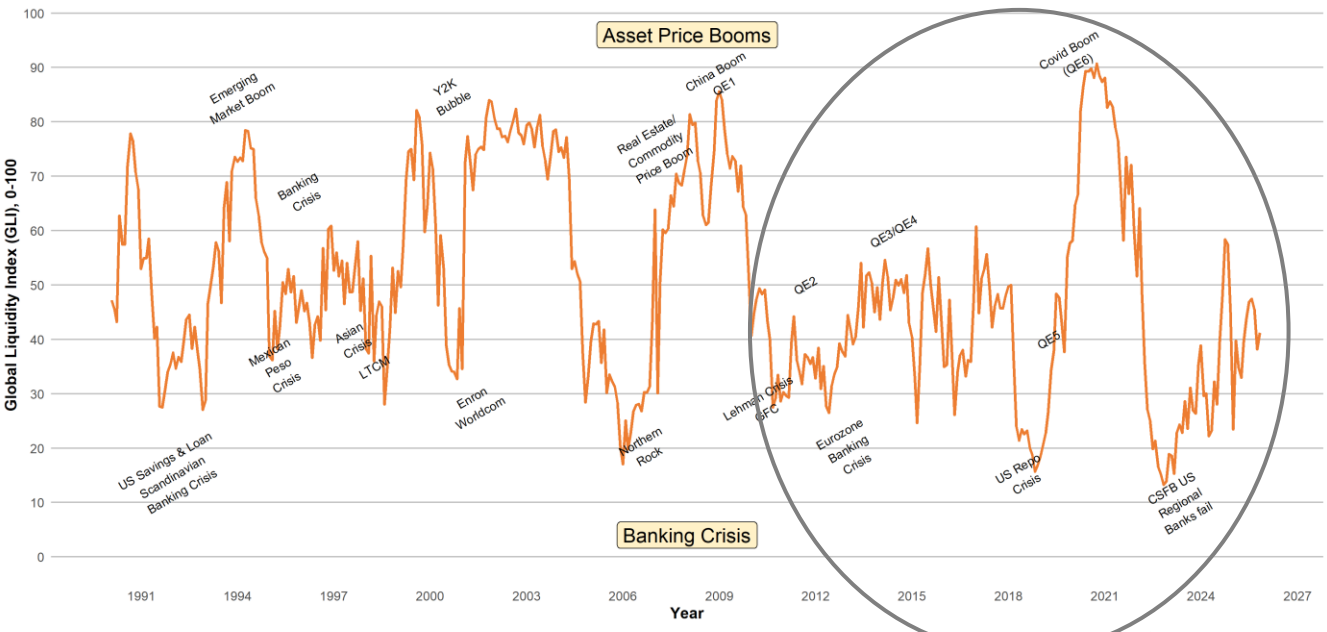
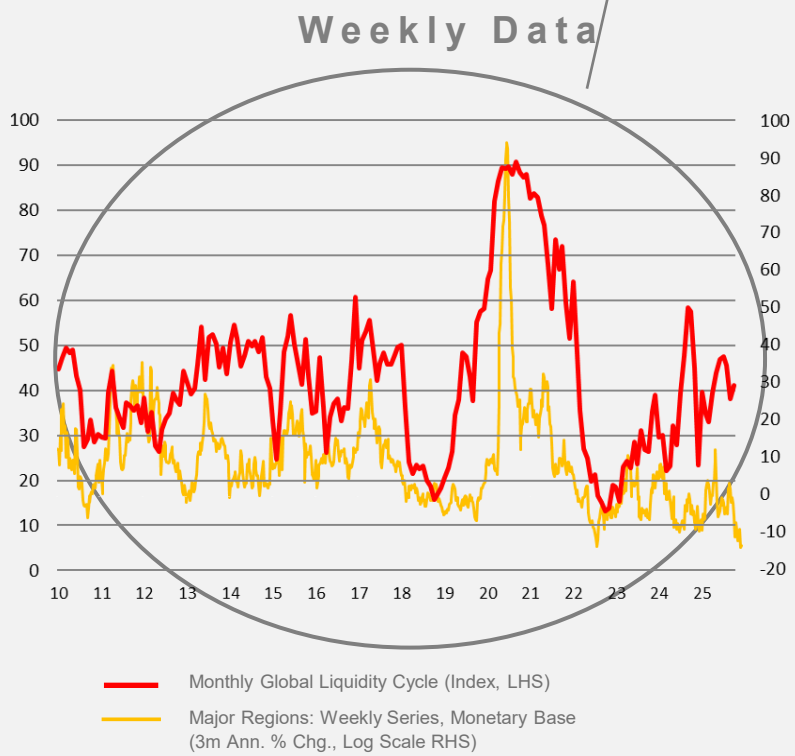
Global Liquidity Index (GLI™) – latest 41.2 ('normal' range (0-100) – the primary engine for the Everything Bubble is peaking

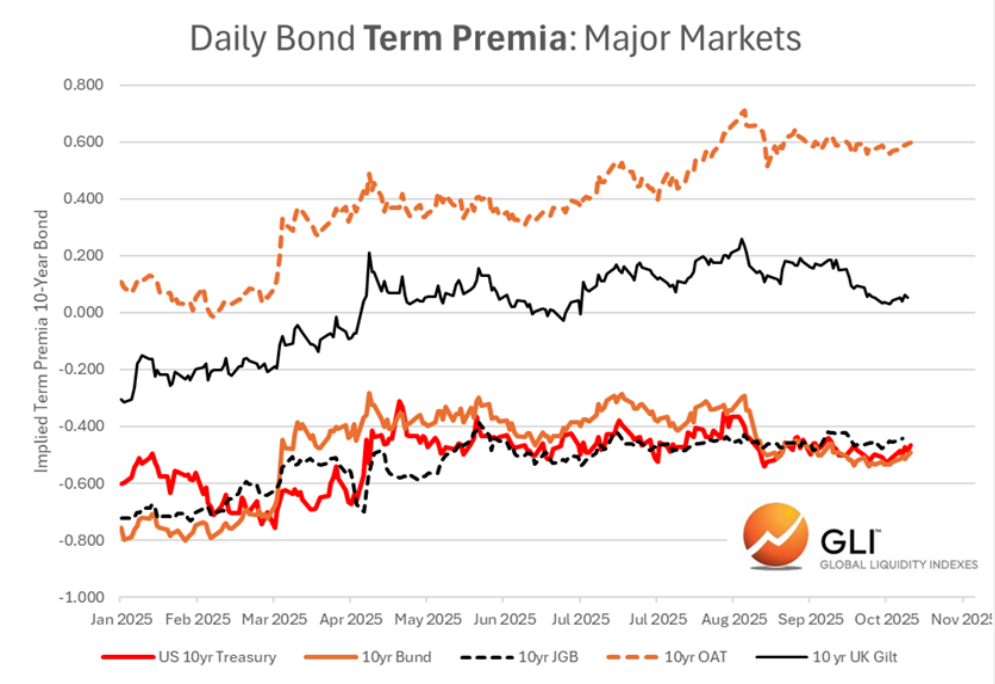




GL Indexes's Global Liquidity Cycle and its national and regional sub-indexes define fluctuations in both the quantity and quality of money. It is a leading and predictive component of the broader financial and economic cycles that are marked by asset price swings, movements in interest rates and changes in the tempo of business activity.

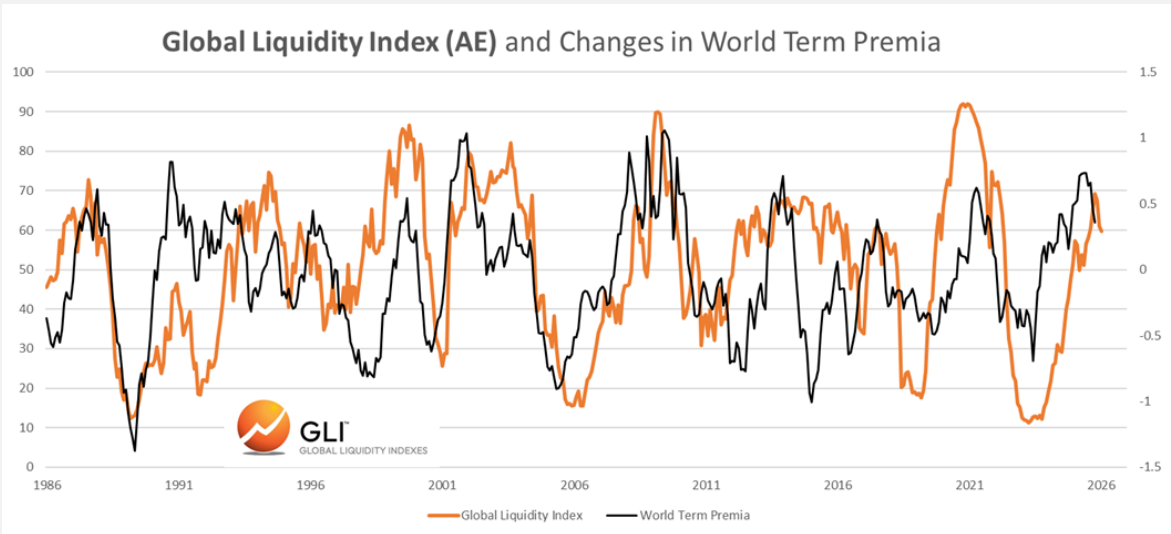
GLOBAL LIQUIDITY UPDATE

Figure 1



Source
GL Indexes, US Federal Reserve, ECB, Bank of Japan, Bank of England

Figure 2



Source
GL Indexes, US Federal Reserve, ECB, Bank of Japan, Bank of England, IMF

GLI™
GLOBAL LIQUIDITY INDEXES

TL; DR

While bond markets appear calm and robust on the surface, this stability is masking a significant and dangerous shift in **Global Liquidity**. The cycle of expanding Global Liquidity, which has powered a multi-year *Everything Bubble* in asset prices, is peaking and possibly starting to reverse. This is happening despite seemingly firm economic data and is primarily due to three factors:

- **The US Federal Reserve**: While the Fed is ending QT and planning new liquidity injections ('Not-QE, QE' or FSSF) to address repo market stress, these actions are reactive and may be insufficient. We fear a persistent shortfall in bank reserves, which could lead to more frequent financial instability.
- **The People's Bank of China (PBoC)**: After a period of strong liquidity support, the PBoC has recently pulled back, creating a drag on Global Liquidity.
- **The Collateral Multiplier**: A recent fall in bond volatility (the MOVE index) has boosted this multiplier (the ability to create credit against collateral), but this support is likely maxed out and could reverse.

A debt refinancing crisis looms. A 'maturity wall' of previously termed-out debt is fast-approaching, and with liquidity growth stalling, the ratio of debt-to-liquidity is set to worsen, increasing the risk of market instability and refinancing tensions in 2026-27.

We counsel investment caution and advise against chasing risk and recommend 'top-slicing' (taking some profits) in risk assets, as further refinancing tensions threaten a major market inflection point over the next 6-12 months. What's more, this could play out against a deteriorating inflation outlook, given the inconsistencies in the US fiscal/ monetary policy mix.

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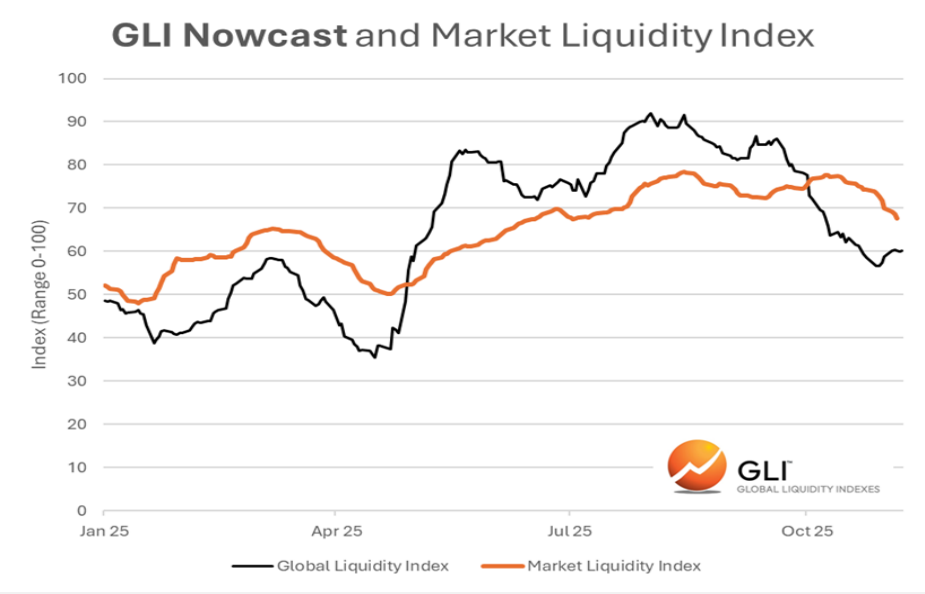
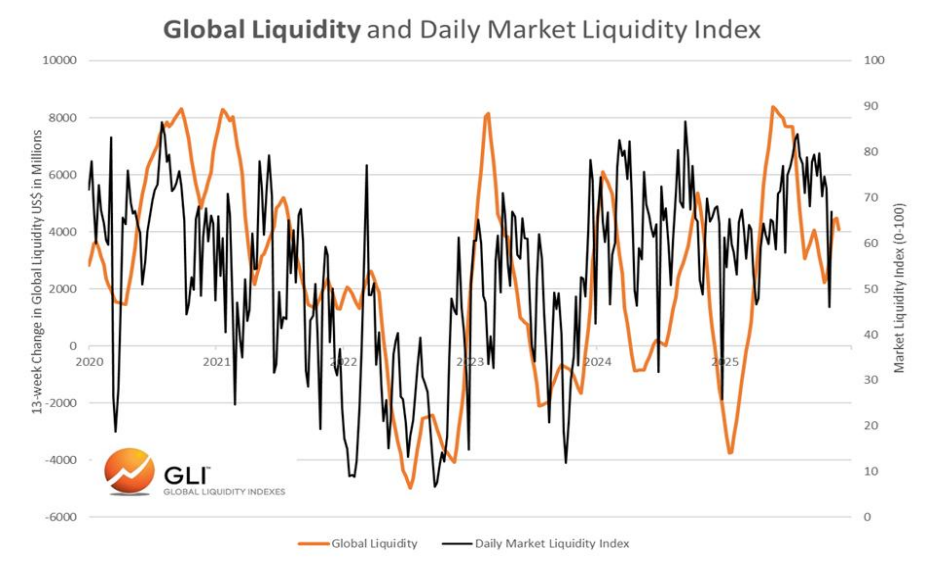
But we must be 100% clear. Term premia are not yet definitively falling (their annual rate of increase is slowing) and similarly with Global Liquidity: weekly estimates in US dollar terms continue to print new records, but **momentum is falling**. Our latest data tracker is a *nowcast* of our Global Liquidity Index (GLI™), itself a measure of momentum. Figure 3 highlights latest daily data and confirms this slowing liquidity growth. Alongside, we cross-check with a daily index of market liquidity – a measure of depth and price spread in bond and forex markets. Same story: both are falling.

Figure 3



Source
GL Indexes, US Federal Reserve, People's Bank of China, ECB, Bank of Japan, Bank of England, IMF

Figure 4



Source
GL Indexes, US Federal Reserve, People's Bank of China, ECB, Bank of Japan, Bank of England, IMF

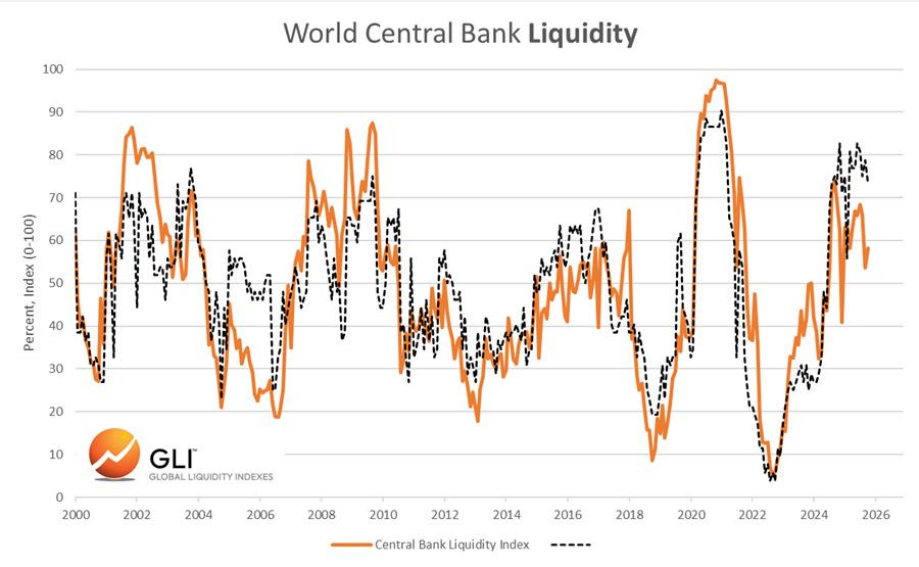
Figure 4 provides more evidence. Here, we revert to weekly changes in our Global Liquidity aggregate in US dollar terms and again compare this to the daily market liquidity index. Again, the picture emerging is one of slowing Global Liquidity.

We are forced to dig deeply into detailed end-month Global Liquidity data to find the culprits. Advanced economies saw their liquidity conditions collectively dip slightly to 59.8 (index 0-100) from 61.1 at end-September. Emerging Market liquidity was generally lifted by a small pick-up in aggregate Chinese liquidity to a still low index reading of 26.7 from 22.6 in September. Yet, within this bloc, Emerging Asian markets still enjoy a strong liquidity backdrop (index 72.5). Similarly, Eurozone liquidity is relatively high at an index of 69.2, up again last month. In fact, **our liquidity indexes across both smaller Asian markets and much of Europe hit cyclical highs in September**.

The problem lies elsewhere, among the larger economies. **US, Chinese and Japanese liquidity gauges were either flat or down in October. What's more, they appear well past their prior peak cycle readings**: for China and Japan this occurred as long ago as October 2024, while the US peak occurred this past July. Admittedly, China's People's Bank has worked hard since early 2025 to stem deflationary forces, but latest evidence suggests a recent cooling in the pace of liquidity injections. On top, the US Federal Reserve has just hurriedly announced an end to QT (quantitative tightening) policies starting Dec 1st, because of the sudden drying up of liquidity in domestic money markets.

Figure 5 captures the underlying picture. This shows our index of World Central Bank Liquidity injections (a US dollar measure) alongside a simple count of Central Banks' easing policy. Both are dropping, but the US dollar-sized index is falling faster because these major policy makers have stepped-back.

Figure 5

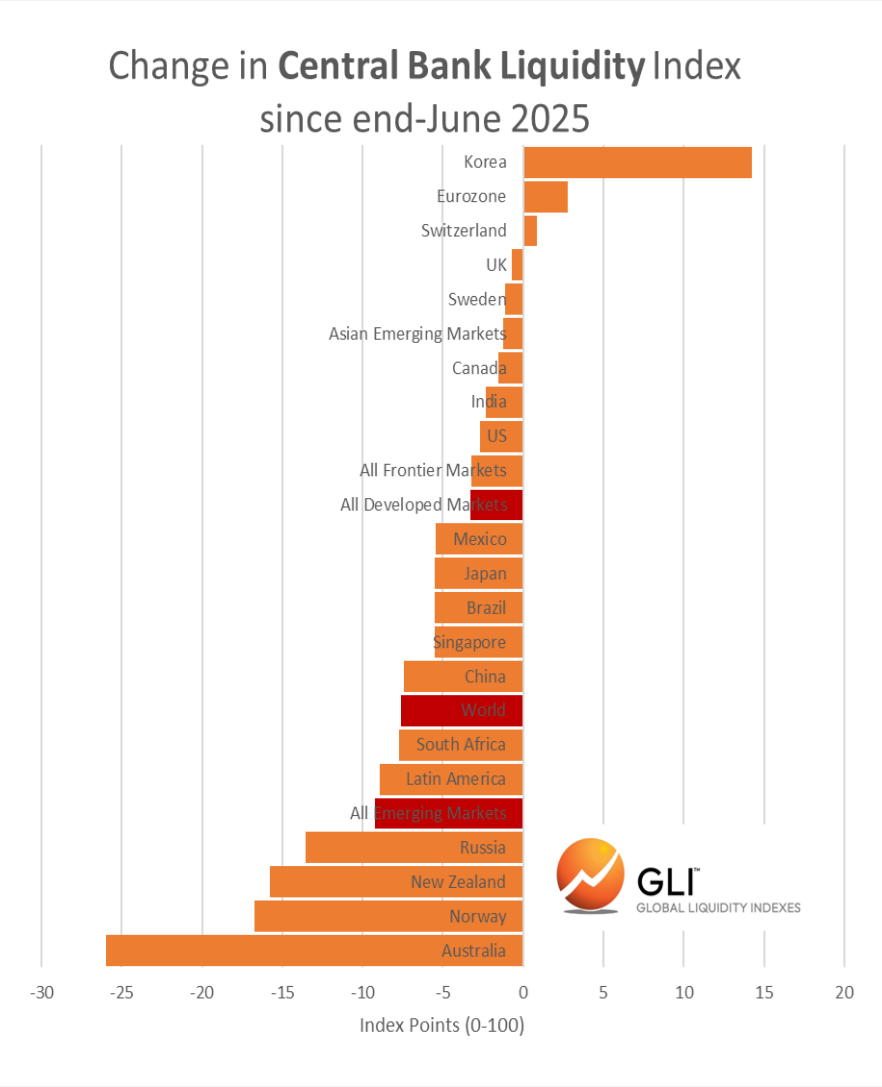


Source
GL Indexes, US Federal Reserve, People's Bank of China, ECB, Bank of Japan, Bank of England, IMF

Further colour comes from Figure 6. This ranks the change in World Central Bank Liquidity by policy maker since mid-year. Although Korea has eased noticeably since end-June, with clear costs to the Won, other Central Banks are starting to turn down the heat, evidence Australia, Norway and New Zealand.

However, ultimately what matters for Global Liquidity, in practice, really comes down to three key metrics: (1) the **US Federal Reserve**; (2) the **People's Bank of China**, and (3) the **collateral multiplier**, i.e., how much private credit providers are prepared to lend. Let's examine each, in turn.

Figure 6



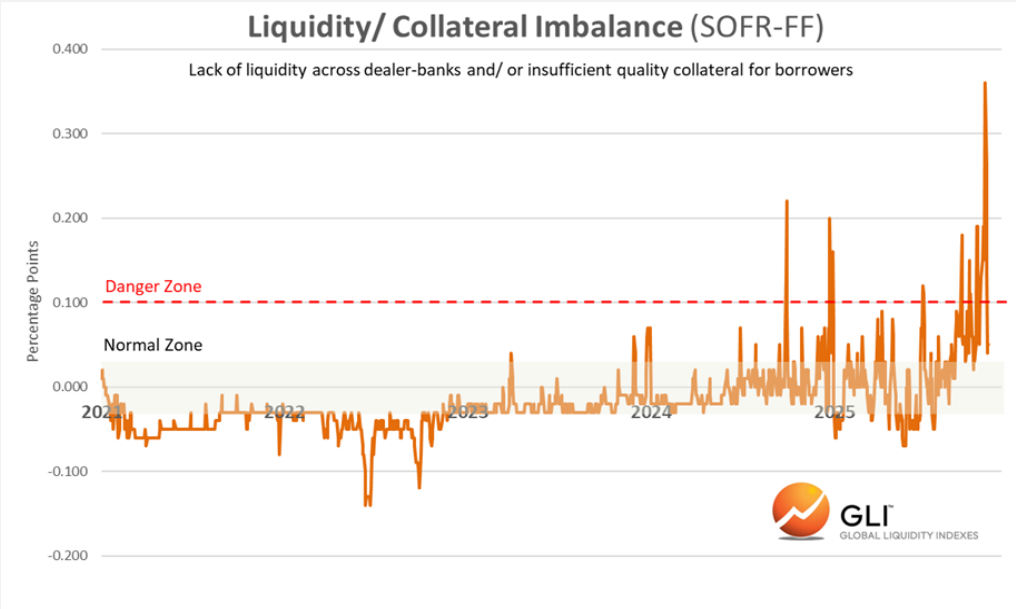
Source
GL Indexes, US Federal Reserve, People's Bank of China, ECB, Bank of Japan, Bank of England, IMF

US Federal Reserve

There should be little doubt that US liquidity conditions have lately tightened. See the SOFR-Fed funds spread in Figure 7. This jump in **repo spreads** attests to a scarcity of cash in money markets, largely caused by the post-debt ceiling rebuild of the TGA (Treasury General Account) and the government shutdown. This has already been met both by the formal ending of QT policies by the US Fed and by strong hints that a renewed 'Not-QE, QE' policy will re-start in 2026. The Fed is at pains to point out that these actions are not a new QE policy aimed at stimulating the real economy. Rather according to **New York Fed President Williams**, this extra liquidity will *"…support financial stability and the smooth functioning of financial markets.*" Let it be known, hereafter, by the clumsy acronym FSSF.

Repo is important, quantitatively, because it is now a large market and currently expanding at a US$1 trillion annual clip, and qualitatively, because over recent decades financial markets have radically changed in character away from the academic textbook ideal. Essentially, there are three basic types of investors: (1) **asset allocators** who arbitrage value; (2) **leveraged investors** who play momentum through futures and derivative structures and who rely heavily on collateralized repo borrowing, and (3) **passive investors** who use broad indexes, such as trackers and 'target date' funds. From anecdotal experience in the mid-1990s, markets were then dominated by #1 the asset allocators, say 80%, with leveraged hedge funds and CTAs responsible for around 10-15% of net buying and passive down at 5-10%. Now, passive accounts for at least 50%; the pension and insurance funds who once did most value arbitrage have likely shrunk to barely 20% of the market, leaving leveraged players at nearly one-third.

Figure 7



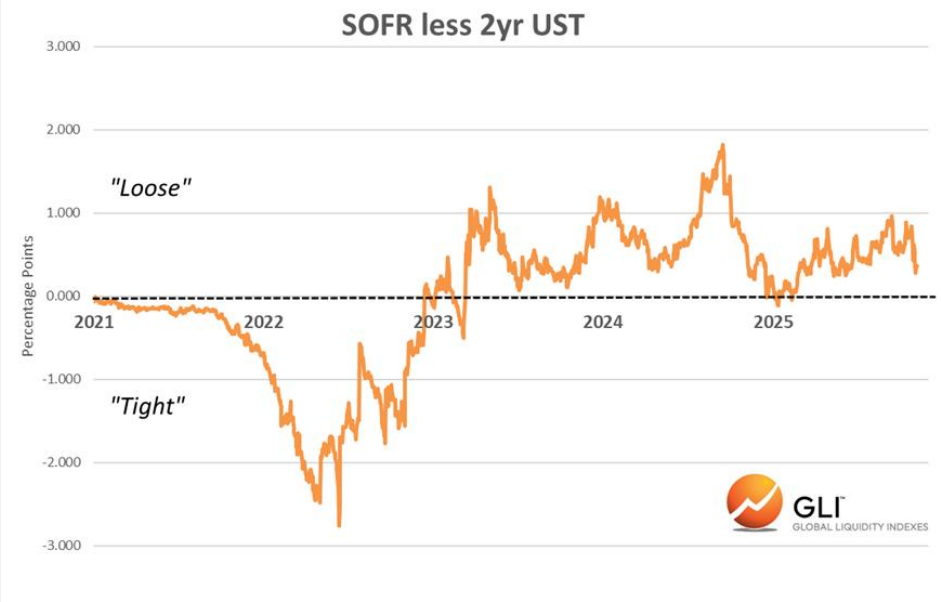
Source
GL Indexes, US Federal Reserve

Our key point is that, within the pool of 'active' money, the *value investor-to-momentum investor* ratio was over 5:1 some 30 years ago and it has now crashed lower to some 0.7:1, equivalent to a whopping eight-fold change. **P/E rulers and yield gap ratios work less well in this modern World, where leverage, liquidity and ultimately the repo markets dominate**. Hence, the need to monitor repo very closely. A crude gauge of this squeeze is the SOFR less 2 year Treasury note spread. Figure 8 shows this has tightened.

Looking ahead, to judge the 'repo' outlook we must add the prospective US$250 billion of 'Not-QE, QE' that we expect the Fed to inject next year, to a likely US$150-200 billion of potential *Treasury General Account* (TGA) run-off over coming weeks, when the US government resumes working post-shutdown. The TGA needs a minimum of 5-working days of spending, but the recent step-up in short-term debt issuance means that some US$500 billion of bills and US$125 billion of notes come due each week, plus up to US$125-150 billion of interest payments and net spending. Adding these commitments, gives a minimum cash holding of near-US$800 billion, suggesting that the Treasury has liitle scope to slash the TGA as dramatically as some have suggested.

Nonetheless, there could still be **nearly US$½ trillion of liquidity re-injected into US money markets from all sources, so pushing banks' reserves up from their current US$2.85 trillion and towards our US$3¼ trillion estimate of 'adequate' reserves**. This figure sounds sufficiently large enough to solve the problem, but, not so fast! A growing economy (evidence the Atlanta Fed's latest *GDPNow* projection of a 4% Q3 2025) needs more currency and this, definitionally, will reduce the Fed liquidity injection by some US$125-130 billion, so reinforcing the current shortfall of reserves next year.

Figure 8



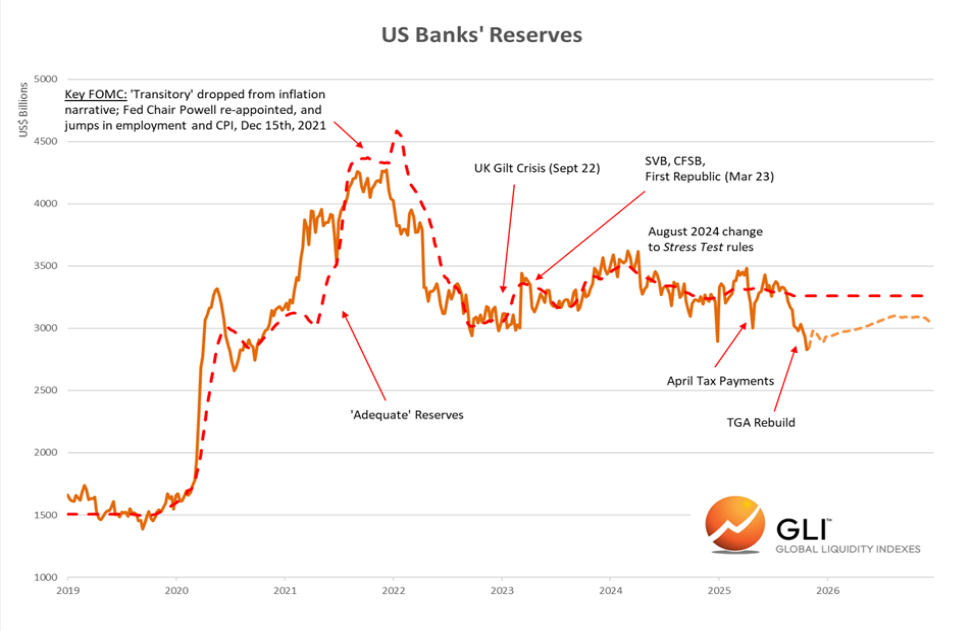
Source
GL Indexes, US Federal Reserve

Evidence Figure 9, which details actual US banks' reserves (projected to end-2026) and our estimates of 'adequate' reserves, calculated from periods of repo tension. Note the Fed technically thinks of three reserve regimes: 'abundant', 'ample or adequate' and 'scarce'. The latter is plainly dangerous, but the boffins believe that they can fine-tune the system into the 'ample/ adequate' pocket. There are two problems with this view: First, their assessment of 'ample/ adequate' may be wrong (we think their estimate of US$2.7 trillion is far too low). Second, they see the transition between these regimes as smooth, sequential and identifiable (we doubt that and fear it may be binary and sudden, like the September 2019 repo blow-out).

The Fed's wrong-headed US$2.7 trillion assessment of 'adequate' reserves derives from simply **averaging recent reserve levels as a share of NGDP**, i.e., circa 9%. However, debt refinancing is the major call on liquidity, not the real economy, and bank reserves are falling, relative to fast-expanding Federal debt. Thus, as Figure 10 highlights, US2.7 trillion of bank reserves is at the bottom of their range against debt: a ratio, coincidently, last tested ahead of the 2019 repo crisis. As a heads-up, a more reasonable 15% reserve/ debt ratio would require US$4.5 trillion of reserves, heroically assuming no further increases in debt. **Again, the problem stems from too much debt.**

Yet, there are also two important take-aways for investors following this latest policy reaction. First, whatever the label, 'QE' or 'Not-QE, QE', i.e. FSSF, the Fed is prepared to inject liquidity when repo markets roil. The Fed has a 'perma-put' for supporting the markets. Second, what about inflation? Extra liquidity will be injected even though the Fed has unambiguously missed its 2% inflation target. In fact, some pundits have understandably questioned whether this means the Fed has implicitly upped its target to 3% inflation?

Figure 9

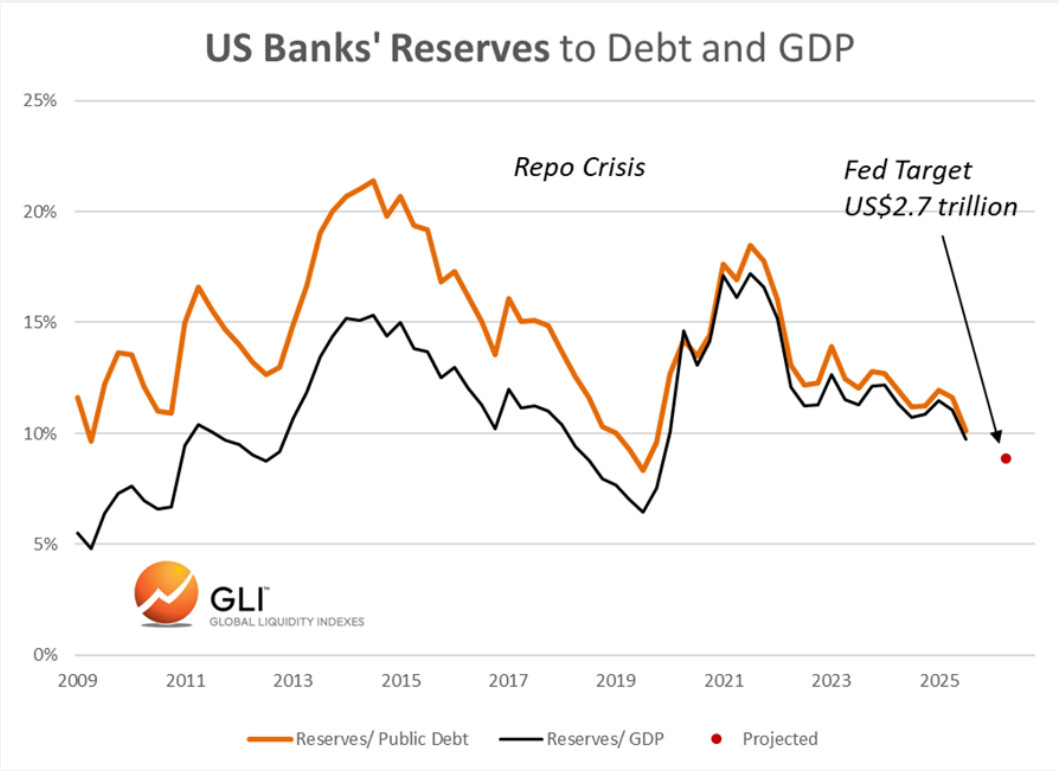


Source
GL Indexes, US Federal Reserve

The Fed's 'perma-put' will never be explicit, but it is a fact. Ultimately, the monetary authorities exist to maintain the integrity of the Treasury and financial markets, i.e. read FSSF. They will inject whatever liquidity is necessary, but they are unlikely to 'front-run'. And, as we keep emphasizing, adding more liquidity is **an ever-expanding task because World financial markets have turned into vast mechanisms to refinance our whopping (and growing) debts**. Future refinancing crises are inevitable when the needs for debt roll-overs exceed the available pool of liquidity. This will occur with increasing frequency.

Currently, the Fed's muddled policies, caught between targeting 'abundant, adequate and scarce' banks' reserves risk causing a major on-going shortfall in liquidity. The Fed controls banks' reserves absolutely; banks, in turn, use liquidity to lever up their balance sheets and the balance sheets of other credit providers (note the recent jump in traditional bank lending to *non-depository financial institutions* (NDFIs) or 'shadow banks'). **Greater balance sheet capacity is demanded to facilitate debt roll-overs**. Hence, a prospective reserve shortfall is potentially a big problem, already evidenced by the last four weeks of bloated repo spreads. But this problem only threatens to get worse.

Figure 10

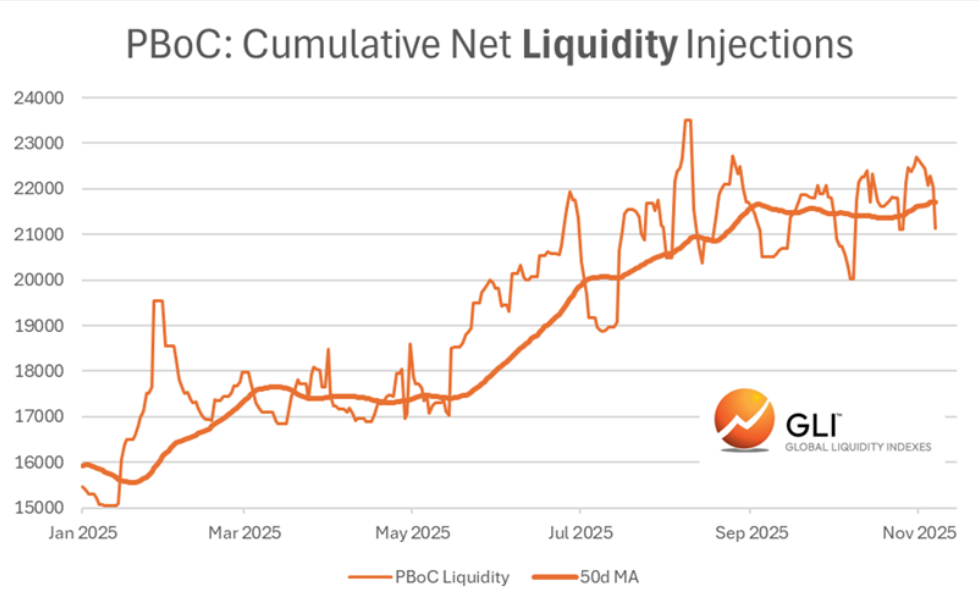


Source
GL Indexes, US Federal Reserve

People's Bank of China

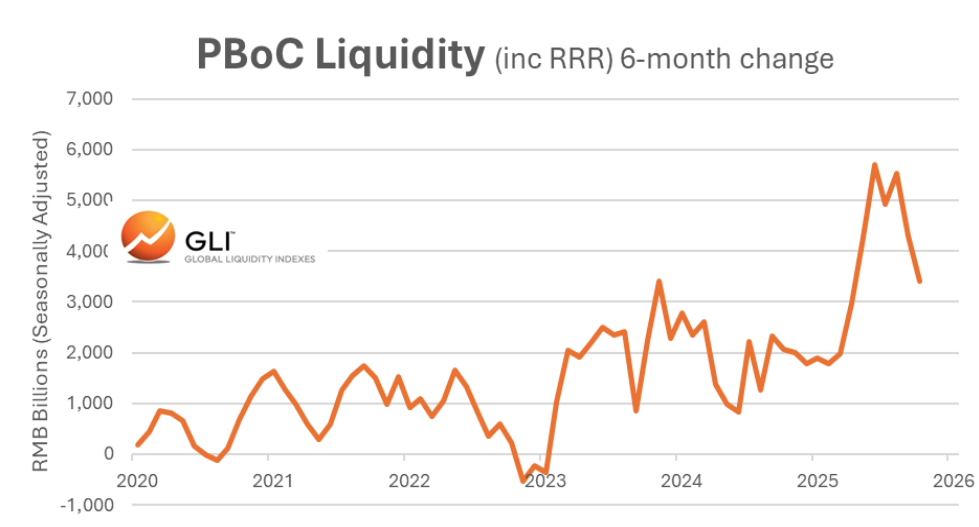
More disappointing news comes from the East. We have been upbeat on China and her markets throughout 2025 because of the step-up in PBoC liquidity injections from late last year. Figure 11 reports the level of PBoC liquidity support, which jumped by RMB8 trillion trough-to-peak. However, as Figure 12 shows this pace of increase is already slowing fast.

Figure 11



Source
GL Indexes, People's Bank of China

Figure 12



Source
GL Indexes, People's Bank of China

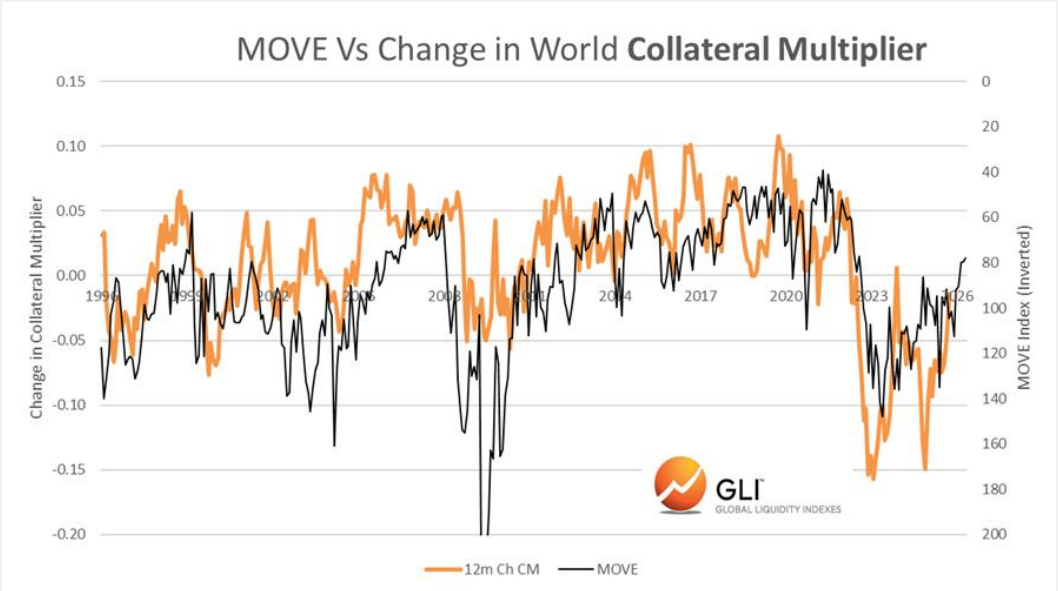
China unquestionably needs more liquidity to monetize her huge debt burden. She has a history of 'stop-go' monetary policies, largely to protect the Yuan. Therefore, the pull-back in liquidity injections last month may be because of the stronger US dollar. We expect Chinese liquidity injections to resume, but for now we cannot deny the facts.

Bond Markets and the Collateral Multiplier

The third moving part in the Global Liquidity story is the collateral multiplier. This has lately provided much of the impetus behind Global Liquidity as Figure 13 points out. The data highlight a close correlation between changes in the World collateral multiplier and bond volatility, as measured by the MOVE index. **Lower bond volatility leads to smaller collateral 'haircuts' and a bigger multiplier for liquidity.**

The question to pose is how much further can bond volatility fall, noting that the MOVE index itself has already plunged by a whopping 46 index points over the past 6 months? **In short, has the collateral multiplier maxed out?** US Treasuries themselves look range-bound, with yields that appear to be technically held back by the recent emphasis on greater bill issuance and the scarcity of longer-dated coupons. On the other hand, **the future inflation outlook must at some stage be affected by the increasing monetization of World debt**. The focus on short-dated bond issuance means that banks and other credit providers eagerly take-up these securities, which, by definition, is debt monetization. Evidence Figure 14, which shows our estimates of global debt monetization through the percentage of liquidity covered by World private banks' holdings of central government debt. The US percentage is higher, but the plain fact is that **the pace of monetization has doubled since pre-GFC days.**

Figure 13



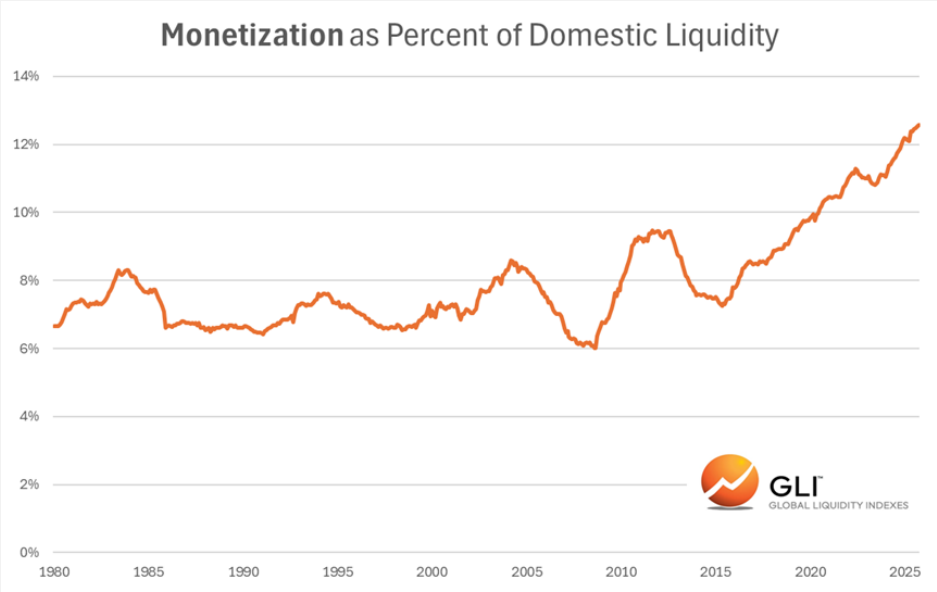
Source
GL Indexes, BofA ICE

Taking the US as a further example and assuming that the Fed and domestic private banks together fund half of new Treasury issuance, then adding back the slow trend in private sector lending growth, traditional M2 money supply could easily test 8% growth next year. This is up from its latest 4½% annual growth rate and compares with a nominal GDP clip of around 7%. Even without any further positive change in monetary velocity, **this is an outlook that is incompatible with the Fed's 2% inflation target**. [Note our 'liquidity' measures get squeezed as money shifts into the real economy, which is covered by this M2 data.] Already, the *University of Michigan* consumer survey points to 4.7% expected inflation in 2026 and a 3.6% 5-year average. Treasuries are not on the same page.

Yet, these are the consequences of: (a) **running large fiscal deficits**, and (b) **funding them via bills and short-dated Treasuries**. The US Administration plainly wants to shift stimulus from 'Fed QE' to 'Treasury QE', to direct spending into the real economy. However, the costs of doing this threaten this bull market by curtailing *Fed Liquidity* and pose a longer-term inflation problem by funding more through banks and, hence monetizing the debt. But let's not also ignore the benefits, which may mean a stronger than expected real economic performance from Main Street in 2026.

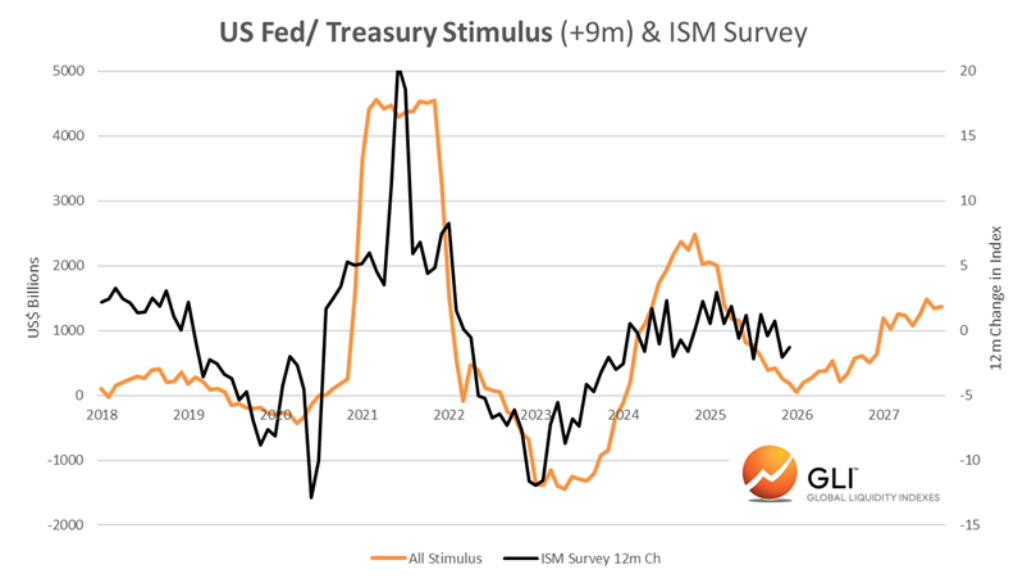
All money that is anywhere, must be somewhere. And, if it's no longer in financial markets, it's in the real economy. Figure 15 plots the aggregate size of the combined Fed/ Treasury sourced stimulus and the subsequent response of US business activity, as measured by changes in the ISM business survey.

Figure 14



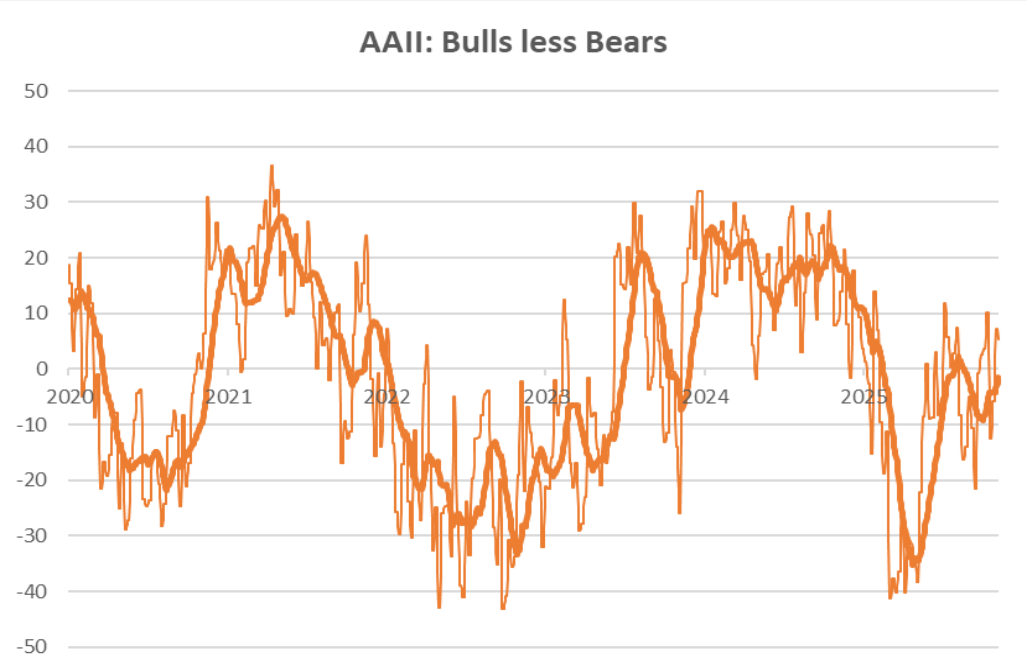
Source
GL Indexes

Figure 15



Source
GL Indexes, US Federal Reserve, US Department of the Treasury

Figure 16



Source
GL Indexes, American Association of Individual Investors

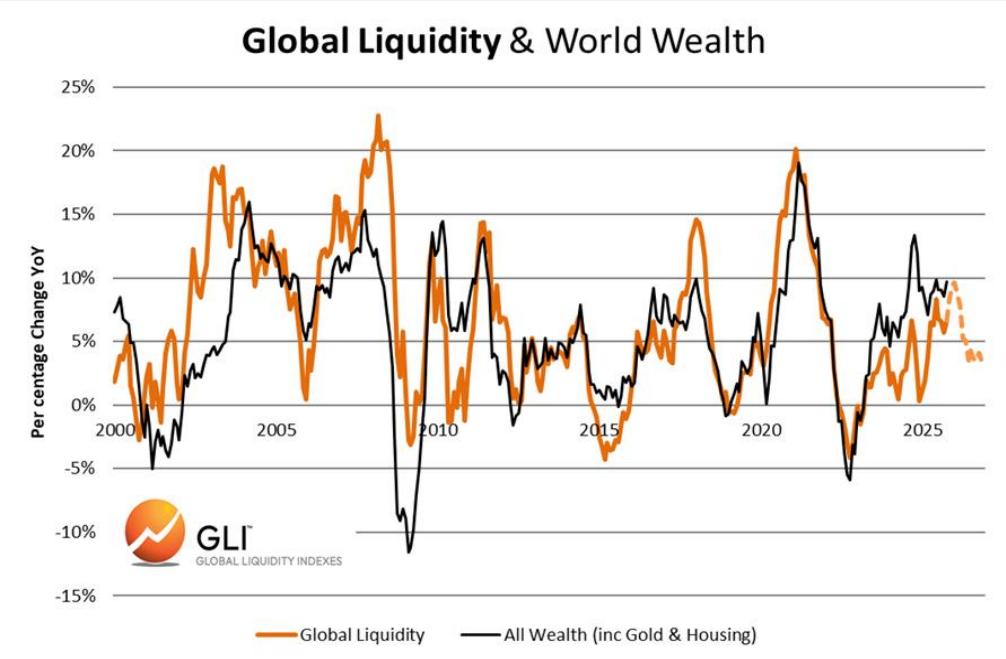
Investment Conclusions: Bubble Watch

Where does this leave investors? Our recommendation is not to chase risk. We also still encourage top-slicing of positions in risk assets. Admittedly, we are not going entirely 'Risk-Off' because Central Banks are not yet tightening. What's more, despite the persistent media hype, investor positioning is far from a high extreme. Consider, the latest weekly print from the AAII Sentiment Survey (*American Association of Individual Investors*) in Figure 16.

Rather, largely because of the US Fed and now the PBoC, the real problem is that **Global Liquidity growth is slipping lower**. Figure 17 shows our projections of Global Liquidity growth into 2026, alongside the performance of a World wealth portfolio (i.e. bonds, equities, gold, crypto, cash assets and home prices). 2026 is slated to see an inflexion lower.

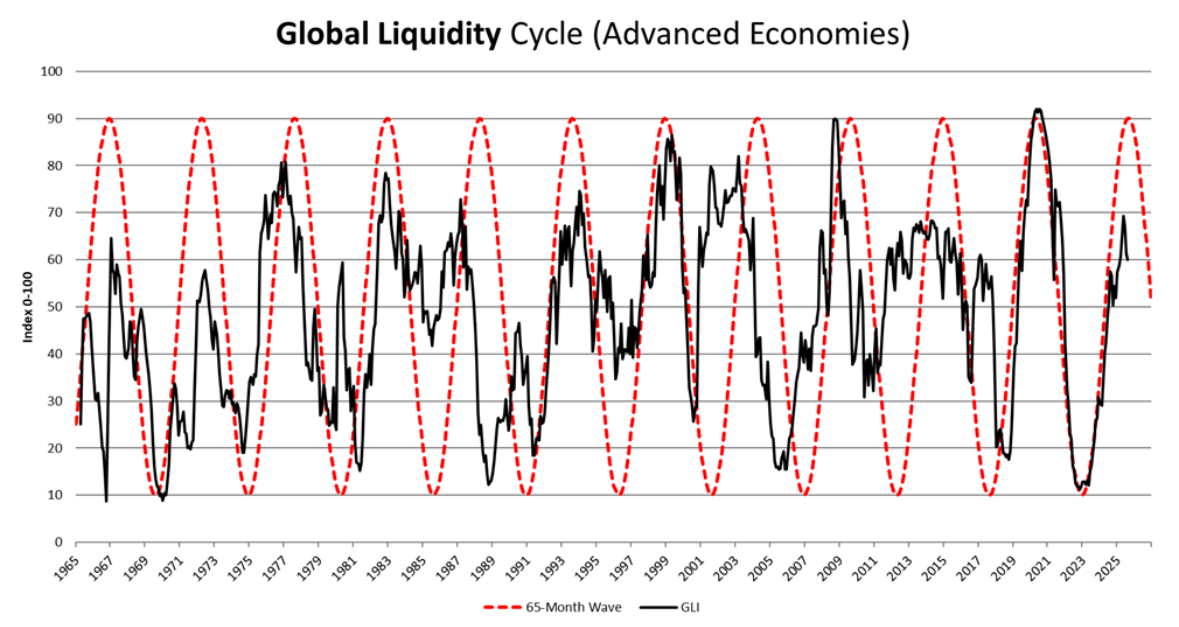
This concurs with the standardized Global Liquidity cycle reported in Figure 18, with a repeating 5-6-year sine wave drawn on top. The cycle has long-been projected to falter around late-2025. Indeed, Figure 19 confirms that, compared to a typical or 'average' 1970-2025 liquidity cycle, 'time's up'.

Figure 17



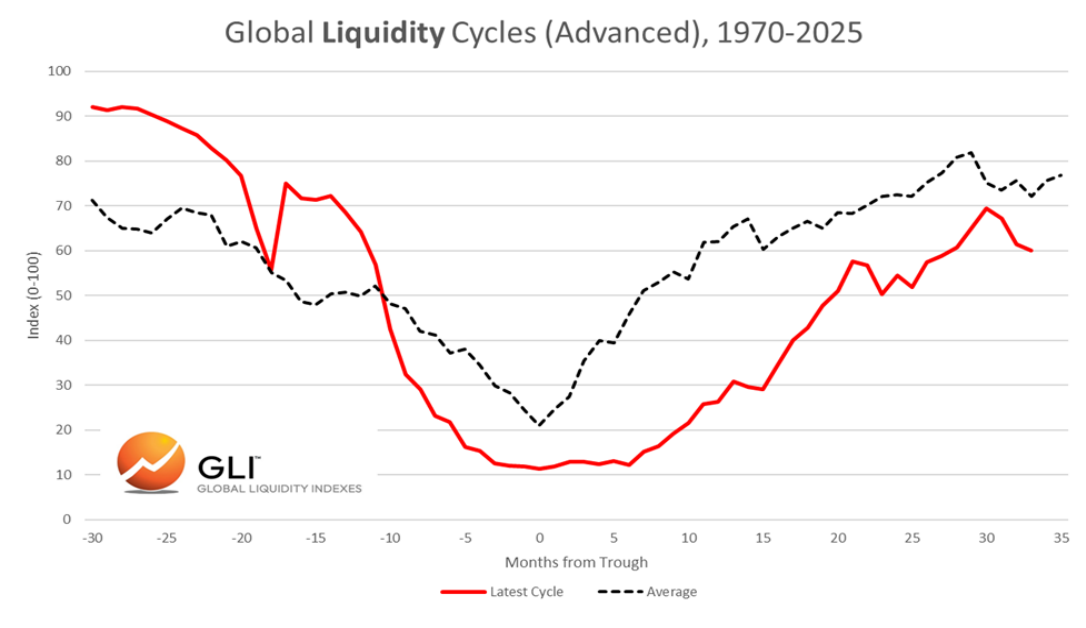
Source
GL Indexes, US Federal Reserve, People's Bank of China, ECB, Bank of Japan, Bank of England, IMF

Figure 18



Source
GL Indexes, US Federal Reserve, People's Bank of China, ECB, Bank of Japan, Bank of England, IMF

Figure 19



Source
GL Indexes, US Federal Reserve, People's Bank of China, ECB, Bank of Japan, Bank of England, IMF

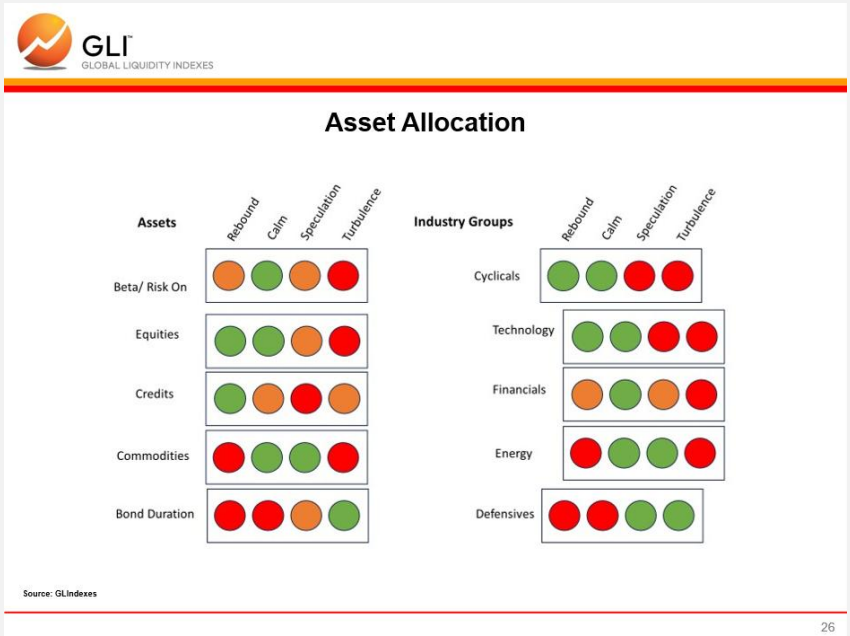
But even though economies have not performed on cue, generally flat-lining since COVID, this has been a plain vanilla investment cycle in terms of the sequence and timing of both asset and industry group performance. Figure 20 shows our usual asset allocation traffic lights: note European, Emerging Asian Markets and Canada are in the '*Calm*' investment regime. The US and Australia are in '*Speculation*' and the latest setback to Chinese Liquidity pushes it into '*Turbulence*'.

We end with two observations. First is the upcoming threat posed in 2026-27 by a rising debt/ liquidity ratio: the **ratio between the effective stock of debt (i.e. adjusted to show necessary refinancing) and liquidity**. We consider this the best metric for understanding market stability. The track since 1980 for the major advanced economies is reported in Figure 21.

This near-50-year history confirms, both an equilibrium level (circa 2 times) and it shows how large deviations upwards (i.e., 'scarce' liquidity) trigger ***refinancing crises*** and significant deviations downwards in the ratio ('abundant' liquidity) drive ***asset bubbles***.

We have been in a major asset boom ('*The Everything Bubble*') caused by the big liquidity dumps made by policy makers post-GFC and though COVID, and by their insane policy of zero interest rates enacted at various times throughout. This both incentivized more debt and encouraged existing debtors to 'term-out' their borrowings into the late-2020s**. Bingo: *a debt-maturity wall* is fast approaching**, as once termed-out debt re-appears. The prospective faltering in Global Liquidity growth and the upcoming 'debt maturity wall' explain the rising debt/ liquidity ratio projected in the chart. In 2026, the 2x threshold will be re-tested on the upside. Refinancing tensions, like the recent US repo problems, may become more common. Hard hats on!

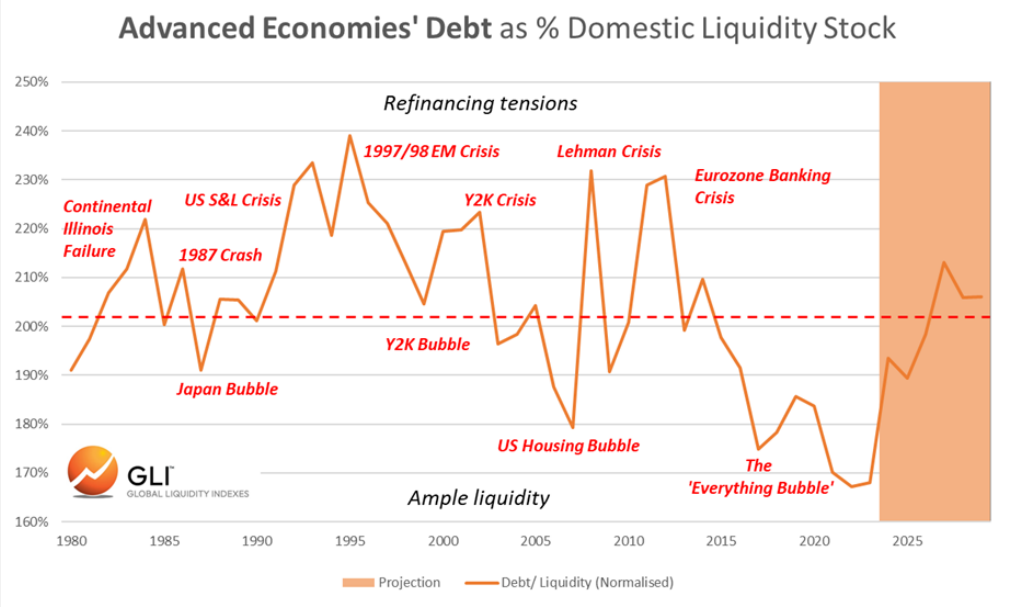
Figure 20



Source
GL Indexes, US Federal Reserve

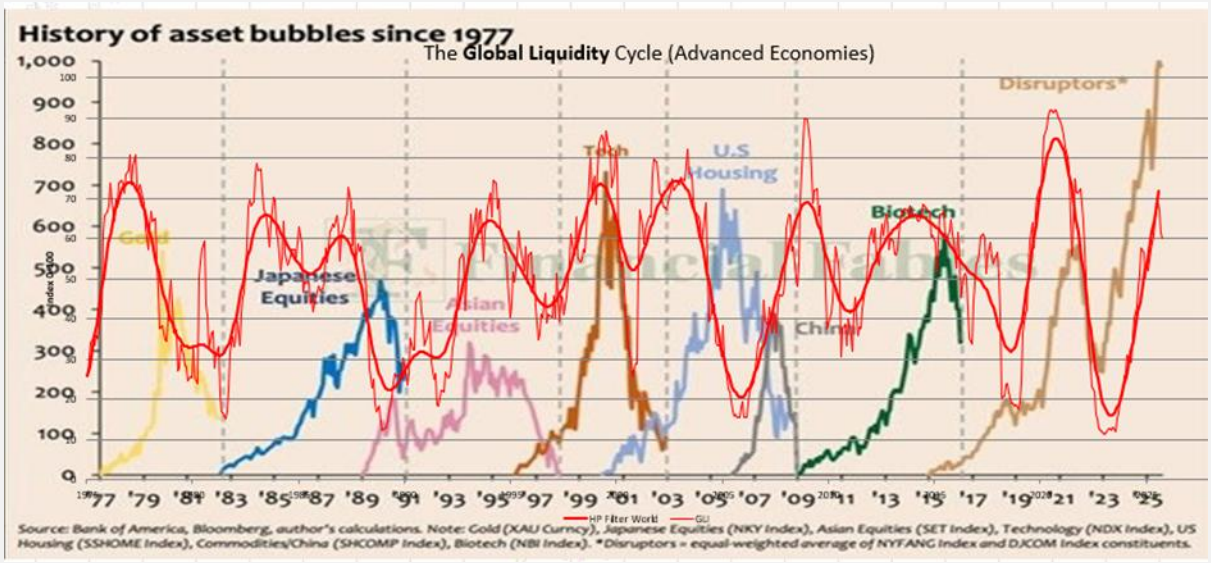
Second, Figure 22 puts the *Everything Bubble* into context. Although the graphic is low resolution, having been snipped from *X* (*Twitter)*, it shows the history of asset bubbles since the mid-1970s. On top, we have overlaid as best we can the Global Liquidity Cycle. The graphics seem to correlate. Bottom line: it's a bubble and its time is coming to an end. Maybe you can already hear a gentle hiss as the *Everything Bubble* loses pressure? But rest-assured there will be others, many others….

Figure 21



Source
GL Indexes, US Federal Reserve, People's Bank of China, ECB, Bank of Japan, Bank of England, IMF

Figure 22



Source
GL Indexes, US Federal Reserve, People's Bank of China, ECB, Bank of Japan, Bank of England, IMF, X (Twitter)

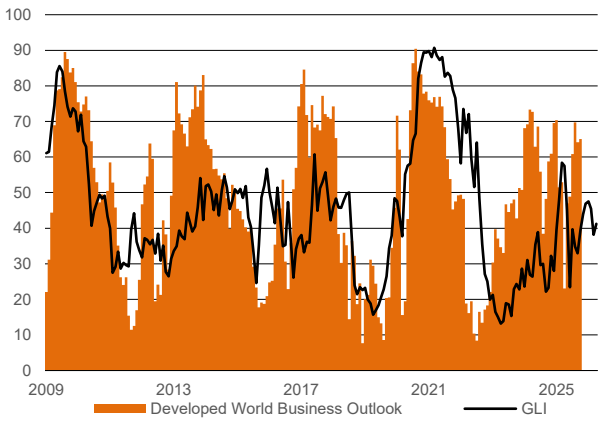
GLI™
GLOBAL LIQUIDITY INDEXES

Heat Map: Total Liquidity Index and World Aggregate Sub-Indexes

(Red colour gives warning of low liquidity, 'Normal' range 0-100)

GLI™
GLOBAL LIQUIDITY INDEXES

Global Liquidity Cycle (Advanced by 9 months) and G4 Business Outlook (Average of Major Surveys)
Index ('Normal' range 0-100) Monthly 2009-2025

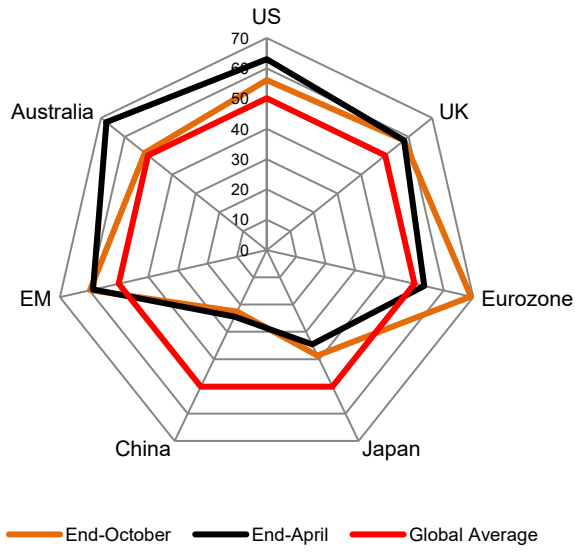


Source
GL Indexes, US Federal Reserve, ECB, Bank of England, Bank of Japan, IMF

World GLI™ Summary ('normal' range 0-100)	GLI GLOBAL LIQUIDITY INDEXES	Latest Month	Previous Month
TOTAL LIQUIDITY	Decrease, slower rate	**41.2**	**38.2**
- Central Bank	Increase, faster rate	58.2	53.7
- Private Sector	Decrease, slower rate	35.5	34.8
- Cross-Border Flows	Decrease, faster rate	35.5	38.5
- Financial Conditions	Deterioration, slower rate	47.7	46.6

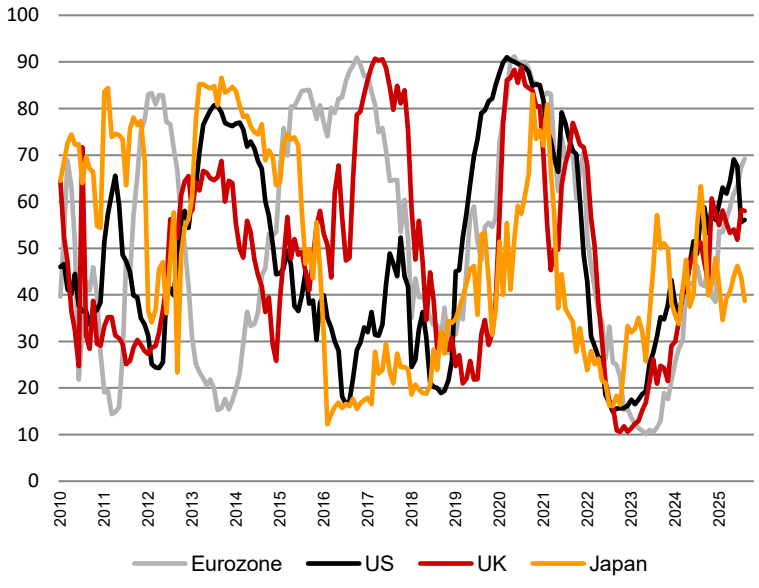
The GLI™ are normalised statistical series comprising carefully selected financial flows. A reading above 50 shows an expansion of liquidity and a rise or fall in the index indicates an acceleration or deceleration in speed.

Liquidity Conditions: Radar Diagram October 2025



Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

GLI™ Breakdown: Major Economies 2010-2025



Source
GL Indexes, US Federal Reserve, ECB, Bank of England, Bank of Japan

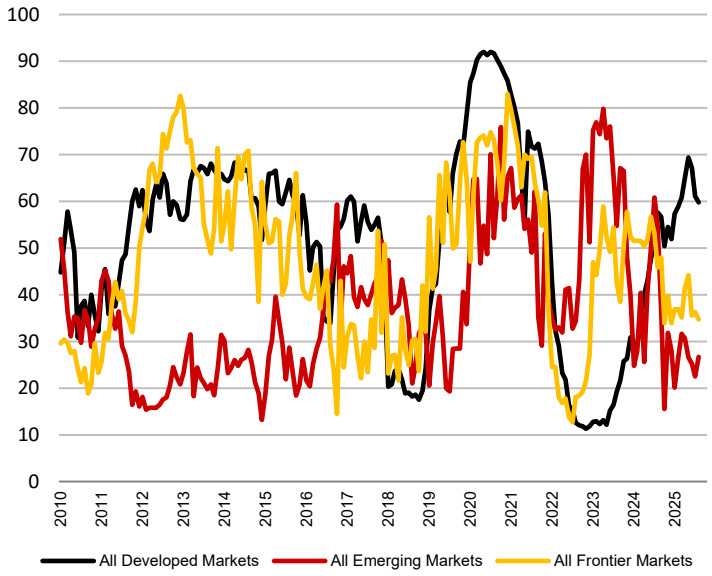
GLI™
GLOBAL LIQUIDITY INDEXES

Global, Developed Markets, Emerging Markets and Frontier Markets - Total Liquidity
Index ('Normal' Range 0-100) 2024-2025

Index 'Normal' Range = 0-100	World	All Developed Markets	All Emerging Markets	All Frontier Markets
Oct-24	57.5	57.6	54.7	45.8
Nov-24	45.0	56.7	36.6	48.0
Dec-24	23.4	50.4	15.5	33.9
Jan-25	39.7	54.5	31.8	39.8
Feb-25	34.8	51.9	28.0	33.9
Mar-25	33.0	57.3	20.1	36.9
Apr-25	39.5	58.8	26.4	36.9
May-25	43.8	60.8	31.6	35.1
Jun-25	46.9	65.0	30.7	41.4
Jul-25	47.5	69.4	26.6	44.2
Aug-25	45.5	67.1	25.2	35.5
Sep-25	38.2	61.1	22.5	36.3
Oct-25	41.2	59.8	26.7	34.7

Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

GLI™ Breakdown: Major Regions
2010-2025



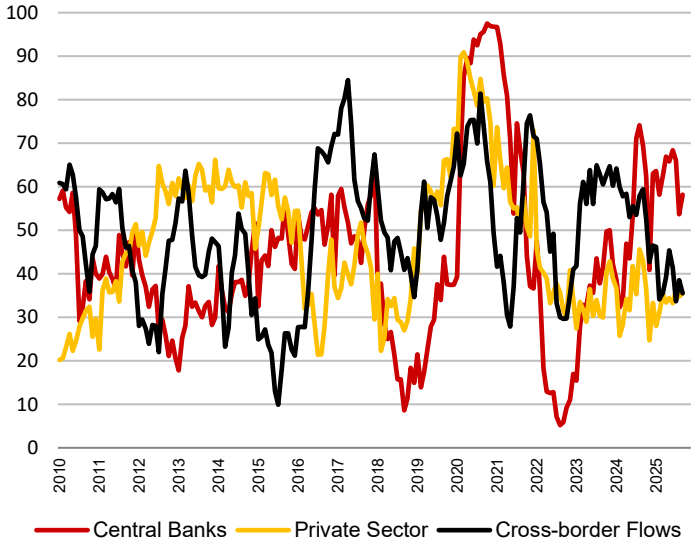
Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

Global Liquidity Indices
Index ('Normal' Range 0-100) 2024-2025

	Policy Liquidity PLI (Index)	Private Sector Liquidity PSI (Index)	Cross-border Flows XFI (Index)	Total Liquidity TLI (Index)
Oct-24	69.5	43.0	59.4	57.5
Nov-24	62.4	36.5	52.5	45.0
Dec-24	40.9	24.7	42.7	23.4
Jan-25	63.0	33.3	46.5	39.7
Feb-25	63.6	28.0	46.2	34.8
Mar-25	58.2	31.0	34.1	33.0
Apr-25	62.5	35.4	35.6	39.5
May-25	66.9	33.4	39.2	43.8
Jun-25	65.8	34.4	45.4	46.9
Jul-25	68.4	33.2	41.4	47.5
Aug-25	66.0	36.2	33.7	45.5
Sep-25	53.7	34.8	38.5	38.2
Oct-25	58.2	35.5	35.5	41.2

Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

GLI™ Breakdown: Central Banks, Private Sector and Cross-border Flows
2010-2025



Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

GLI™
GLOBAL LIQUIDITY INDEXES

Developed Economies – Central Bank Liquidity

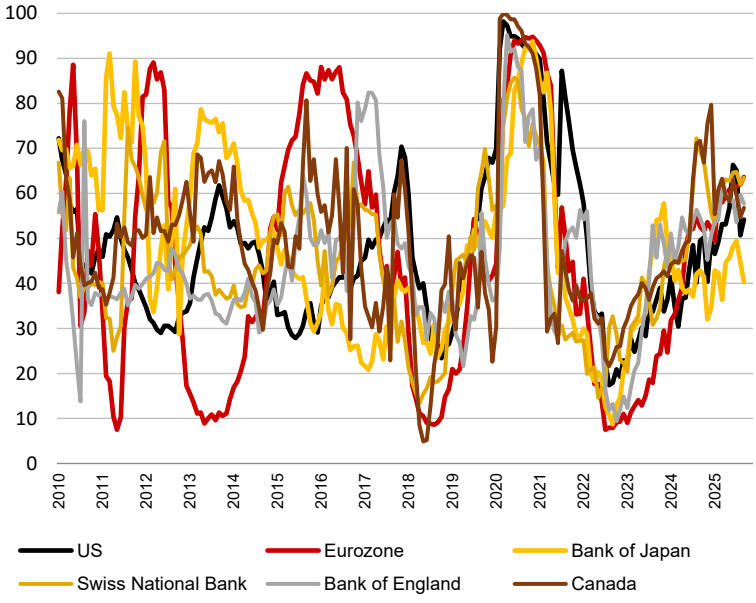
Index ('Normal' Range 0-100) 2024-2025

Index 'Normal' Range = 0-100	US	Eurozone	Japan	Switzerland	UK	Canada
Oct-24	49.5	52.6	42.9	69.4	54.6	71.7
Nov-24	50.2	51.6	41.5	67.1	52.3	66.8
Dec-24	40.4	53.6	32.0	61.4	45.2	75.5
Jan-25	49.5	52.2	34.7	55.7	50.8	79.7
Feb-25	46.6	49.4	42.9	53.1	53.6	55.4
Mar-25	49.2	59.7	42.4	58.5	54.1	60.8
Apr-25	53.2	58.0	36.3	61.5	61.2	63.3
May-25	53.1	59.3	44.6	63.1	60.1	59.4
Jun-25	56.9	60.9	45.8	62.7	58.4	58.3
Jul-25	66.3	61.1	48.2	64.6	58.5	63.0
Aug-25	65.1	61.5	49.4	64.8	53.6	59.5
Sep-25	50.7	62.0	44.7	62.0	59.7	54.7
Oct-25	54.2	63.6	40.3	63.5	57.7	56.8

Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

Central Bank Liquidity Index: Developed Economies

2010-2025



Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

Emerging Economies – Central Bank Liquidity

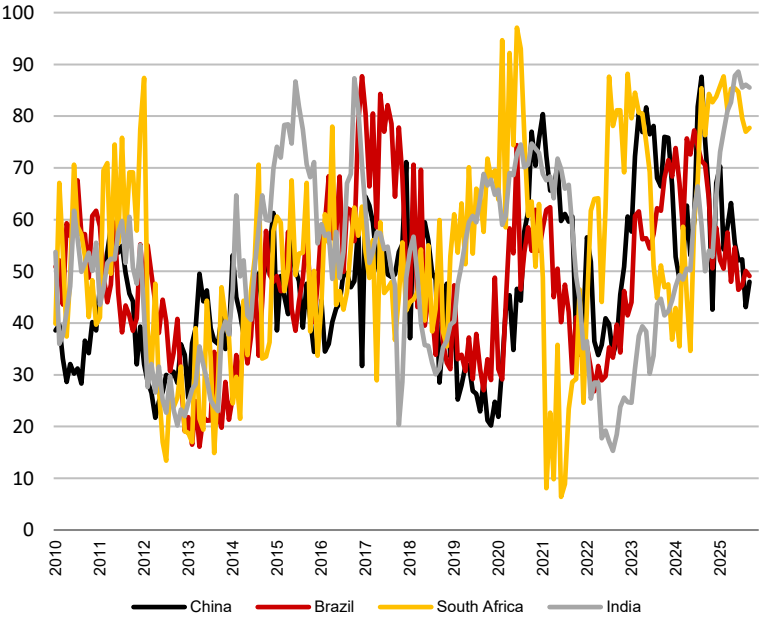
Index ('Normal' Range 0-100) 2024-2025

Index 'Normal' Range = 0-100	China	Brazil	South Africa	India
Oct-24	75.4	70.6	76.3	50.0
Nov-24	64.9	63.9	84.3	54.0
Dec-24	42.6	50.6	82.7	52.8
Jan-25	67.1	58.4	83.8	64.6
Feb-25	70.3	52.1	85.8	73.1
Mar-25	54.2	50.5	87.7	77.0
Apr-25	58.6	57.5	81.1	81.0
May-25	63.2	48.0	85.3	82.7
Jun-25	55.4	54.6	85.4	87.8
Jul-25	52.1	46.4	84.7	88.6
Aug-25	52.3	47.3	79.6	85.5
Sep-25	43.1	50.1	77.0	86.1
Oct-25	48.0	49.1	77.7	85.5

Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

Central Bank Liquidity Index: Emerging Economies

2010-2025



Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

GLI™
GLOBAL LIQUIDITY INDEXES

Global Liquidity Flows

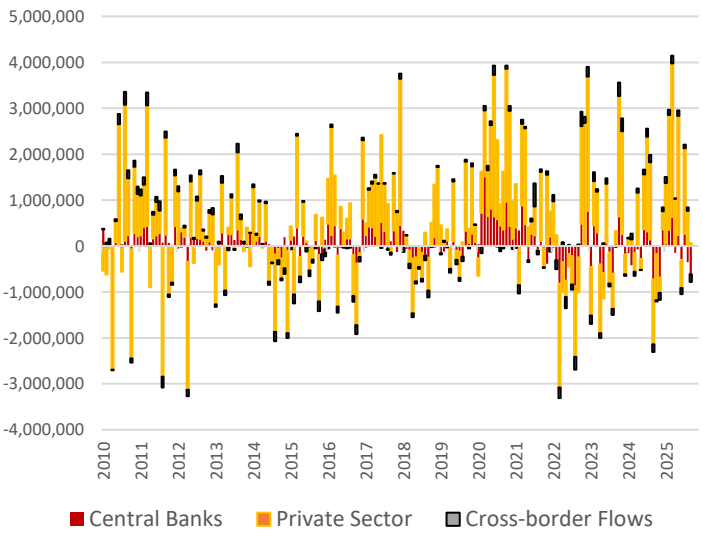
US$ Millions Rolling 3-month Average 2024-2025

	Policy Liquidity (US dollars)	Private Sector Liquidity (US dollars)	Cross-border Flows (US dollars)	Total Liquidity (US dollars)
Oct-24	(729,519)	(1,412,290)	(164,480)	(2,306,289)
Nov-24	(177,013)	(1,004,434)	(28,544)	(1,209,991)
Dec-24	(681,497)	(338,412)	(154,618)	(1,174,527)
Jan-25	357,139	398,028	85,287	840,454
Feb-25	53,740	1,317,526	130,396	1,501,662
Mar-25	354,078	2,503,871	108,919	2,966,868
Apr-25	632,736	3,344,743	166,938	4,144,417
May-25	(146,328)	1,030,734	1,913	886,319
Jun-25	242,534	2,593,372	114,899	2,950,805
Jul-25	(303,362)	(611,151)	(132,602)	(1,047,115)
Aug-25	269,420	1,861,203	72,961	2,203,584
Sep-25	(352,019)	762,174	79,089	489,244
Oct-25	(614,803)	63,930	(165,885)	(716,758)

Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

Global Liquidity Flows

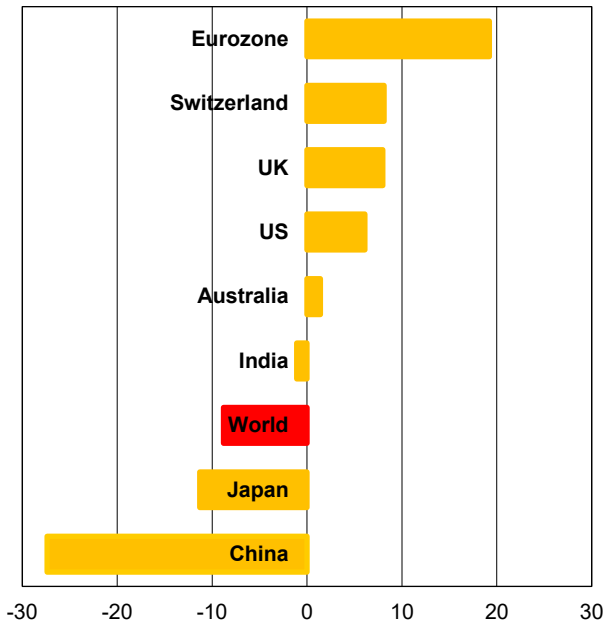
US$ Millions Monthly 2010-2025



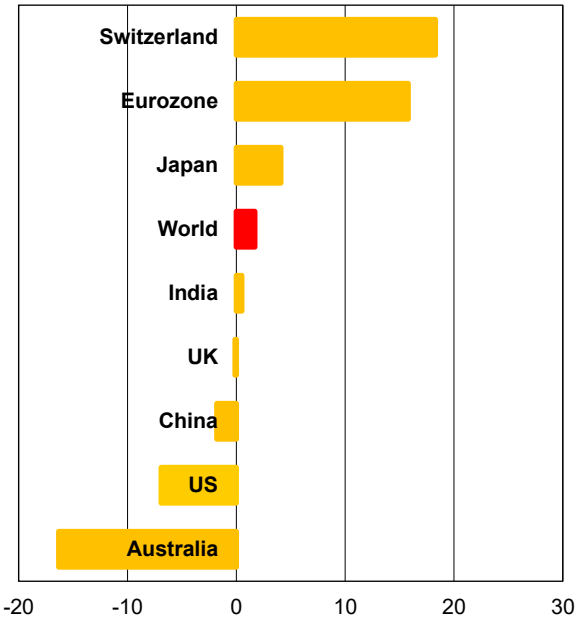
Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

Where is the Global Money Flowing?

Index Level



6-month Index Change



Source
GL Indexes, US Federal Reserve, ECB, Bank of England, Bank of Japan, IMF

GLI™
GLOBAL LIQUIDITY INDEXES

Global, Developed Markets, Emerging Markets and Frontier Markets - Risk Appetite

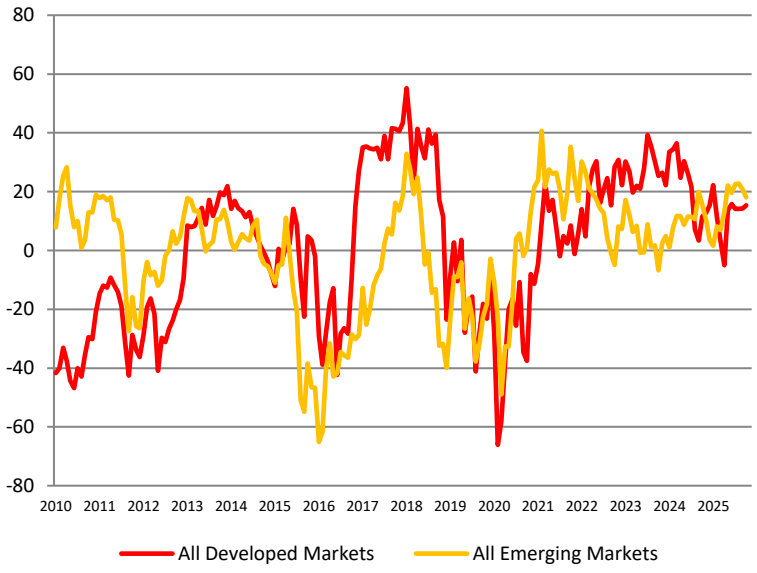
Index ('Normal' Range -50 – 50) 2024-2025

	World	All Developed Markets	All Emerging Markets	All Frontier Markets
Oct-24	14.7	11.5	15.6	41.1
Nov-24	13.9	12.8	10.3	40.8
Dec-24	13.3	15.3	3.5	46.9
Jan-25	18.5	22.2	1.6	47.4
Feb-25	11.7	11.1	8.2	46.8
Mar-25	4.9	3.3	7.0	41.3
Apr-25	0.5	-5.0	13.1	40.9
May-25	19.2	13.7	22.1	44.7
Jun-25	19.8	15.8	19.6	43.2
Jul-25	19.8	14.1	22.5	41.6
Aug-25	20.1	14.1	22.7	40.3
Sep-25	19.3	14.3	20.8	40.5
Oct-25	18.8	15.3	18.1	38.9

Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

Global, Developed Markets and Emerging Markets - Risk Appetite

2010-2025



Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF

US, Japan, Eurozone, UK, China- Risk Appetite

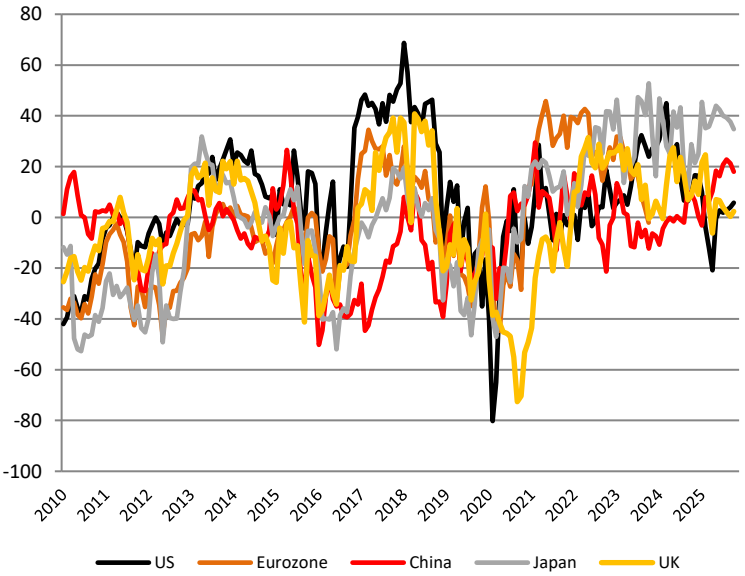
Index ('Normal' Range -50 – 50) 2024-2025

	US	Japan	Eurozone	UK	China
Oct-24	9.2	28.8	-11.0	8.5	9.3
Nov-24	16.6	21.4	-17.6	14.3	6.4
Dec-24	16.3	24.9	-10.5	9.1	0.5
Jan-25	10.0	45.5	-0.7	21.6	-3.2
Feb-25	-3.8	35.1	0.0	24.7	7.9
Mar-25	-12.0	35.7	-2.6	4.7	6.4
Apr-25	-20.8	39.5	-9.2	-6.2	10.3
May-25	-0.4	43.9	-1.2	7.0	18.4
Jun-25	2.7	42.4	-0.1	6.7	16.2
Jul-25	1.8	40.0	-0.6	4.0	20.8
Aug-25	2.7	39.3	-2.3	2.1	22.8
Sep-25	4.0	37.6	-2.3	0.3	21.3
Oct-25	5.8	34.7	-1.2	2.3	18.0

Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China

US, Japan, Eurozone, UK, China - Risk Appetite

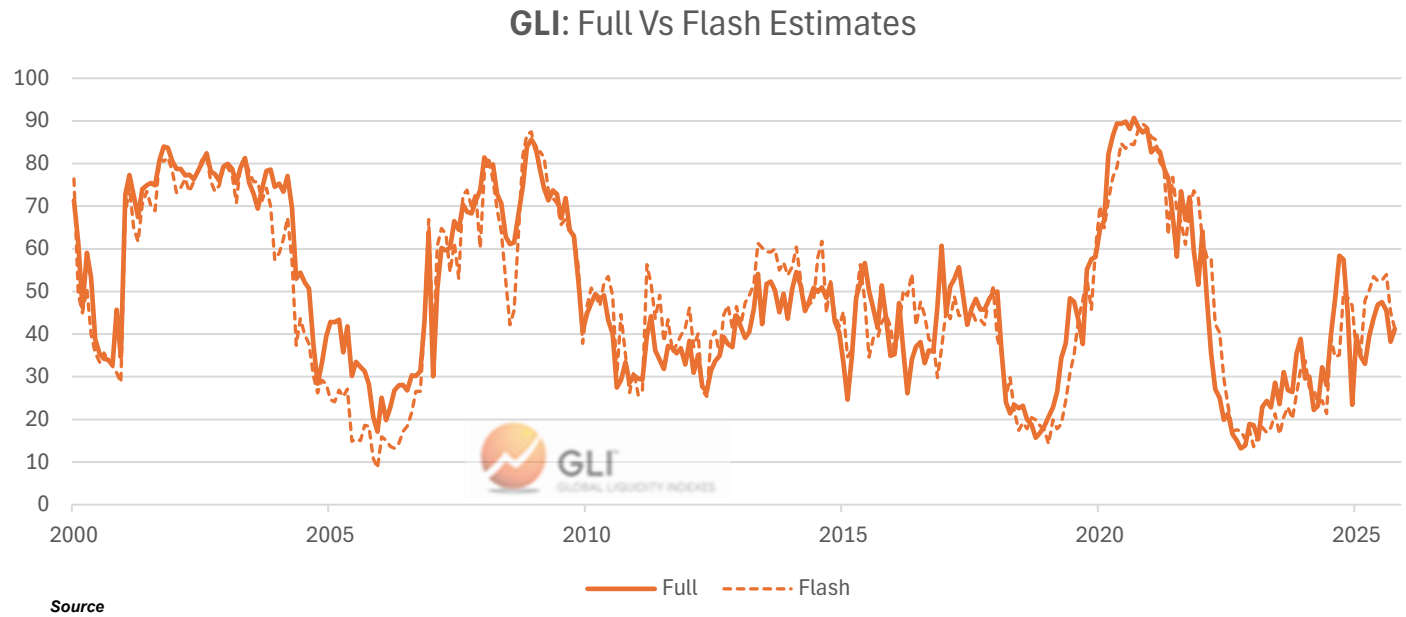
2010-2025



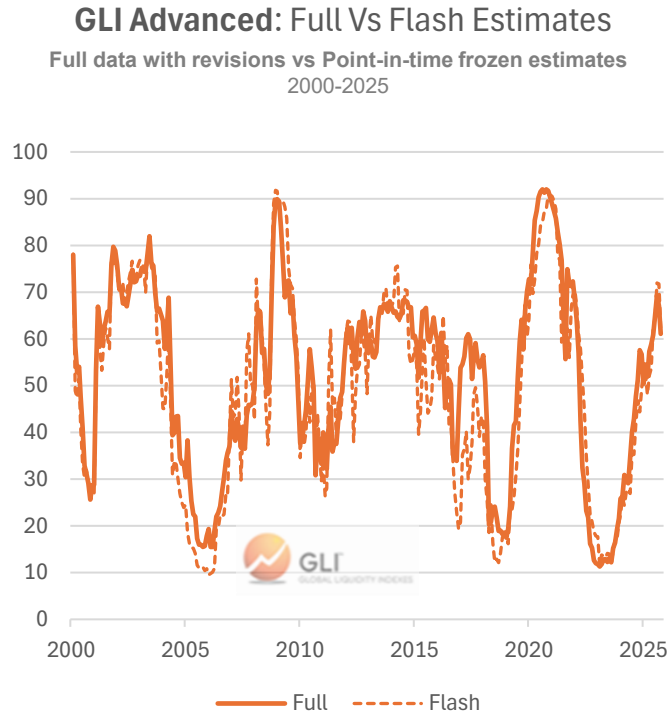
Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China

GLI™
GLOBAL LIQUIDITY INDEXES

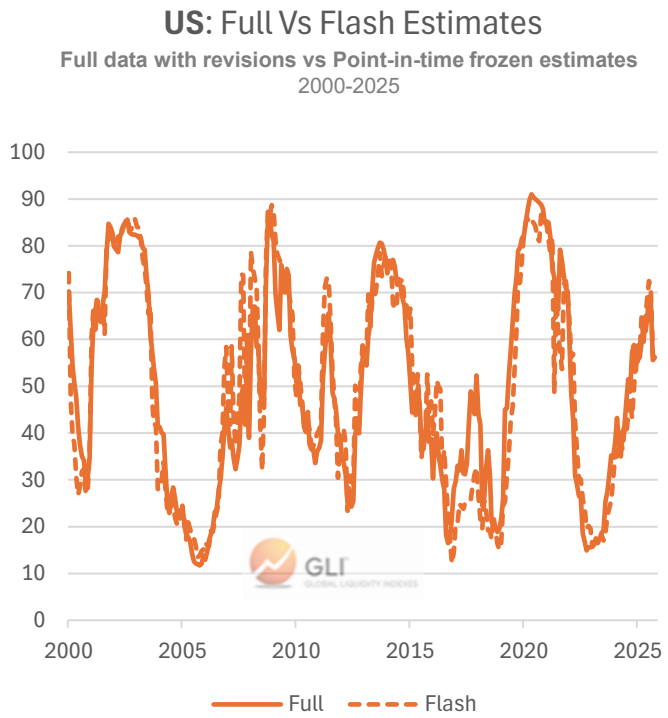
Global Liquidity Indicator (GLI™): Full Data with Revisions vs Point-in-time Frozen Estimates



Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, People's Bank of China, IMF



Source
GL Indexes, US Federal Reserve, Bank of Japan, ECB, Bank of England, IMF

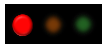
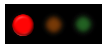
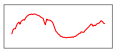
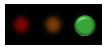
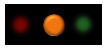
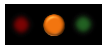
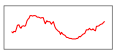
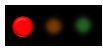
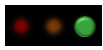
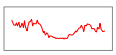
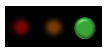
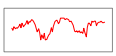


Source
GL Indexes, US Federal Reserve,IMF

GLI™
GLOBAL LIQUIDITY INDEXES

Asset Allocation: Major Markets Heat Map, Charts and Risk Traffic Lights

'Risk' indicators systematically assess the 'quality' of the liquidity data shown in the previous columns. Analyses of 'financing', 'forex' and 'exposure' risks are combined into a 'Composite Risk Index'

	Heat Map and Chart Total Liquidity Index TLI 2018-2025		Total Liquidity Index TLI - Latest 6 months						Composite Risk CRI	Exposure Risk Index ERI	Financing Risk Index LRI	Forex Risk Index FRI
			May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25				
World			43.8	46.9	47.5	45.5	38.2	41.2				
All Developed Markets			60.8	65	69.4	67.1	61.1	59.8				
Eurozone			56.3	58.7	61.8	63.3	67.4	69.2				
Australia			68.4	68.5	65.4	42.3	54.5	51.4				
Brazil			49.3	67.4	49.4	40.6	40.8	41.1				
Canada			60.9	64.1	72.7	73.6	70.8	72				
China			28.6	24.3	20	21.2	17.8	22.6				
India			39.9	46.5	47.3	45.6	47.7	48.9				
Japan			39.3	40.6	44	46.2	43.8	38.7				
South Africa			76.4	77.1	80.3	75.6	75	76.4				
Sweden			25.7	26	24.4	30.6	35.7	36.9				
Switzerland			43.5	49.6	53.9	54.2	55.3	58.1				
UK			55.4	53.3	54	51.8	58.2	58				
US			61.7	64.3	69.1	67.6	55.6	56.1				

GLI™
GLOBAL LIQUIDITY INDEXES

Notes:

The Global Liquidity Indexes (GLI™) are weighted composite indicators derived from sampling macro-liquidity conditions across 80 economies World-wide. They attempt to unambiguously measure flows of money into international financial markets. The indexes have been regularly published since the late-1980s and are typically released around 10-working days after each month-end. The GLI™ are expressed as indexes 0-100. A reading above 50 shows an expansion of liquidity and a rise or fall in the index indicates an acceleration or deceleration. Our research shows that the GLI™ consistently lead real economic activity by 12-15 months. Hence, extreme falls in liquidity can precede recessions and trigger financial crises.

The GLI™ are available nationally for all 80 economies and are aggregated regionally and globally. The sub-indexes (available at country, region and global levels) cover Central Bank Liquidity, Domestic Private Sector Liquidity and Cross-border Financial Flows. Approximately 30 carefully selected variables are collected monthly per economy, comprising measures of available funding, credit growth and leverage, shadow banking, Central Bank interventions and international capital movements. The underlying variables are first normalised and then weighted into the indexes using a combination of size and principal component factors. The methodology is identical for all economies and data classifications conform to standard IMF definitions. Data is occasionally revised through time, but the most significant of these revisions tend to occur within one month of publication. The GLI™ data can be obtained from us as a regular subscription or as a single download.

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