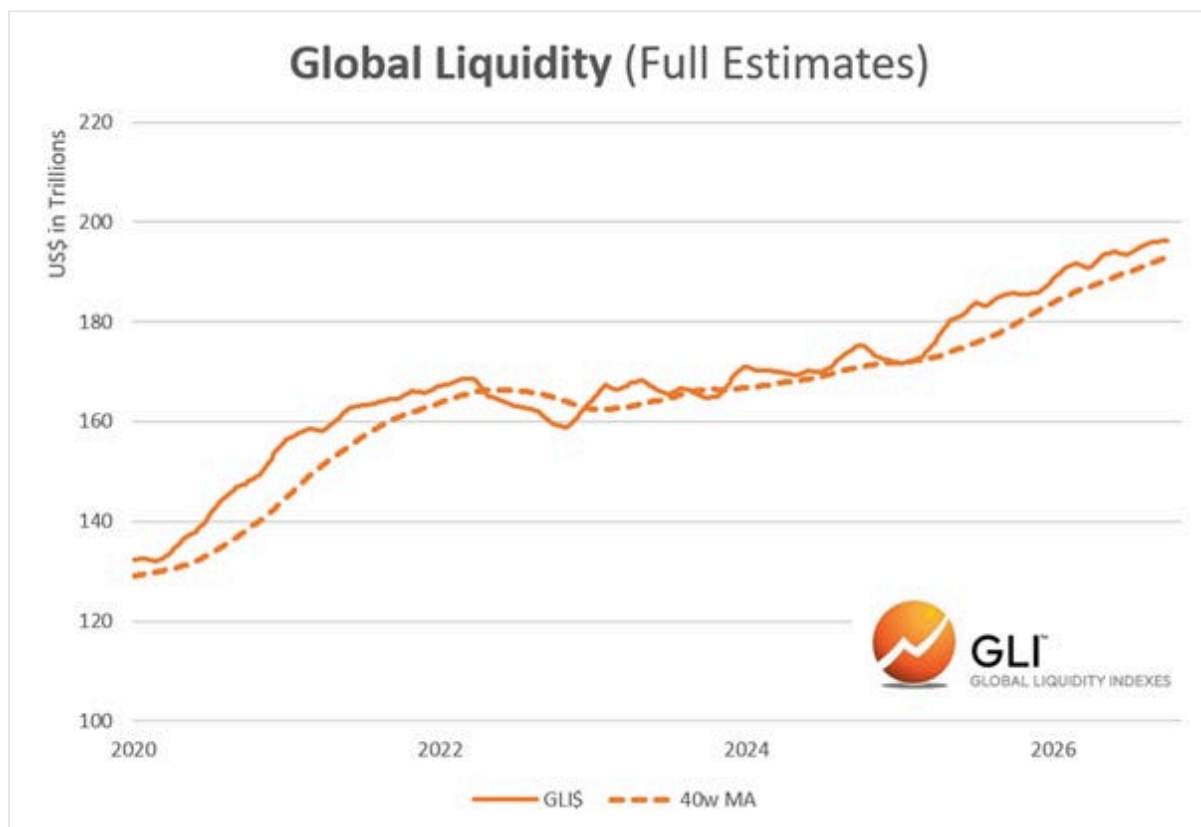


Crypto, Gold and Bonds

Global Liquidity Still Dominates

Global Liquidity, measured on our full-sample basis and expressed in US dollars, continues to reach new all-time highs. **Admittedly, and contrary to our expectations at the start of the year, the cycle has extended far longer than we anticipated.** This report argues that while the **level of liquidity** may still be abundant, the **collateral system through which that liquidity is transmitted is becoming progressively tighter.**



Two factors largely explain this resilience. First, Federal Reserve tightening has proceeded at a relatively measured pace. Second, governments have increasingly monetised public debt through mechanisms such as “Treasury QE”, whereby Treasury bill issuance effectively channels liquidity into private markets.

The consequences for liquidity-sensitive assets have been unmistakable. Both the NASDAQ and Bitcoin have benefited from this powerful liquidity tailwind. The chart below illustrates the close relationship between the six-week rate of change in Global Liquidity, advanced three months, and the corresponding move in Bitcoin (BTC\$).

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