

# Money Supply Issues

- Monetary supply (physical) circulating in the economy versus money in a bank account (available for bank to loan out as well as for me to withdraw); interest bearing
- Fractional reserve banking (ability to stretch / expand) as you don't need to supply money for all of whats on the books at one time.
- Wealth tied up in e.g. a house - represents wealth, can raise funds against that
  - Look up definitions for these

## 3. Liquidity

- haircuts etc.
- See e.g. Archegos Capital Management liquidity crisis
  - Relevance here is the money supply question - reduction in asset price → margin call
  - Who has custody of the stock v who has title; price impact

## 4. In general - issues that may have some impact on the money supply

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