Global M2 & Liquidity

Monthly · edition 2026-11-10

DATA INTEGRITY WARNING — 1 automated check(s) failed on this edition. The figures below are published so the edition is not lost, but the items listed here did not reconcile and must not be relied on until they are resolved.

• United States CPI YoY +3.74% does not recompute (+4.00%)

Executive summary

Core global money stock stands at $55.33 trillion as at 2026-09-30, covering United States, Euro area, Japan and Brazil, the 4 sources that are both current and long enough to measure. That is +2.0% on a year earlier, against +4.4% twelve months ago, and -0.37% on the month (-$203bn).

Including China the total is $109.05 trillion, but only to 2026-02-28. China alone is roughly 47% of that and is the binding constraint on how current any global figure can be. The two totals are reported separately rather than blended: forward-filling a laggard would produce a number that was never published.

About 16% of the past year's change in the dollar value of this money was exchange-rate translation rather than money creation. Global-liquidity charts generally do not separate the two, which is why the figure above should not be read as a pure measure of how much money exists.

On the lead-lag question, the strongest relationship this week is Nasdaq at a 2-month lead (r=+0.61). Read the method note before acting on it: overlapping year-on-year windows mean the effective sample is a fraction of the apparent one.

India enters this edition at $3.51 trillion, M3 as at 2026-10-14, and it is published fortnightly, the second-highest frequency here after US weekly M2. It is reported in the levels, flows and FX decomposition but kept OUT of the growth and lead-lag aggregate, because RBI serves only about three years through its data query and including it would cut that aggregate's history from 2015 to 2023.

Where the numbers came from, and how fresh they are

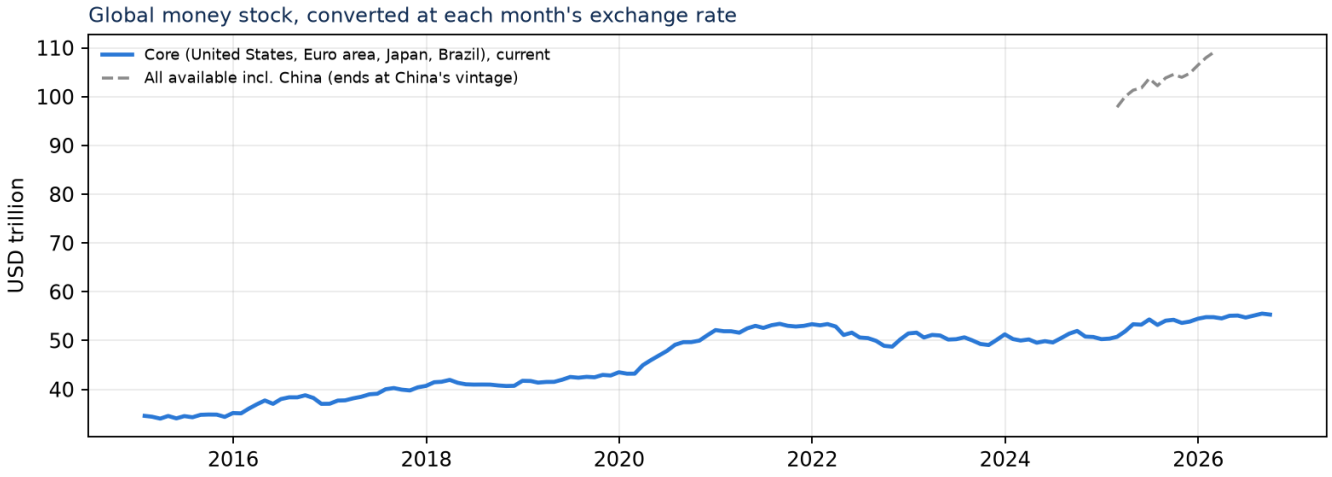
Every multi-country money-supply feed tested for this report was years out of date while still returning clean, plausible numbers. Each country below is therefore taken from its own central bank and stamped with its own observation date. A source that stops publishing appears here with its status rather than freezing a line on a chart.

Country	Measure	Source	Freq	Last obs.	Lag	Status
United States	M2	FRED / Federal Reserve H.6	weekly	2026-10-05	36d	current
Euro area	M3	ECB Data Portal (BSI)	monthly	2026-09-01	70d	current
Japan	M3	Bank of Japan API (MD02)	monthly	2026-09-01	70d	current
India	M3	RBI DBIE data query (MSC_F_RN)	fortnightly	2026-10-14	27d	current
Brazil	M2	Banco Central do Brasil (SGS 27810	monthly	2026-09-01	70d	current
China	**M2**	**NBS via DBnomics**	**monthly**	**2026-02-01**	**282d**	**STALE**
South Africa	**M3**	**SARB WebIndicators**	**-**	**-**	**—**	**UNAVAILABLE**

Not yet sourced: Russia (CBR publishes XLSX, no JSON service found), South Africa (SARB WebIndicators API is live but the M3 series code is not published), United Kingdom (BoE IADB not yet wired). These are central banks whose data is not machine-readable without further work. Each is named so the coverage is not overstated.

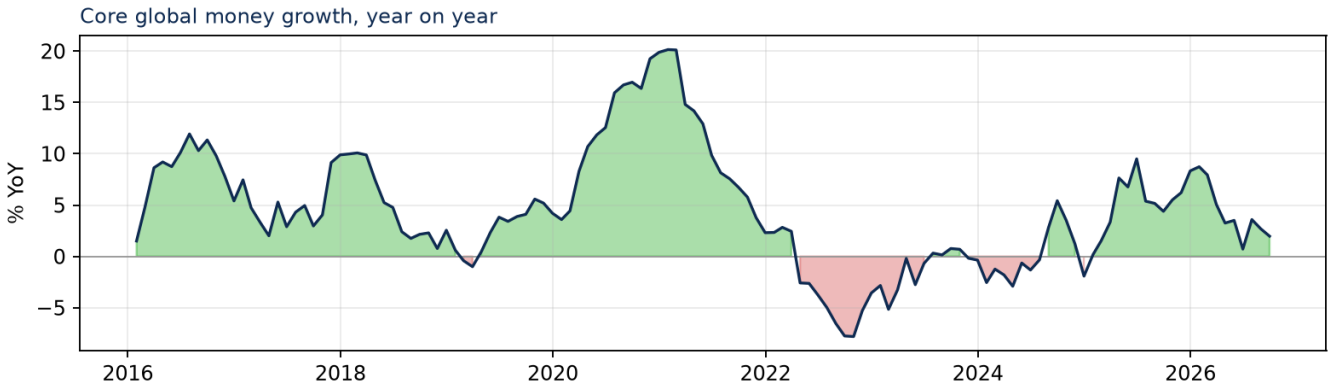
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The global money stock



Levels and flows by country

Country	Measure	Native level	USD level	1m flow	YoY	As of
United States	M2	23.51tn USD	$23.51T	+$214bn	+6.6%	2026-10-31
Euro area	M3	17.72tn EUR	$20.10T	-$401bn	+0.8%	2026-09-30
Japan	M3	1,638.26tn JPY	$10.42T	+$153bn	-4.8%	2026-09-30
India	M3	333.00tn INR	$3.51T	-$16bn	+7.4%	2026-10-31
Brazil	M2	7.87tn BRL	$1.52T	+$12bn	+13.0%	2026-09-30
China	M2	349.22tn CNY	$50.92T	+$975bn	+15.7%	2026-02-28



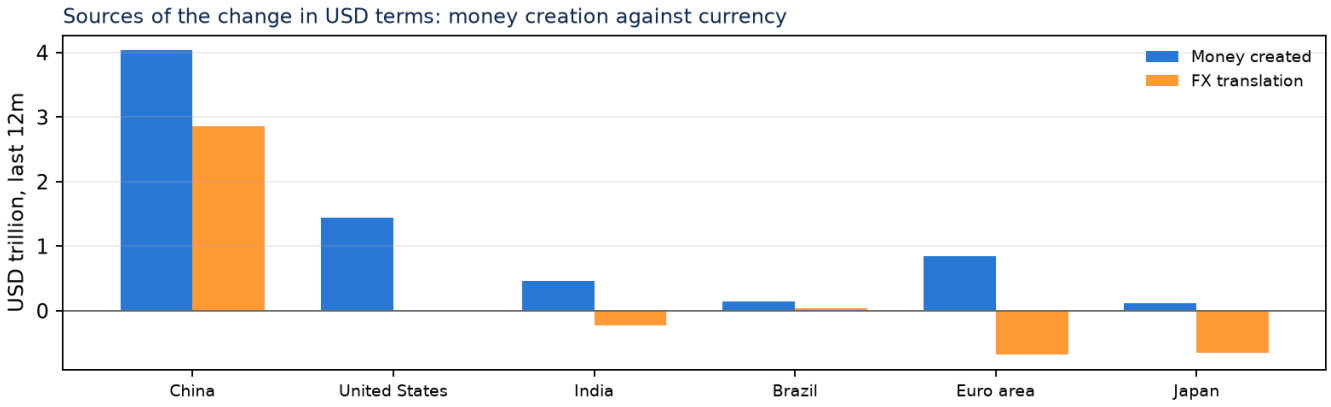
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Money created, or just a cheaper dollar?

Roughly three-quarters of the world's money is not denominated in dollars, so a falling dollar lifts the headline global figure without a single unit of money being created. Every monthly change below is split into money actually created (valued at last month's exchange rate) and pure FX translation. The two sum to the change in the USD level, so the arithmetic always reconciles.

FX effect is the currency contribution as a share of the gross movement, and runs from -100% to +100%. A positive figure means the exchange rate raised the dollar value of that country's money; a negative figure means the currency weakened against the dollar and reduced the headline figure while money was still being created domestically. A country can show a falling dollar money stock while its own-currency money stock grows.

Country	Money created	FX translation	Total change, USD	FX effect
China	+$4,031bn	+$2,853bn	+$6,912bn	+41%
United States	+$1,446bn	+$0bn	+$1,446bn	+0%
India	+$465bn	-$221bn	+$240bn	-32%
Brazil	+$138bn	+$38bn	+$175bn	+22%
Euro area	+$851bn	-$681bn	+$164bn	-44%
Japan	+$119bn	-$646bn	-$526bn	-84%



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Why China's money stock dwarfs everyone else's

China has the largest money stock of any single country. At $50.9 trillion it is more than double the United States. That exceeds the United States and the euro area combined, though it is slightly below the rest of this sample once Japan is included (0.88x).

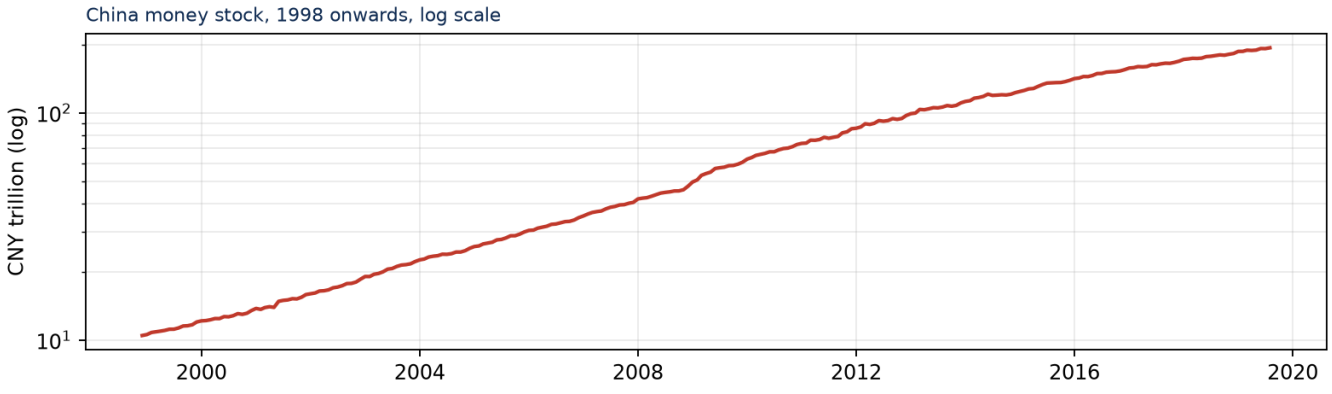
Between 1998-12-01 and 2019-08-01, a period of 21 years, China's M2 grew 18.5-fold, a compound rate of 15.2% a year. No other economy in this report approaches that rate over the same period. The world's largest money stock was assembled within one generation.

The ratio to GDP is the more informative comparison. China's money stock is about 261% of its GDP, against 76% for the United States and 235% for Japan. A country's money stock scales with the size of its economy and with how that economy is financed, so dollar levels compared across economies of different sizes and structures carry little information on their own.

The explanation is financial structure. Chinese firms borrow from banks; American firms issue bonds and equity. Bank lending creates deposits: when a Chinese bank lends it credits the borrower's account, and that deposit is money by definition. When a US company issues a bond, existing money changes hands and no deposit is created. Add a household savings rate well above the OECD norm and capital controls that keep those savings inside the domestic banking system, and a large M2 follows from how the economy is financed rather than from monetary policy.

Three consequences for readers of this report. Any global money aggregate is dominated by China, so a global total is substantially a statement about Chinese bank credit, and China is also the least timely source here, which is why the two totals on page two are reported separately. Growth rates travel better than levels: a one per cent change in Chinese M2 is a larger absolute sum than a one per cent change in US M2, so a single global growth rate weights China most heavily. And Chinese money growth is a weaker global liquidity signal than US money growth, because capital controls limit the extent to which a yuan deposit created in Chengdu can become a bid for a global risk asset.

Country	Money stock as % of GDP
China	261%
Japan	235%
United States	76%



The long history above is FRED's China series, which stopped in August 2019. It is used for the long-run shape only and is never spliced into the current level, which comes from the National Bureau of Statistics mirror shown on page one.

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Which measure, and why it differs by country

M2 in one country is not M2 in another. The rule here is the broadest aggregate each central bank publishes as standard, which means the letter changes between countries on purpose. Using the same letter everywhere would be a false consistency: Japan's M2 leaves out its largest deposit-taker, and America has not published an M3 since 2006.

Country	Measure	Why this one
United States	M2	The broadest the Fed still publishes; M3 was discontinued in 2006.
Euro area	M3	The ECB's headline broad money.
Japan	M3	M2 excludes Japan Post Bank, one of the country's largest deposit-takers; using M2 would understate Japanese money by roughly a third.
India	M3	RBI's headline broad money, and published fortnightly, the second-highest frequency in this report after US weekly M2.
China	M2	The PBoC's headline broad aggregate; China publishes no wider standard measure.
Brazil	M2	M3 and M4 add money-market funds and government securities, which are further from money than the others in this table.

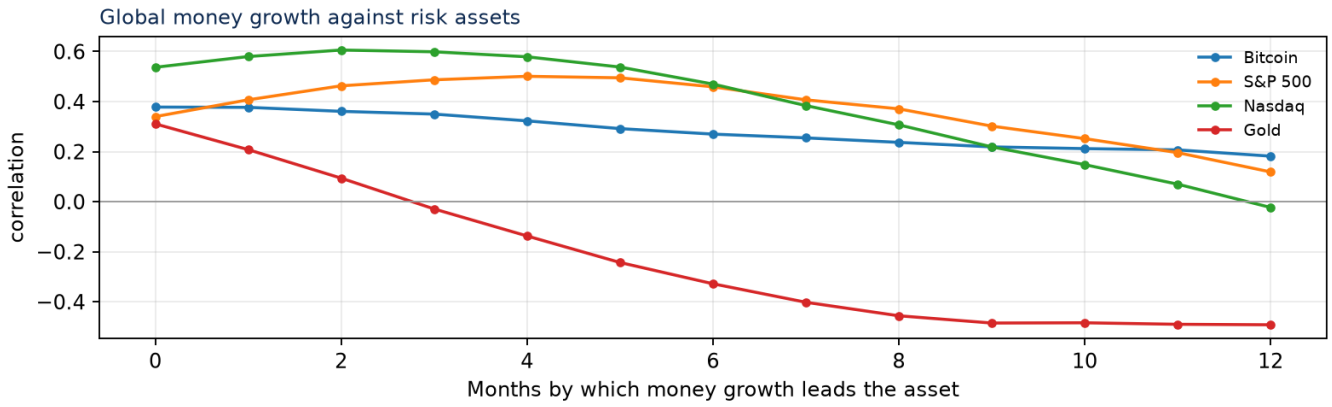
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Does money growth lead risk assets?

Global money is tracked on the claim that it leads risk assets, most often quoted as bitcoin by about three months. The tables below test that claim. Correlations are computed on year-on-year growth rather than levels: both money and equities trend upwards, so on levels almost any lag looks convincing.

Year-on-year windows at monthly frequency overlap by eleven months out of twelve, so consecutive readings are nearly the same number and the effective sample is about a twelfth of the observation count. The p-values below use that deflated sample size, which is why they are weak.

Asset	Best lag	Correlation	Eff. n	p	Reading
Bitcoin	0m	+0.38	11	0.26	not significant
S&P 500	4m	+0.50	10	0.13	not significant
Nasdaq	2m	+0.61	11	0.05	not significant
Gold	12m	-0.49	7	0.28	not significant



Bitcoin. Weak co-movement (r=+0.38) at zero lag. Money growth moves together with the asset rather than leading it, and is not significant after the overlap correction, so it is suggestive only.

S&P 500. Moderate relationship (r=+0.50), money growth leads the asset by 4 months, not significant after the overlap correction, so it is suggestive only.

Nasdaq. Strong relationship (r=+0.61), money growth leads the asset by 2 months, not significant after the overlap correction, so it is suggestive only.

Gold. Moderate inverse relationship (r=-0.49), money growth leads the asset by 12 months, not significant after the overlap correction, so it is suggestive only. Rising money growth has coincided with this asset falling, not rising.

Method and limitations

• Money stock is a level at a point in time, so it is carried to a month-end grid, never interpolated.

• Each country is converted at that month's own exchange rate; no single fixed rate is used.

• The global total sums only months where every included country has actually published.

• Correlations are on year-on-year growth rather than levels. Both money and equities trend, so levels would show a spurious relationship at almost any lag.

• Significance uses a sample size deflated for the 12-month overlap in year-on-year windows.

• India is in the levels and the decomposition but not the growth aggregate -- RBI serves only ~3 years, and the aggregate needs depth for the lead-lag work.

• Coverage is partial and named on page one. This is a liquidity report on the countries listed, not a claim about the whole world.

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• Every source is free and public. No paid API is used anywhere in this report.

• M1/M2/M3 levels are shown in national currency and are not comparable across countries -- euro-area, Japanese and Indian M3 are three different constructions, and Brazil publishes M4 where others publish M3.

• US M1 has a definitional break in May 2020 (savings deposits reclassified in). Growth across that date is not computed, and the break is marked on the chart.

• India's M1 is derived as M3 minus time deposits -- exact by RBI's own identity, since RBI publishes no M1 level through any automatable channel.

• Velocity is nominal GDP over the money stock, both in local currency, so no exchange rate enters it. GDP is interpolated between its own observations to give a monthly series, so month-to-month movement in velocity is driven by the money denominator.

• CPI comes from the IMF rather than FRED's OECD mirrors, every one of which was between one and five years stale while still returning plausible numbers.

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Narrow and broad money, country by country

M1 counts currency in circulation and deposits that can be spent immediately. M2 adds savings deposits and small time deposits. M3 adds longer and larger deposits and, in most definitions, money-market instruments. The gap between M1 and M3 measures how much of a country's money is held as savings rather than for transactions.

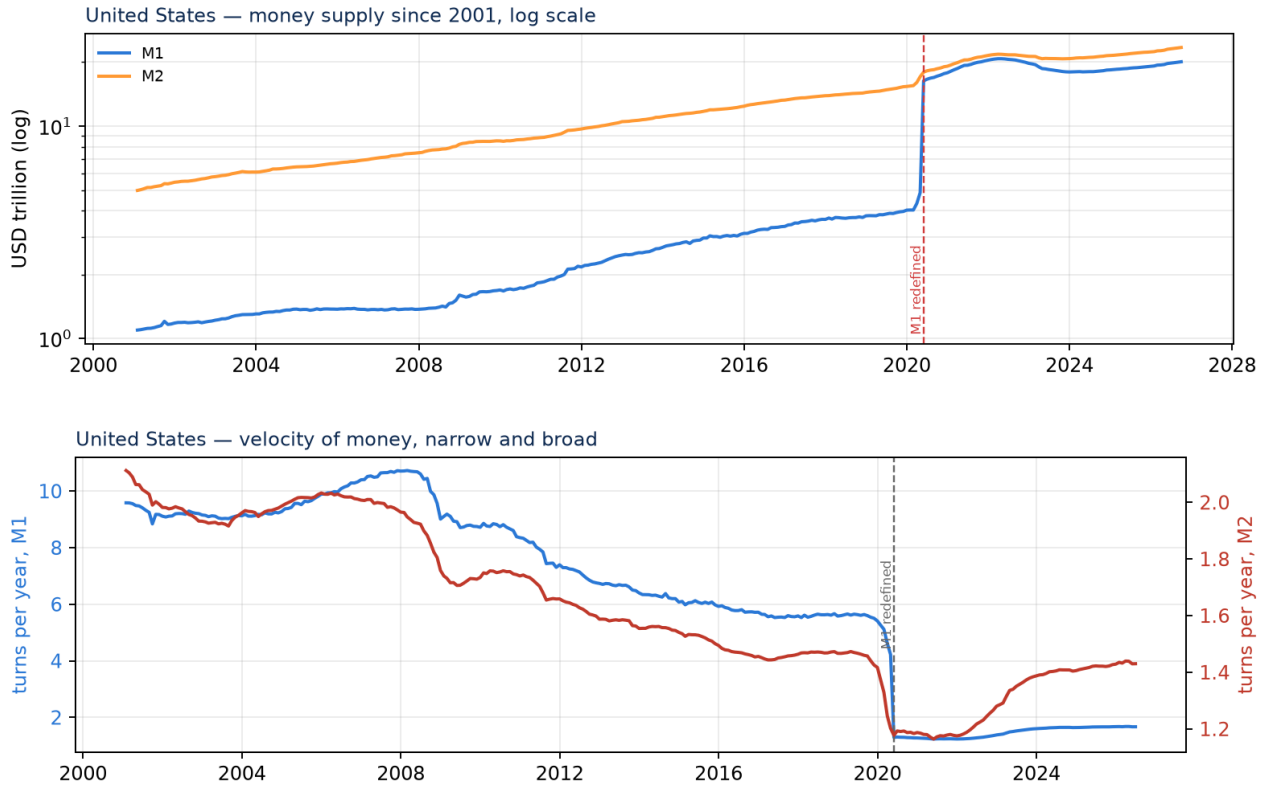
Levels are shown in national currency and are not comparable across countries. The euro area, Japan and India each construct M3 differently, and Brazil publishes M4 where others publish M3. Shapes and growth rates are comparable; levels are not.

The United States discontinued M3 in 2006, so the US panel shows two series rather than three. US M1 also has a definitional break in May 2020, when savings deposits were reclassified as transaction accounts and the level roughly tripled without any money being created. Growth figures spanning that date are not computed, and the break is marked on the chart.

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United States

Measure	Latest	Month	YoY	From	Growth
M1	USD 20.1 tn	2026-09	+6.2%	2001-01	not meaningful
M2	USD 23.4 tn	2026-09	+5.7%	2001-01	4.7x



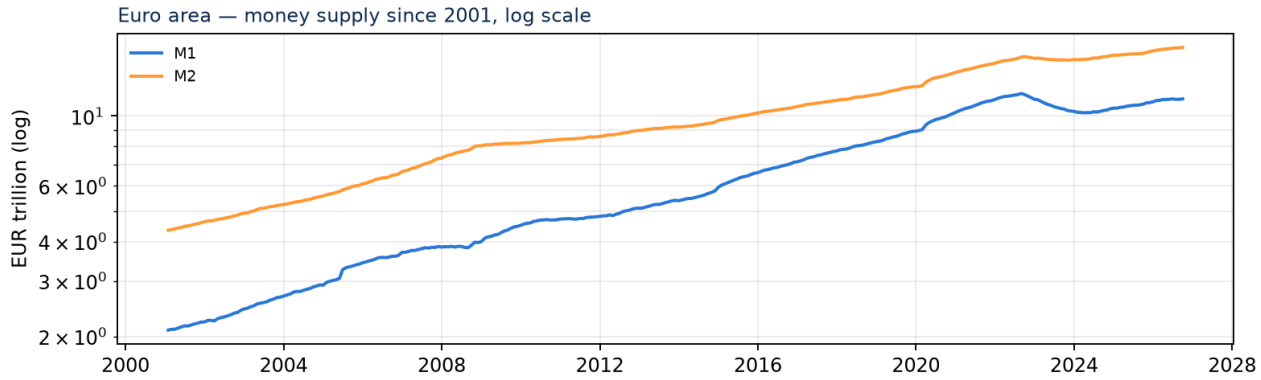
Transaction money is 86% of M2 in United States. That share has fallen from 91% to 86% over 6 years, so a growing share is held as savings rather than for transactions, measured from June 2020 onward because the May 2020 reclassification of savings deposits into M1 makes any comparison across that date invalid. The step in the M1 line at May 2020 is that reclassification, a definitional change rather than a monetary event.

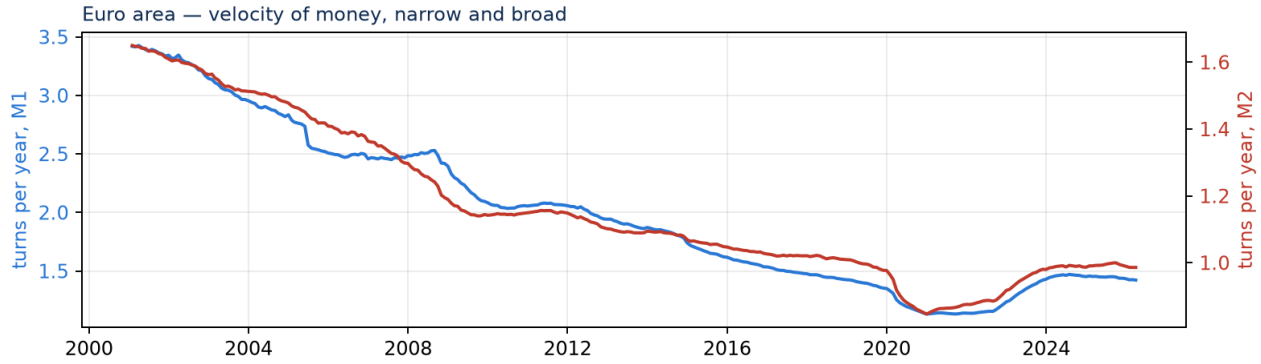
United States turns over its narrow money 1.7 times a year and its M2 1.43 times, against peer medians of 1.4 and 0.96.

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Euro area

Measure	Latest	Month	YoY	From	Growth
M1	EUR 11.3 tn	2026-09	+4.0%	2001-01	5.4x
M2	EUR 16.5 tn	2026-09	+4.4%	2001-01	3.8x





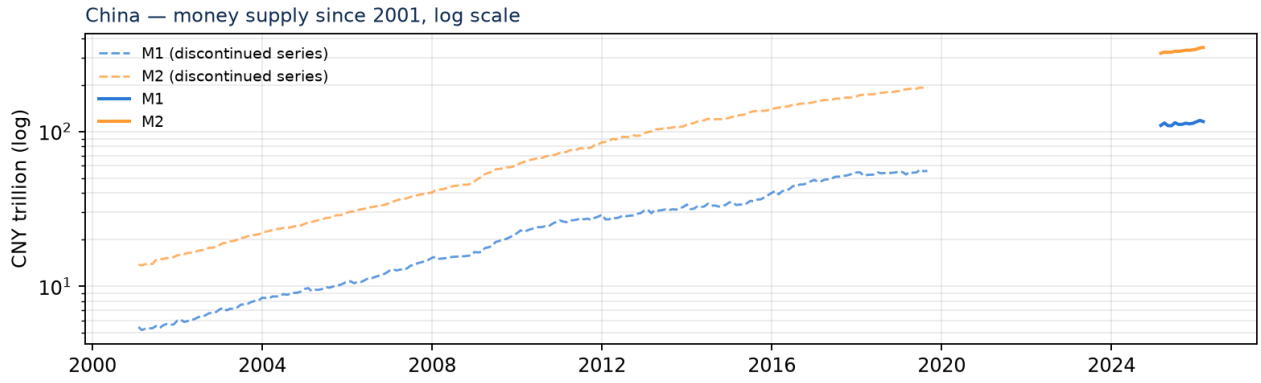
Transaction money is 69% of M2 in Euro area. That share has risen from 48% to 69% over 26 years, so a growing share of this country's money is held in spendable form.

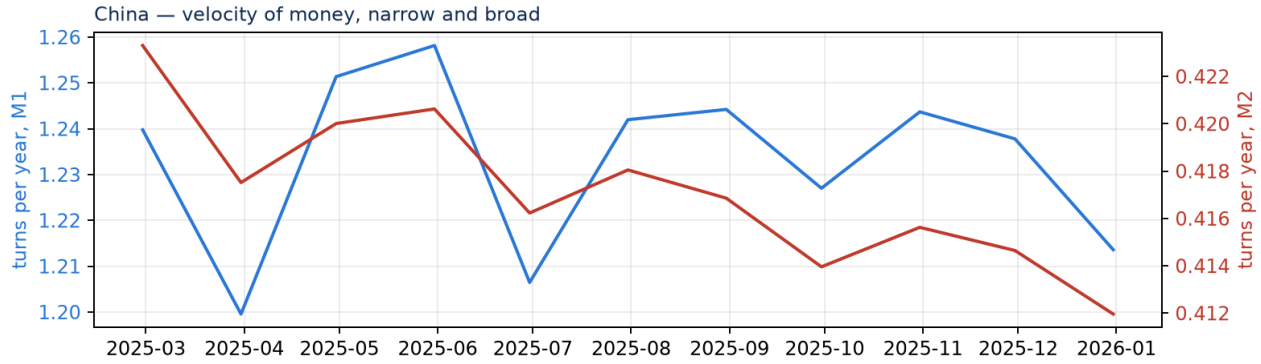
Euro area turns over its narrow money 1.4 times a year and its M2 0.99 times, against peer medians of 1.7 and 0.96.

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China

Measure	Latest	Month	YoY	From	Growth
M1	CNY 115.9 tn	2026-02	n/a	2025-02	1.1x
M2	CNY 349.2 tn	2026-02	n/a	2025-02	1.1x



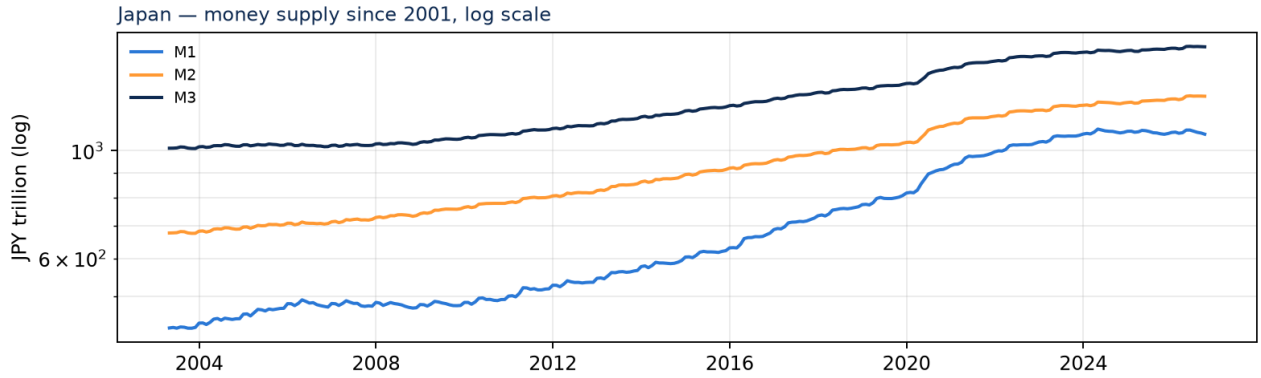


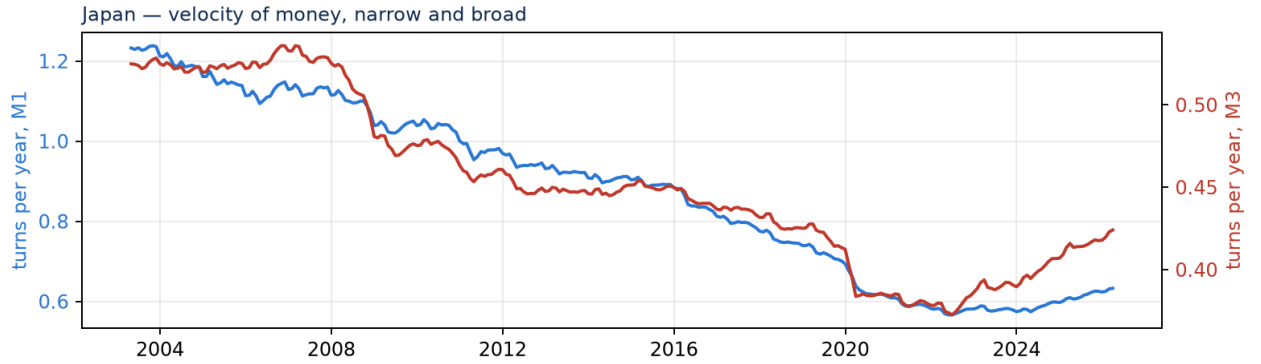
China turns over its narrow money 1.2 times a year and its M2 0.41 times, against peer medians of 1.7 and 0.99.

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Japan

Measure	Latest	Month	YoY	From	Growth
M1	JPY 1,081.9 tn	2026-09	-0.2%	2003-04	2.5x
M2	JPY 1,295.6 tn	2026-09	+2.0%	2003-04	1.9x
M3	JPY 1,638.3 tn	2026-09	+1.2%	2003-04	1.6x





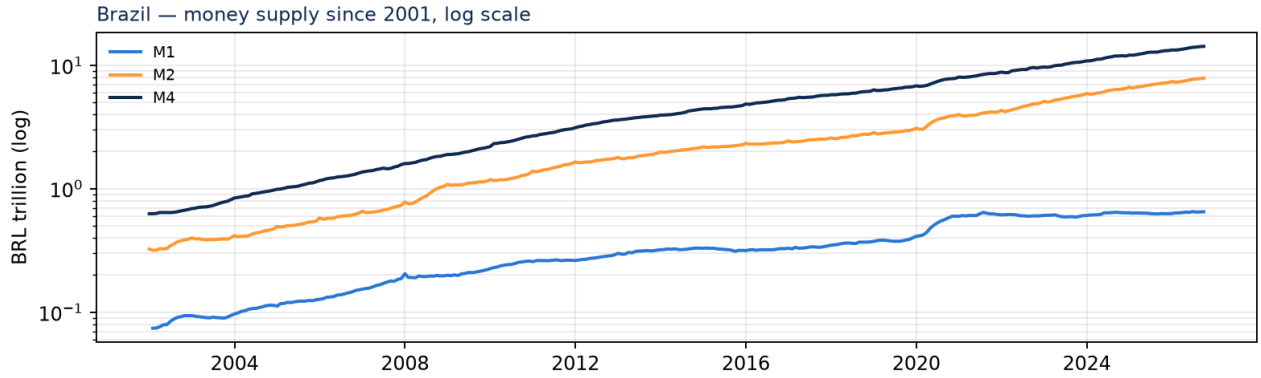
Transaction money is 66% of M3 in Japan. That share has risen from 43% to 66% over 23 years, so a growing share of this country's money is held in spendable form.

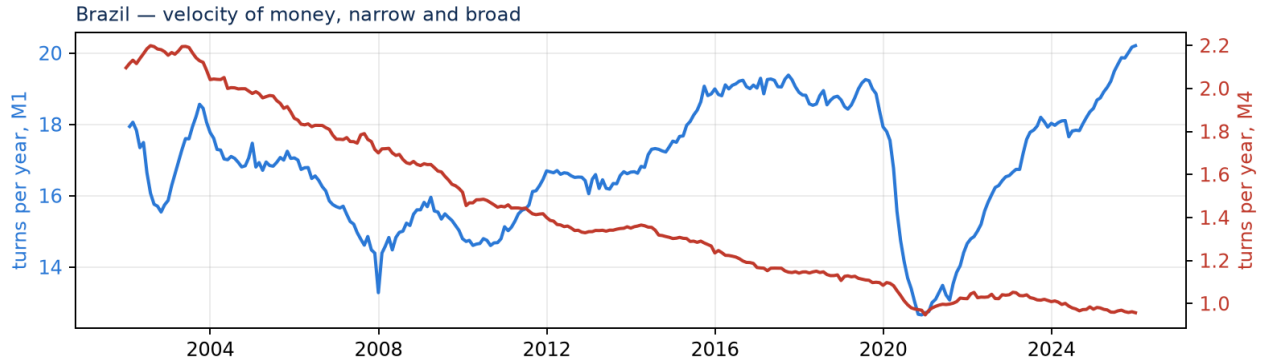
Japan turns over its narrow money 0.6 times a year and its M3 0.42 times, against peer medians of 1.7 and 0.99.

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Brazil

Measure	Latest	Month	YoY	From	Growth
M1	BRL 0.7 tn	2026-09	+3.4%	2002-01	8.8x
M2	BRL 7.9 tn	2026-09	+9.9%	2001-12	24.3x
M4	BRL 14.2 tn	2026-09	+9.7%	2001-12	22.7x





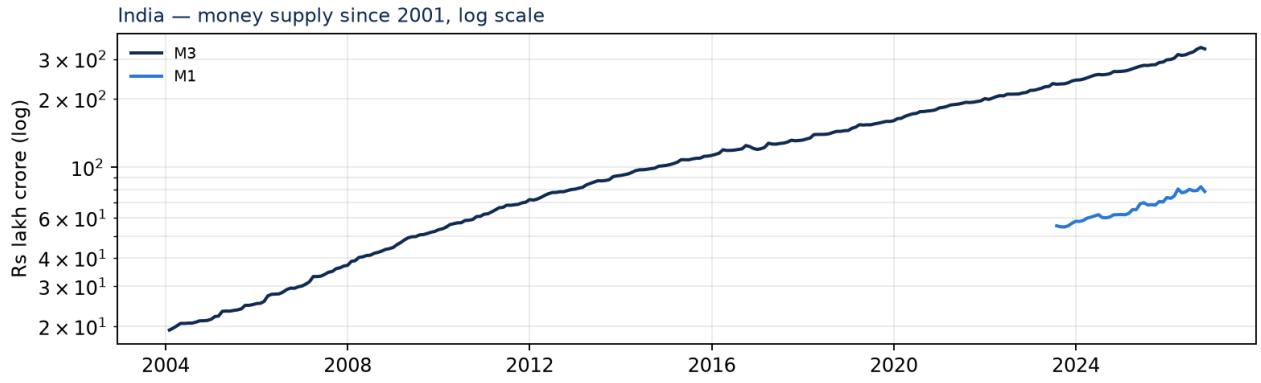
Transaction money is 5% of M4 in Brazil. That share has fallen from 12% to 5% over 25 years, so a growing share is held as savings rather than for transactions.

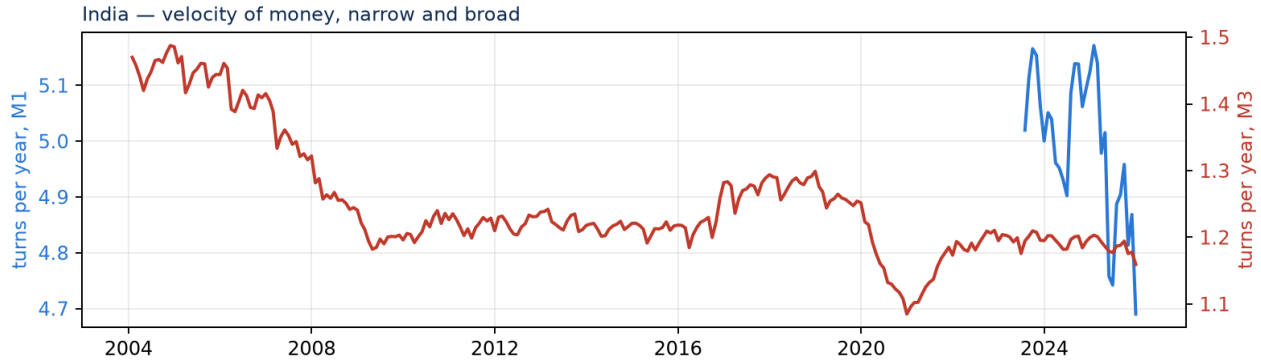
Brazil combines high narrow velocity (20.2 against a peer median of 1.4) with low broad velocity (0.96 against 0.99), indicating a large savings stock held inside M4 but outside M1.

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India

Measure	Latest	Month	YoY	From	Growth
M1	INR 78.4 lakh cr	2026-10	+10.7%	2023-07	1.4x
M3	INR 333.0 lakh cr	2026-10	+14.8%	2004-01	17.3x





Transaction money is 24% of M3 in India. That share has changed little over 3 years, from 24% to 24%.

India turns its narrow money over 4.7 times a year against a peer median of 1.4, the highest here apart from Brazil. Its broad money turns over 1.16 times, above the peer median of 0.96. About 24% of India's M3 is held in spendable form. Indian households hold an unusually large share of savings as bank time deposits rather than in securities, pensions or money-market funds, and time deposits fall inside M3 but outside M1. The broad stock is therefore large relative to output while transaction balances remain small relative to a fast-growing nominal economy. Small transaction balances financing a large output is what high narrow velocity measures, and UPI has raised it further by allowing each rupee of M1 to clear more payments a year. India's broad velocity has fallen steadily since 2001 as financial deepening drew deposits into the banking system faster than output grew. It remains above this peer group's median because Chinese and Japanese broad money are larger still relative to their economies. Broad velocity reflects where a country saves; narrow velocity reflects how efficiently it pays. Neither indicates whether monetary policy is loose or tight.

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The velocity of money

Velocity is nominal output divided by the money stock: the number of times the average unit of money changes hands in a year to finance what the economy produced. Narrow velocity uses M1 and measures the turnover of transaction balances. Broad velocity uses M3, or M4 where that is the published aggregate, and measures the turnover of all money including savings.

The two can move in opposite directions. A country whose households hold savings as bank deposits shows a large broad stock relative to output and therefore low broad velocity, while its transaction balances may be small and fast. A country whose savings sit in securities shows the reverse. Neither pattern indicates whether monetary policy is loose or tight.

Nominal GDP is published quarterly at best, and annually for several countries here, while the money stock is monthly or more frequent. Velocity is computed monthly by interpolating GDP between its own observations, so month-to-month movement reflects the money denominator rather than output.

Country	GDP / M1	Broad	GDP / broad	M1 % of broad	Since 2001
United States	1.7	M2	1.43	86%	-32%
Euro area	1.4	M2	0.99	69%	-40%
China	1.2	M2	0.41	33%	n/a
Japan	0.6	M3	0.42	66%	-19%
Brazil	20.2	M4	0.96	5%	-54%
India	4.7	M3	1.16	24%	-21%

The spread across countries is wide and structural rather than cyclical. Brazil turns its narrow money over 20.2 times a year; China turns its broad money over 0.41 times. These figures describe different financial systems: how much national saving sits inside the banking system as deposits, how much sits outside it in securities and pensions, and how efficiently the payment system recycles transaction balances.

US narrow velocity is not comparable with the rest of this table. Since May 2020 US M1 has included savings deposits, which other countries count in M2 and above, so the denominator is far larger than a conventional M1. Its trend after 2020 is meaningful; its level against peers is not.

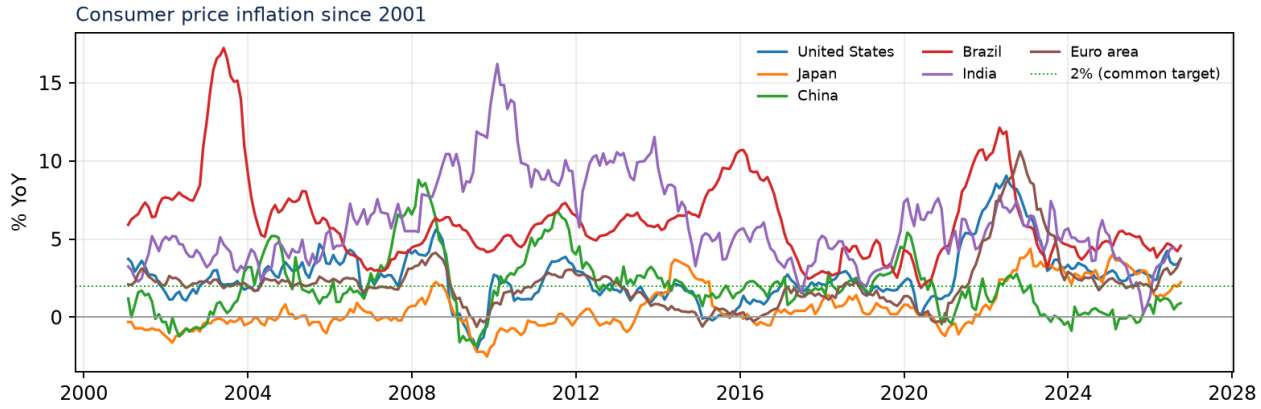
Broad velocity has fallen in 5 of the 5 economies measured here since 2001, steepest in Brazil at -54%. Broad money has grown faster than nominal output for two decades, which is the same fact as the rising money-to-GDP ratios reported earlier, measured from the other side.

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Money and prices

If money grows faster than the output it chases, prices rise, and the transmission takes time, so money growth should lead inflation rather than move with it. The tables that follow measure that lag on growth rates rather than levels, with significance computed on the effective sample size after correcting for overlapping year-on-year windows.

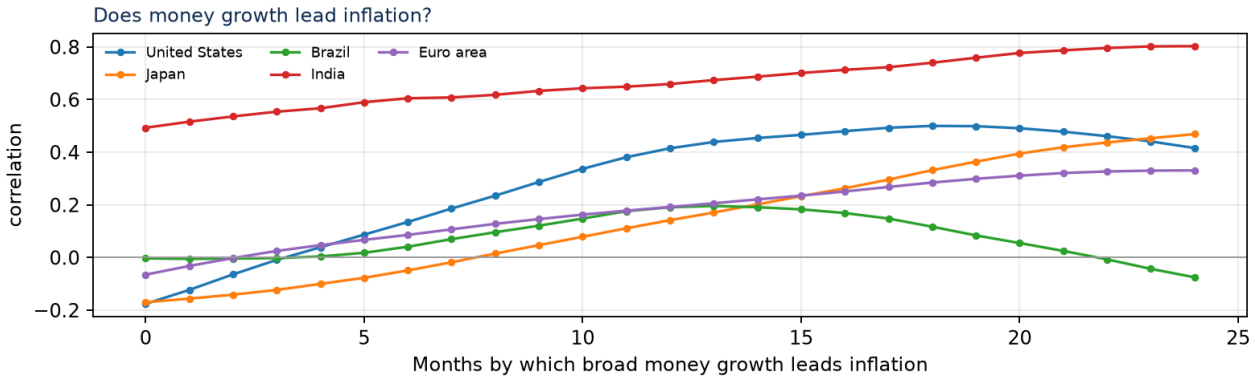
Velocity is not constant, so money growth passes into spending only to the extent the money is used rather than held. The 2020-21 episode shows this: broad money rose sharply across every economy here, velocity fell as balances were held, and inflation followed late and unevenly. Money growth was a necessary condition for that inflation but not a sufficient one.



Country	CPI YoY	As at	Avg since 2001	Broad money YoY
United States	+3.74%	2026-09-30	2.57%	+5.7%
Japan	+2.23%	2026-09-30	0.60%	+1.2%
China	+0.90%	2026-09-30	1.98%	n/a
Brazil	+4.58%	2026-09-30	6.15%	+9.7%
India	+4.44%	2026-07-31	5.98%	+14.8%
Euro area	+3.75%	2026-09-30	2.17%	+4.4%

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Does money growth lead inflation?



Strongest correlation between broad money growth and inflation up to two years later, by country: Brazil r=+0.20 at 13m, the euro area r=+0.33 at 24m, India r=+0.80 at 24m, Japan r=+0.47 at 24m, the United States r=+0.50 at 18m.

India, Japan and the United States are significant after the overlap correction. Brazil and the euro area are not. Year-on-year growth measured monthly reuses eleven of its twelve months at each step, so the effective sample is roughly a twelfth of the observation count.

In 5 of 5 economies the strongest positive correlation has money growth leading inflation, with a median lag of 24 months. A lag that long is consistent with the standard transmission mechanism and of little use for timing: by the time a money impulse reaches prices, the policy response is usually already under way.

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