

Global M2 & Liquidity

Weekly · edition 2026-08-30

Executive summary

Core global money stock stands at \$55.17 trillion as at 2026-07-31, covering United States, Euro area, Japan and Brazil — the 4 sources that are both current and long enough to measure. That is +3.6% on a year earlier, against +5.4% twelve months ago, and +0.74% on the month (+\$405bn).

Including China the total is \$109.08 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, because forward-filling a laggard invents a number that was never published.

About 25% of the past year's change in the dollar value of this money was exchange-rate translation, not money creation. That is the distinction the popular global-liquidity charts collapse, and it is why the figure above should never 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 \$3.38 trillion, M3 as at 2026-07-30, 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.

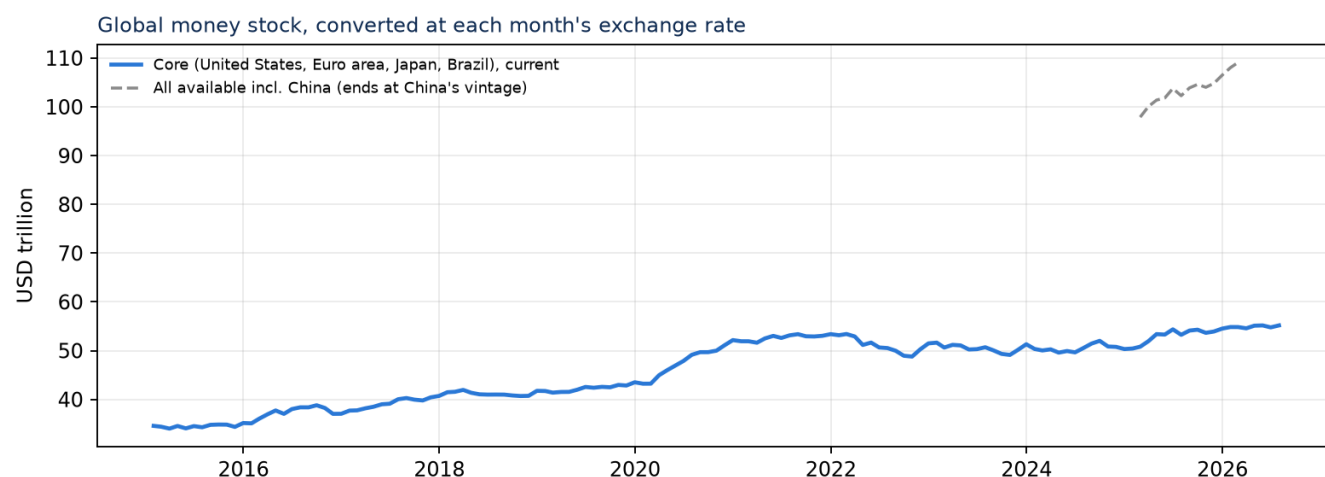
Where the numbers came from, and how fresh they are

This table is the point of the report, not an appendix. Every convenient multi-country money-supply feed that was tested is years out of date while still returning clean, plausible numbers — so each country here is taken from its own central bank and stamped with its own observation date. A source that dies shows up here rather than quietly freezing a line on a chart.

Country	Measure	Source	Freq	Last obs.	Lag	Status
United States	M2	FRED / Federal Reserve H.6	weekly	2026-08-03	27d	current
Euro area	M3	ECB Data Portal (BSI)	monthly	2026-07-01	60d	current
Japan	M3	Bank of Japan API (MD02)	monthly	2026-07-01	60d	current
India	M3	RBI DBIE data query (MSC_F_RN) fortnightly	fortnightly	2026-07-30	31d	current
Brazil	M2	Banco Central do Brasil (SGS 27810	monthly	2026-07-01	60d	current
China	M2	NBS via DBnomics	monthly	2026-02-01	210d	STALE
South Africa	M3	SARB WebIndicators	-	-	—	UNAVAILABLE

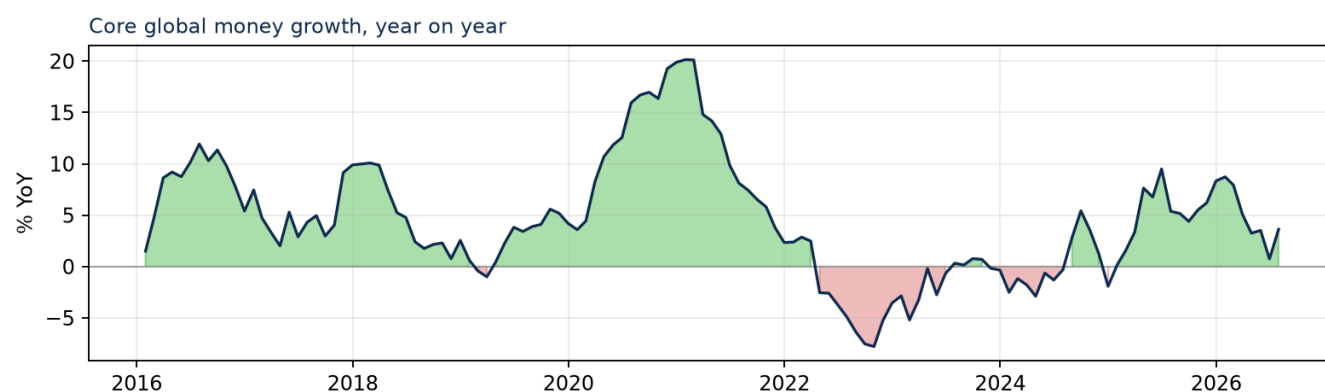
Not yet sourced: Russia (CBR publishes XLSX, no JSON service found), South Africa (SARB WebIndicators API is live but the M3 series code is not published), United Kingdom (BoE IADB not yet wired). These are not gaps in the method — they are central banks whose data is not machine-readable without further work, and each is named so the coverage is never overstated.

The global money stock



Levels and flows by country

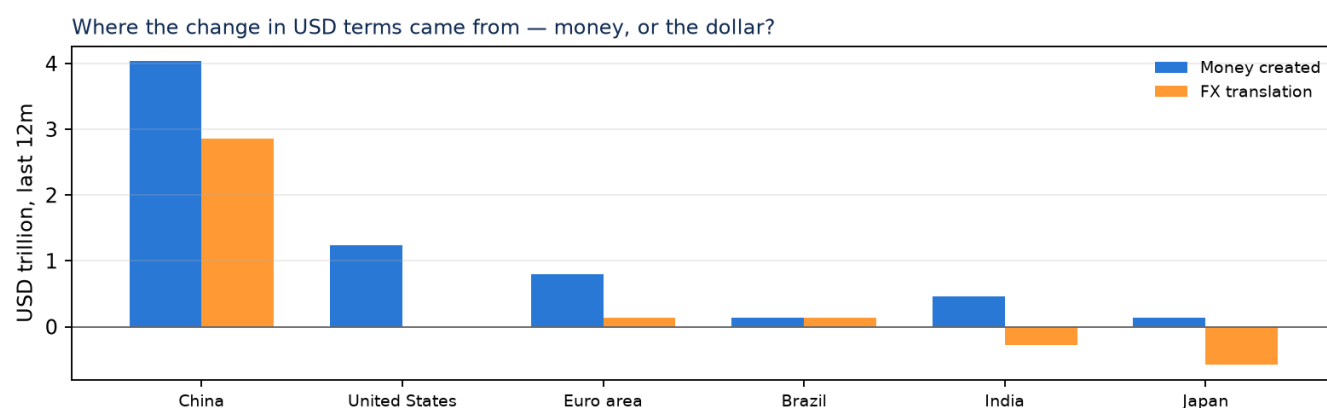
Country	Measure	Native level	USD level	1m flow	YoY	As of
United States	M2	23.21tn USD	\$23.21T	+\$164bn	+5.6%	2026-08-31
Euro area	M3	17.61tn EUR	\$20.29T	+\$178bn	+4.8%	2026-07-31
Japan	M3	1,641.24tn JPY	\$10.31T	+\$228bn	-4.1%	2026-07-31
India	M3	322.78tn INR	\$3.38T	+\$15bn	+5.3%	2026-07-31
Brazil	M2	7.74tn BRL	\$1.53T	+\$32bn	+21.5%	2026-07-31
China	M2	349.22tn CNY	\$50.92T	+\$975bn	+15.7%	2026-02-28



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.

Country	Money created	FX translation	Total change, USD	FX share
China	+\$4,031bn	+\$2,853bn	+\$6,912bn	41%
United States	+\$1,236bn	+\$0bn	+\$1,236bn	0%
Euro area	+\$802bn	+\$141bn	+\$938bn	15%
Brazil	+\$139bn	+\$132bn	+\$270bn	49%
India	+\$455bn	-\$279bn	+\$172bn	162%
Japan	+\$140bn	-\$580bn	-\$439bn	132%



Why China's money stock dwarfs everyone else's

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

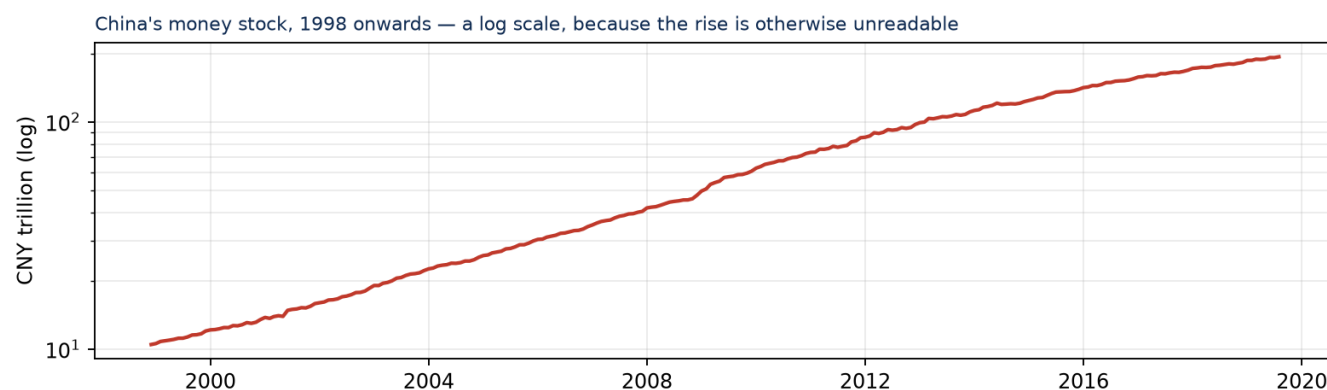
It was not always so, and the change is recent. Between 1998-12-01 and 2019-08-01 — 21 years — China's M2 grew 18.5-fold, a compound rate of 15.2% a year, every year, for two decades. Nothing in the United States, the euro area or Japan comes close to that over the same period. This is the single most important fact about the chart on this page: the world's largest money stock was assembled inside one generation.

The level is the wrong comparison; the ratio to GDP is the right one. China's money stock is about 261% of its GDP, against 75% for the United States and 233% for Japan. A country's money stock scales with the size of its economy and with how that economy is financed, so comparing dollar levels across countries of different sizes and different financial structures tells you very little on its own.

The reason is financial structure, not the printing press. Chinese firms borrow from banks; American firms issue bonds and equity. That distinction matters because bank lending CREATES deposits — when a Chinese bank lends, it credits the borrower's account, and that new deposit is money by definition. When a US company issues a bond, existing money changes hands and no new deposit is created. Add a household savings rate far above the OECD norm, and capital controls that keep those savings inside the domestic banking system rather than flowing abroad, and a very large M2 is the arithmetic consequence of how the economy is financed rather than evidence of monetary indiscipline.

What follows for a reader of this report. First, 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. Second, 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 quietly weights China most heavily. Third, be careful reading Chinese money growth as a global liquidity impulse in the way US money growth is read: capital controls mean a yuan deposit created in Chengdu is far less able to become a bid for a global risk asset than a dollar deposit created in Chicago.

Country	Money stock as % of GDP
China	261%
Japan	233%
United States	75%



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

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.

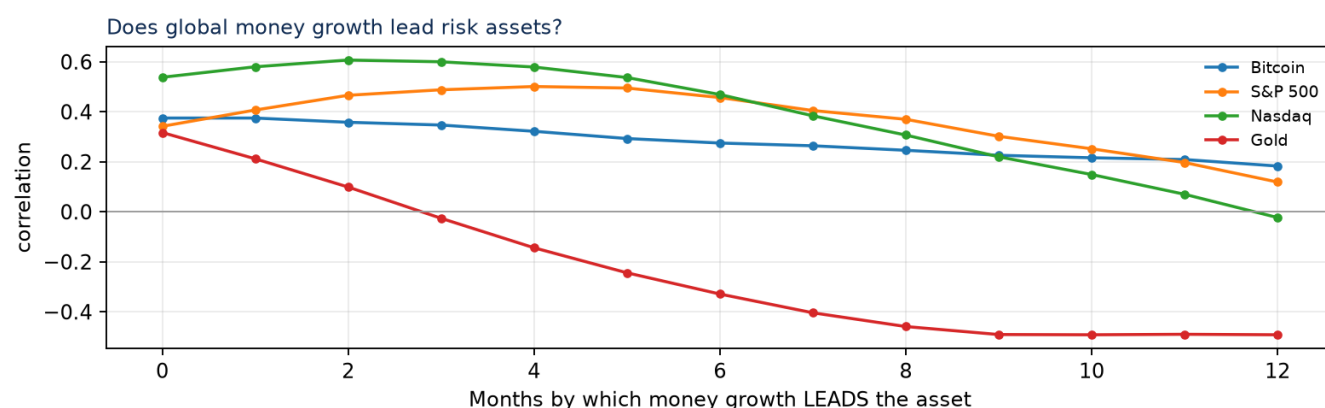
Country	Measure	Why this one
United States	M2	The broadest the Fed still publishes; M3 was discontinued in 2006.
Euro area	M3	The ECB's headline broad money.
Japan	M3	M2 EXCLUDES Japan Post Bank, one of the country's largest deposit-takers; using M2 would understate Japanese money by roughly a third.
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.

Does money growth lead risk assets?

The reason anyone tracks global money is the claim that it **LEADS** risk assets — bitcoin by about three months is the usual version. That is testable, so it is tested here rather than repeated. Correlations are on year-on-year **GROWTH**, never levels: both money and equities trend upwards, so on levels almost any lag looks convincing.

Read the significance column, not the correlation. Year-on-year windows at monthly frequency overlap by eleven months out of twelve, so consecutive readings are nearly the same number and the true sample is about a twelfth of what it appears. The p-values below use that deflated sample size. They are weak on purpose — that is what this evidence actually supports.

Asset	Best lag	Correlation	Eff. n	p	Reading
Bitcoin	0m	+0.38	11	0.27	not significant
S&P 500	4m	+0.50	10	0.13	not significant
Nasdaq	2m	+0.61	10	0.06	not significant
Gold	10m	-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, but does NOT survive the overlap correction, so treat it as suggestive only.

S&P 500. Moderate relationship ($r=+0.50$) with money growth leads the asset by 4 months, but does NOT survive the overlap correction, so treat it as suggestive only.

Nasdaq. Strong relationship ($r=+0.61$) with money growth leads the asset by 2 months, but does NOT survive the overlap correction, so treat it as suggestive only.

Gold. Moderate inverse relationship ($r=-0.49$) with money growth leads the asset by 10 months, but does NOT survive the overlap correction, so treat it as suggestive only. Money growth rising has gone with this asset **FALLING**, not rising.

Method, and what this report will not claim

- 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, never 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.

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