Ainslie Wealth. x Mastering the Markets

Macro and Global Liquidity Analysis

Latest data for Monday, 17 November 2025

Ainslie Group

Ainslie Bullion Founded in 1974

1974 – Ainslie Bullion – A cornerstone in the Australia precious metals market, Australia's 2nd largest independent bullion dealer, and Perth Mint's Primary Distributor.

Expanded Our Offerings

2017 – Ainslie Crypto – First OTC Dealer in Australia.
2019 – Gold & Silver Standard – Tokenised Precious Metals.
2025 – Ainslie Wealth – Bitcoin & Bullion Managed Fund.

Key Entities

AINSLIE BULLION

AINSLIE CRYPTO

the Gold & Silver STANDARD

Ainslie Wealth.

RESERVE VAULT

The Melbourne Vault™

Ainslie Wealth.

Bitcoin & Bullion Fund

Perform, Protect, and Optimise.

The market changes. Currency debases. Volatility rises. Hard assets endure.

✓ **Bitcoin performs**
The best-performing asset of the last decade.

✓ **Precious metals protect**
A proven hedge against inflation and uncertainty.

✓ **Ainslie optimises**
Professional management for resilience and profitability.

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Our Team



Paul Engeman

Chief Investment Officer
and Director



Christopher Tipper

Chief Economist and Strategist



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Research and Analysis Manager



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Responsible Manager and
Investment Committee



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Michael Engeman

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Finance Manager



Stephanie Cumming

Director

Disclaimer

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As Chief Economist, I may personally take positions in these markets counter to the general buy/sell recommendations provided, which may or may not be market neutral.

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The Cycles – 17 November 2025

Global Liquidity Cycle: Decreasing

Increasing → Decreasing

Global Macro Cycle: Early Cycle

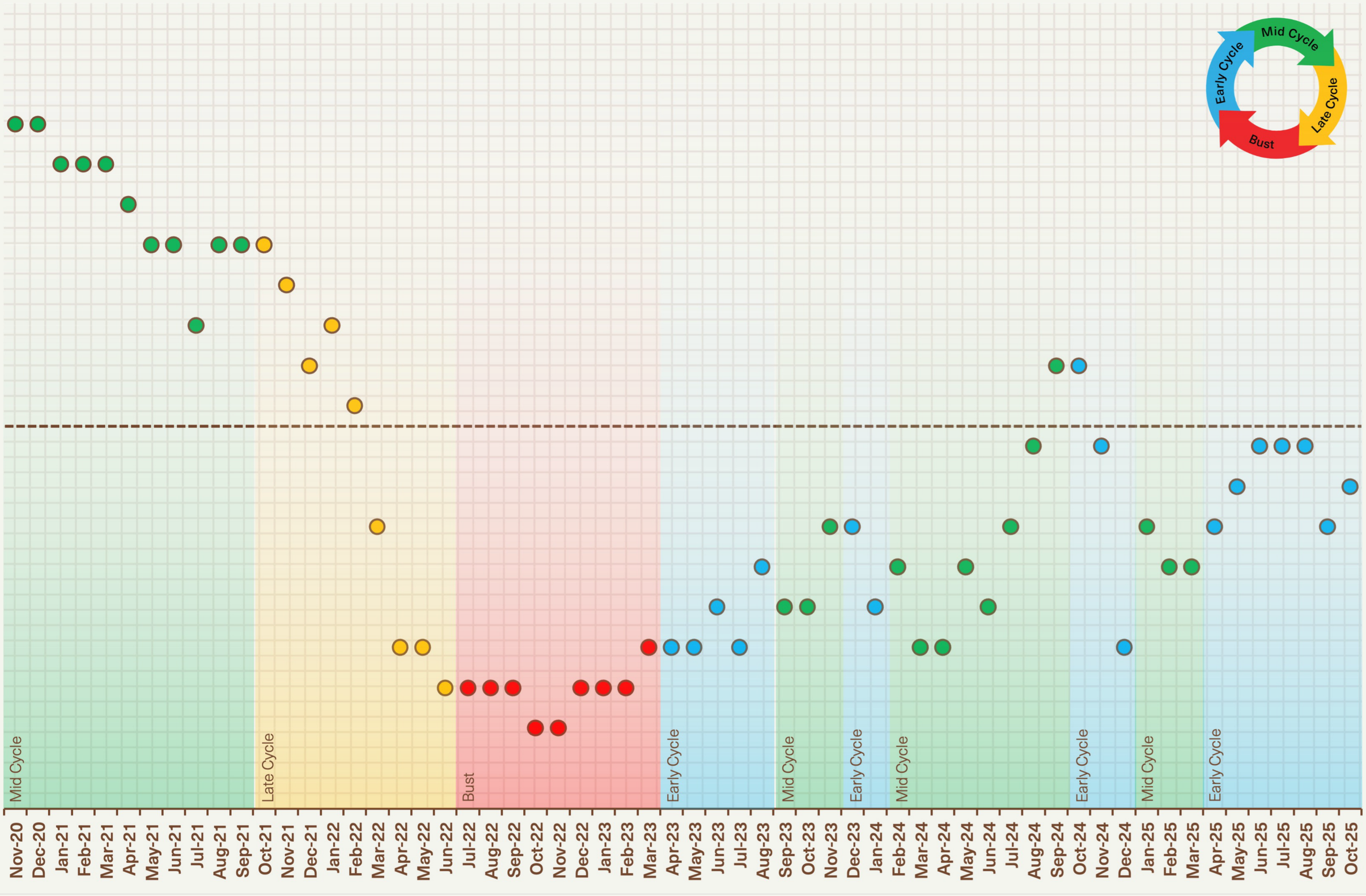
Early Cycle → Mid Cycle → Late Cycle → Bust

Bitcoin Cycle: Strong Bear Market

Strong Bull Market → Bull Market → Bear Market → Strong Bear Market

Global Liquidity and Macro Cycle – November 2025

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Source of Global Liquidity Index Data: Global Liquidity Indexes | Source of Macro Cycle Data: Raoul Pal & Julien Bittel (The Macro Investing Tool)

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Bitcoin Cycle – 16 November 2025

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Source of Bitcoin Cycle Data: Biyond Vanguard

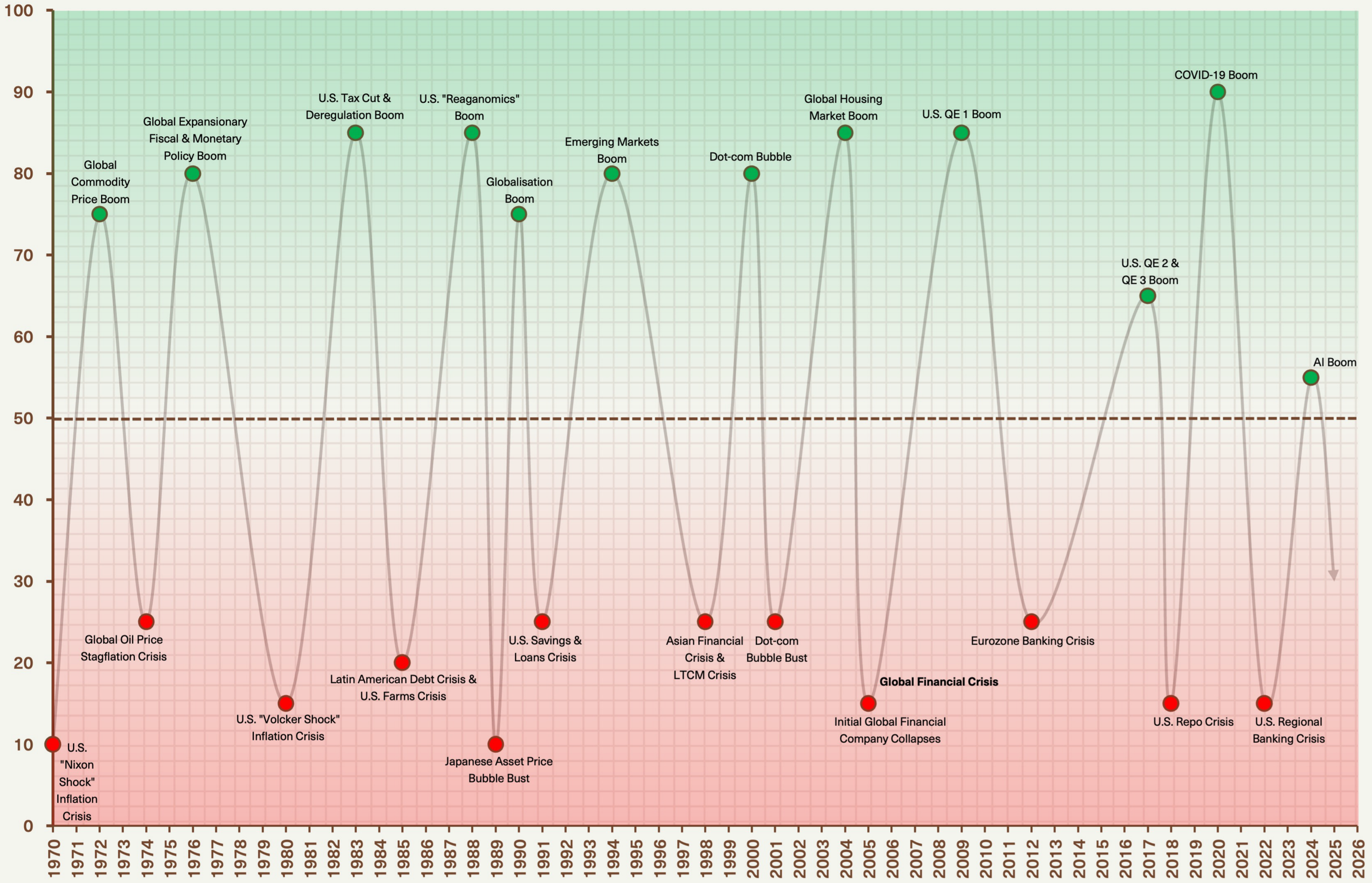
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Deep Dive on the Global Liquidity Cycle

Global Liquidity Cycles – Since 1970

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Source of Global Liquidity Index Data: Global Liquidity Indexes

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Taking a Closer Look at Global Liquidity Cycles Since 1970

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The ebbs and flows of global liquidity are highly significant when it comes to understanding global markets, leading the responses for more than 50 years.

Let's take a closer look at the past 11 global liquidity cycles, the driving factors, and consequences, from 1970 onwards.

🪩 1970s 🪩

📉 A sharp drop in global liquidity triggered a period of economic instability which led to the 🔴 **U.S. "Nixon Shock" Inflation Crisis** where U.S. President Nixon ended the gold standard, resulting in significant inflation.

📈 Policies to recover resulted in a steady rise in global liquidity which led to the 🟢 **Global Commodity Price Boom** with prices surging on the back of high demand as the Vietnam war was ending and the drive for economic expansion, urbanisation and infrastructure development increased.

📉 Global liquidity plummeted as governments responded to stubborn inflation, exacerbating economic challenges worldwide which led to the 🔴 **Global Oil Price Stagflation Crisis** as an OPEC oil embargo caused oil prices to spike during a period of weak economic growth, resulting in stagflation (high inflation combined with economic stagnation).

📈 In an attempt to spark economic recovery and growth to offset the persistent inflation pressures, policies shifted back to provide a significant increase in global liquidity, which led to the 🟢 **Global Expansionary Fiscal & Monetary Policy Boom** as governments and central banks around the world implemented expansionary policies to combat stagflation.

🕹️ 1980s 🕹️

📉 As the pressure increased to crush inflation more permanently there was a severe contraction in global liquidity, triggering recessions in various countries, which led to the 🔴 **U.S. "Volcker Shock" Inflation Crisis** as U.S. Federal Reserve Chairman Paul Volcker raised interest rates significantly to control runaway inflation.

📈 With inflation coming under control the focus turned to increasing global liquidity to encourage more robust economic growth, which led to the 🟢 **U.S. Tax Cut & Deregulation Boom** as tax cuts and deregulation under the Reagan administration stimulated economic activity.

📉 As global liquidity cyclically decreased it highlighted the fragility of economic conditions in emerging markets and the agricultural sector, which led to the 🔴 **Latin American Debt Crisis & U.S. Farms Crisis** where several Latin American countries defaulted on their debt, while U.S. farmers faced financial distress.

📈 Another surge in global liquidity was then used to drive economic expansion which led to the 🟢 **U.S. "Reaganomics" Boom** with continued tax cuts, deregulation, and increased defence spending.

📼 1990s 📼

📉 A significant decline in global liquidity led to the 🔴 **Japanese Asset Price Bubble Bust** as Japan's real estate and stock market bubbles collapsed, contributing to a period of economic stagnation in Japan known as the "Lost Decade."

📈 A substantial rise in global liquidity, spurring economic growth worldwide, led to the 🟢 **Globalisation Boom** with increased integration of global markets, facilitated by trade liberalisation and technological advancements.

📉 Global liquidity was contracting into the 🔴 **U.S. Savings & Loan Crisis** where deregulation and risky investment practices resulted in widespread insolvencies of S&L institutions, ultimately costing taxpayers hundreds of billions of dollars in bailout funds.

📈 With global liquidity back on the rise, the 🟢 **Emerging Markets Boom** was fuelled by significant foreign investment, economic liberalisation, and rapid industrial growth, particularly in Asian and Latin American countries, resulting in robust economic expansion and increased global trade.

📉 A sharp contraction in global liquidity resulted in economic downturns in many affected regions and led to the 🔴 **Asian Financial Crisis & LTCM Crisis** where several Asian countries were under immense pressure due to currency devaluations and speculative attacks which had a significant spillover into the U.S. with the collapse of Long-Term Capital Management (LTCM).

💿 2000s 💿

📈 Policy responses to the prior downturn increased global liquidity in the lead up to the 🟢 **Dot-com Bubble** where there was a speculative frenzy in Internet related technology stocks.

📉 The following decrease in global liquidity to manage the overheated stock market swiftly led to the 🔴 **Dot-com Bubble Bust** causing a recession in the early 2000s.

📈 Significant increases in global liquidity, driving economic expansion, led to the 🟢 **Global Housing Market Boom** where low interest rates and easy credit encouraged property speculation in many countries.

📉 A severe contraction in global liquidity, leading to a deep global recession, commenced in the mid 2000s with 🔴 **Initial Global Financial Company Collapses** followed by the full-fledged **Global Financial Crisis** and the collapse of major financial institutions due to subprime mortgage defaults.

📈 The U.S. Federal Reserve implemented Quantitative Easing (QE) to inject liquidity into the economy as a response to the **Global Financial Crisis** which led to the 🟢 **U.S. QE 1 Boom** and provided significant aid in the economic recovery.

📱 2010s 📱

📉 A reduction in global liquidity after the initial QE injections resulted in economic challenges for the Eurozone and led to the 🔴 **Eurozone Banking Crisis** where financial instability was experienced in several European banks due to sovereign debt issues.

📈 A sustained increase in global liquidity, in an effort to support prolonged economic growth, led to the 🟢 **U.S. QE 2 & QE 3 Boom** where continued Quantitative Easing by the U.S. Federal Reserve buoyed markets and the economy.

📉 A temporary dip in global liquidity led to the 🔴 **U.S. Repo Crisis** where a sudden spike in overnight lending rates in the U.S. repo market caused panic and was quickly addressed by U.S. Federal Reserve interventions.

🤖 2020s 🤖

📈 An unprecedented increase in global liquidity with massive fiscal stimulus and monetary easing in response to the COVID-19 pandemic led to the 🟢 **COVID-19 Boom** where markets and the economy experienced a rapid rebound after the initial shock collapse.

📉 A reduction in global liquidity following the COVID-19 injections led to the 🔴 **U.S. Regional Banking Crisis** resulting in financial instability in several U.S. regional banks.

📈 A resurgence in global liquidity driven by central bank rate cuts and easing policies amid massive investments in artificial intelligence infrastructure led to the 🟢 **AI Boom** propelling growth in technology sectors and overall market expansion.

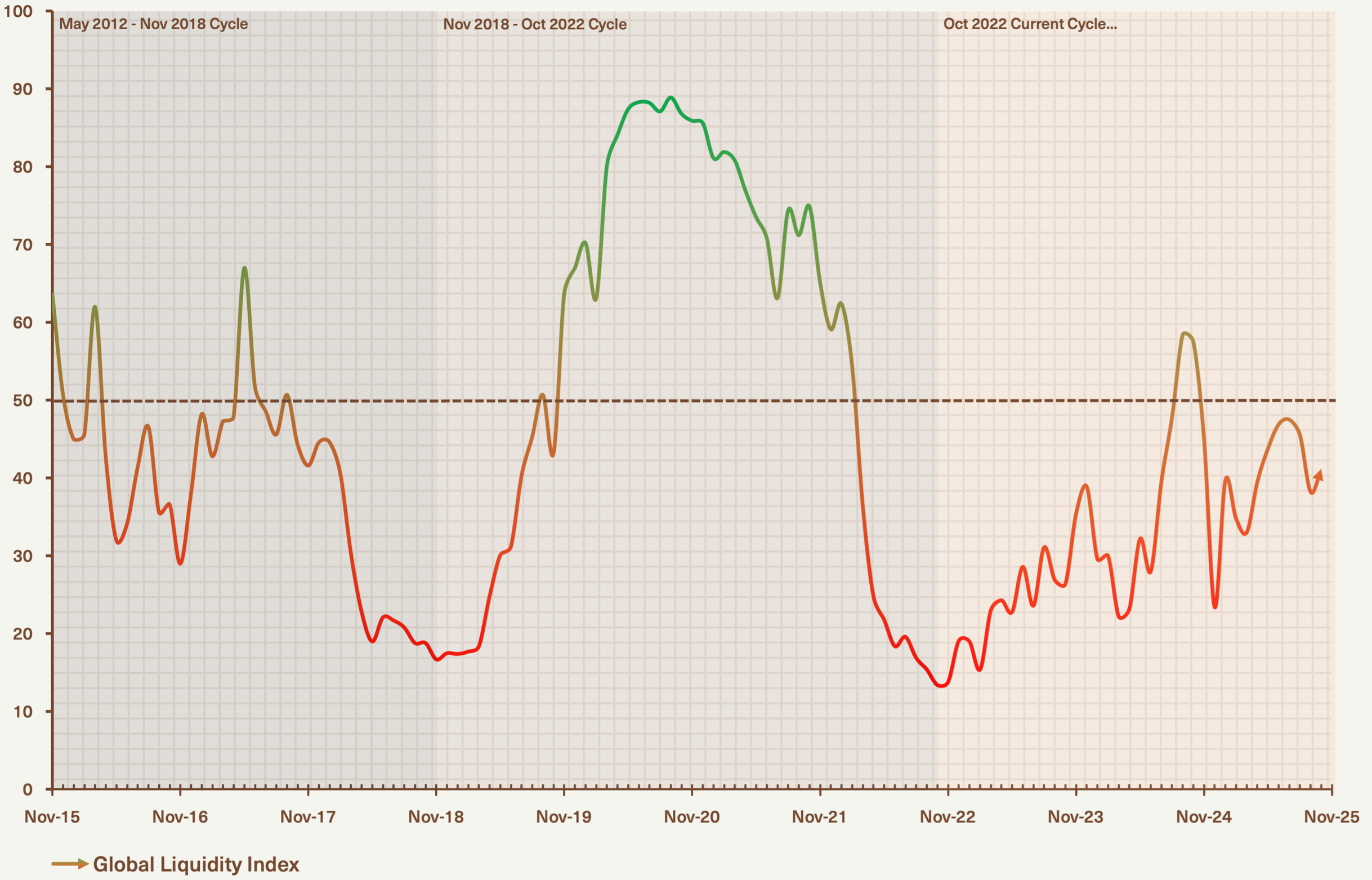
Conclusion

The chart illustrates how global liquidity cycles have driven economic booms and crises since 1970. Periods of increased liquidity emerge with accommodative monetary and fiscal policies, technological advancements, and global trade expansion, and lead to economic booms. Conversely, liquidity contractions, triggered by policy tightening after the preceding boom, consistently result in financial crisis. Ultimately each crisis plants the seeds for the next global liquidity driven boom, and so the cycle continues...

Source of Global Liquidity Index Data: Global Liquidity Indexes

Global Liquidity Index – November 2025

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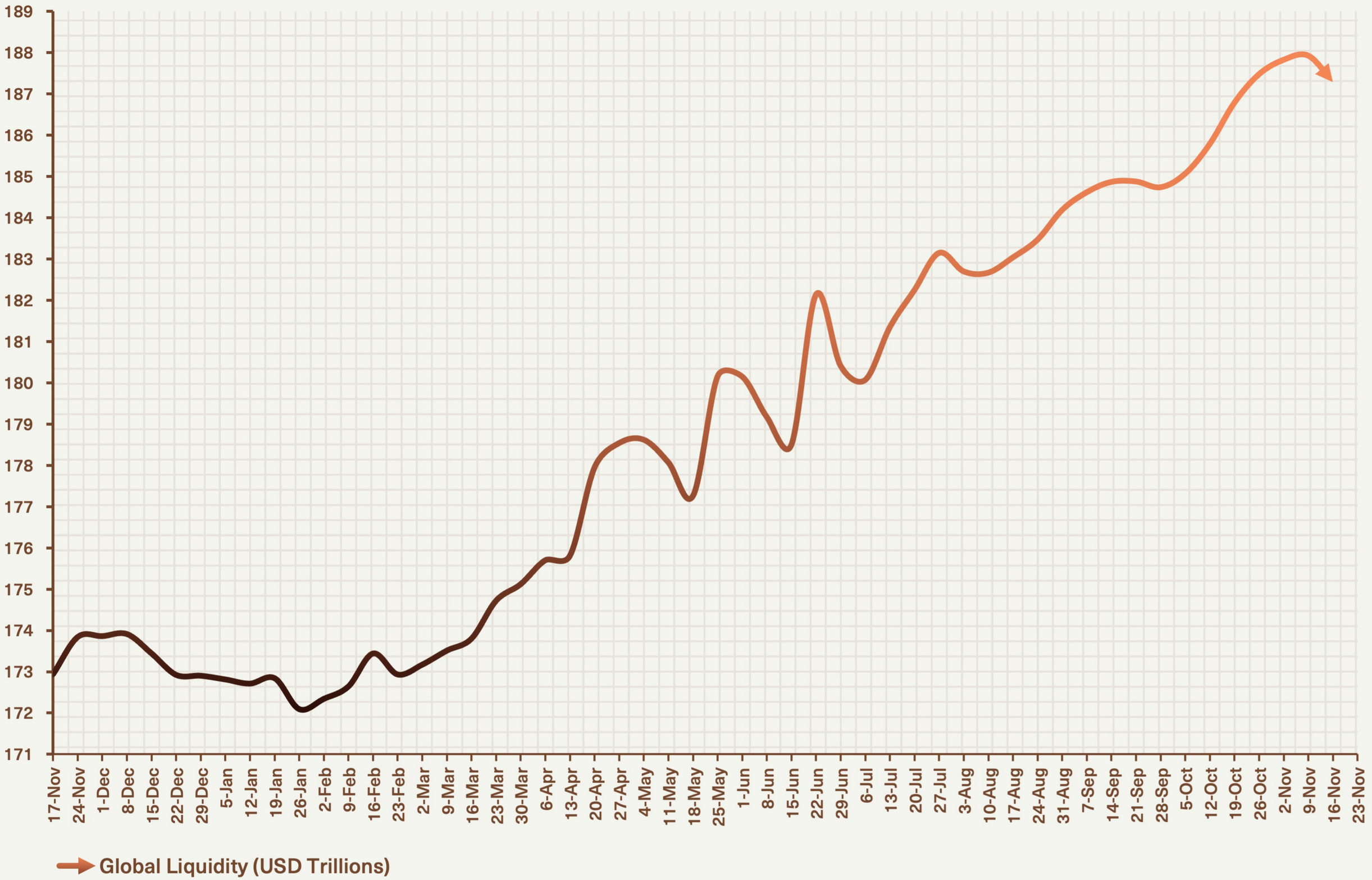


Source of Global Liquidity Index Data: Global Liquidity Indexes

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Weekly Global Liquidity – 17 November 2025

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Source of Global Liquidity Data: Global Liquidity Indexes

Weekly Global Liquidity Analysis – 17 November 2025

A 9.6% 3-month annualised global liquidity rate of change signals a tempered pace of expansion, softening since the last update.

Recent figures highlight a minor dip in liquidity momentum, primarily underpinned by robust injections from the People's Bank of China alongside strengthening collateral values. However, this growth faces headwinds from ongoing tightening at the U.S. Federal Reserve, a strengthening U.S. dollar, and increasing volatility in bond markets. Persistent quantitative tightening from the European Central Bank and the Bank of England, combined with subdued expansion at the Bank of Japan, further restrains overall conditions.

At the U.S. Federal Reserve, liquidity has tightened further, with the latest 3-month annualised pace dipping to -27.8%. Nominal levels have dropped 10% from earlier highs this year. Key drivers include the Treasury General Account, which eased slightly to U.S.$943 billion from U.S.$984 billion recently, though it remains elevated compared to mid-year figures. Reverse repos have declined by U.S.$267 billion since then, offering some relief, but this has been overshadowed by broader contraction. Bank reserves now sit at U.S.$2.9 trillion, below the estimated U.S.$3.25 trillion comfort zone, indicating potential strains ahead.

The People's Bank of China stands out as a pillar of support, posting a vigorous 38.9% 3-month annualised growth rate. Policymakers there are emphasising economic stimulus over currency stability, which appears timely given momentum signals. Despite these efforts, the yuan has held steady against a resurgent U.S. dollar.

In Europe, the European Central Bank's quantitative tightening persists at a -23.2% 3-month annualised rate. Nominal liquidity has reached post-pandemic lows of €4.17 trillion, with over €500 billion withdrawn from markets year-to-date. German signals show some improvement, but the eurozone overall remains tentative.

The Bank of Japan maintains restraint, with liquidity growth at -14.9% on a 3-month annualised basis. Nominal figures have fallen to ¥613 trillion, down ¥46 trillion from late-spring levels. Economic traction in Japan suggests this stance aligns with current conditions, especially amid trade concerns that prompted steady rates recently.

The Bank of England continues its tightening course, recording -8.6% 3-month annualised growth. Nominal liquidity hovers near post-pandemic lows of £754 billion, with £57 billion drained from markets so far this year. U.K. economic indicators point to fading momentum.

Global liquidity rests on the shadow monetary base, which encompasses central bank provisions and collateral assets. This foundation has risen, driven by a 4.7% 3-month annualised advance, thanks to contributions from the People's Bank of China and enhanced collateral strength. The collateral multiplier, now at 1.70, reacts sharply to bond market fluctuations. Volatility, tracked by the MOVE index, had eased after reaching 139.9 in April but is now edging higher again, exerting downward pressure on the multiplier and amplifying haircuts on assets.

Investor sentiment holds a risk-on tilt globally, with a pronounced lean towards emerging markets and China. Developed markets are positive overall, led by a strong appetite for Japan. Positions in the U.S. and U.K. are neutral, while the eurozone sits slightly negative, dragged by France despite positives in Germany and Italy.

Looking ahead, signs indicate that liquidity-sensitive assets could encounter obstacles in the short term, given the blend of central bank divergences and volatility upticks. Nonetheless, China's stimulus and calmer bond markets might provide a buffer amid ongoing policy shifts and trade uncertainties.

Source of Global Liquidity Data: Global Liquidity Indexes

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Deep Dive on the Global Macro Cycle

Monthly Global Macro Analysis – November 2025

Global economic activity accelerated in October, marking the strongest expansion in nearly one-and-a-half years and extending the upturn that began in early 2023. This improvement was tempered by deteriorating trade conditions and falling business confidence, though easing inflationary pressures provided some offset. The latest J.P. Morgan Global PMI Composite Output Index rose to 52.9 from 52.5 in September, signalling the joint-highest reading since mid-2024 and aligning with an annualised global GDP growth rate of around 3.0%. This is slightly above the 2.8% indicated for the third quarter and close to the pre-pandemic average of 3.1%, reflecting a return to trend growth amid broad-based gains.

Services continued to drive the upturn, with activity expanding at the fastest pace in three months, while manufacturing output rose modestly, though the past three months represented the highest average growth rate since the middle of last year. This convergence between sectors was bolstered by improved demand, with new orders rising across both manufacturing and services, though the overall increase was subdued due to weakening exports. Consumer services showed particular strength, suggesting a potential revival in household spending, while manufacturing benefited from sustained production despite concerns over front-loading ahead of U.S. tariffs.

Business confidence weakened in October, with the Global PMI Future Output Index dropping to one of the lowest levels in the past three years, despite the faster activity growth. This reduced optimism was attributed to heightened geopolitical and trade uncertainties, including tensions between the U.S. and key partners like China, though a late-October trade truce may offer some reversal. The subdued sentiment contributed to cautious operational decisions, and firms may be holding back on expansions amid doubts about the durability of growth.

Inflationary pressures eased further, with average input costs for goods and services rising at the slowest rate so far this year. Global output price inflation moderated to its lowest since April, driven by softer increases in both sectors. Regional variations persisted, with some emerging markets facing ongoing cost challenges.

Regionally, the picture showed increased breadth but with notable divergences. Developed economies exhibited mixed results, with the U.S. and eurozone showing solid gains, though the U.K. neared stagnation. Emerging markets improved overall, led by accelerations in India and Brazil, offsetting softer trends in China. Expansions are occurring in most major economies, with services generally outperforming manufacturing, though contractions lingered in areas like France and Japan for goods production.

Global trade deteriorated broadly, with new export orders falling at the joint-quickest pace in five months across both manufacturing and services. This reflected the widening impact of trade barriers, including tariffs, which spread from goods to services at the start of the fourth quarter, underscoring vulnerabilities in supply chains amid policy shifts.

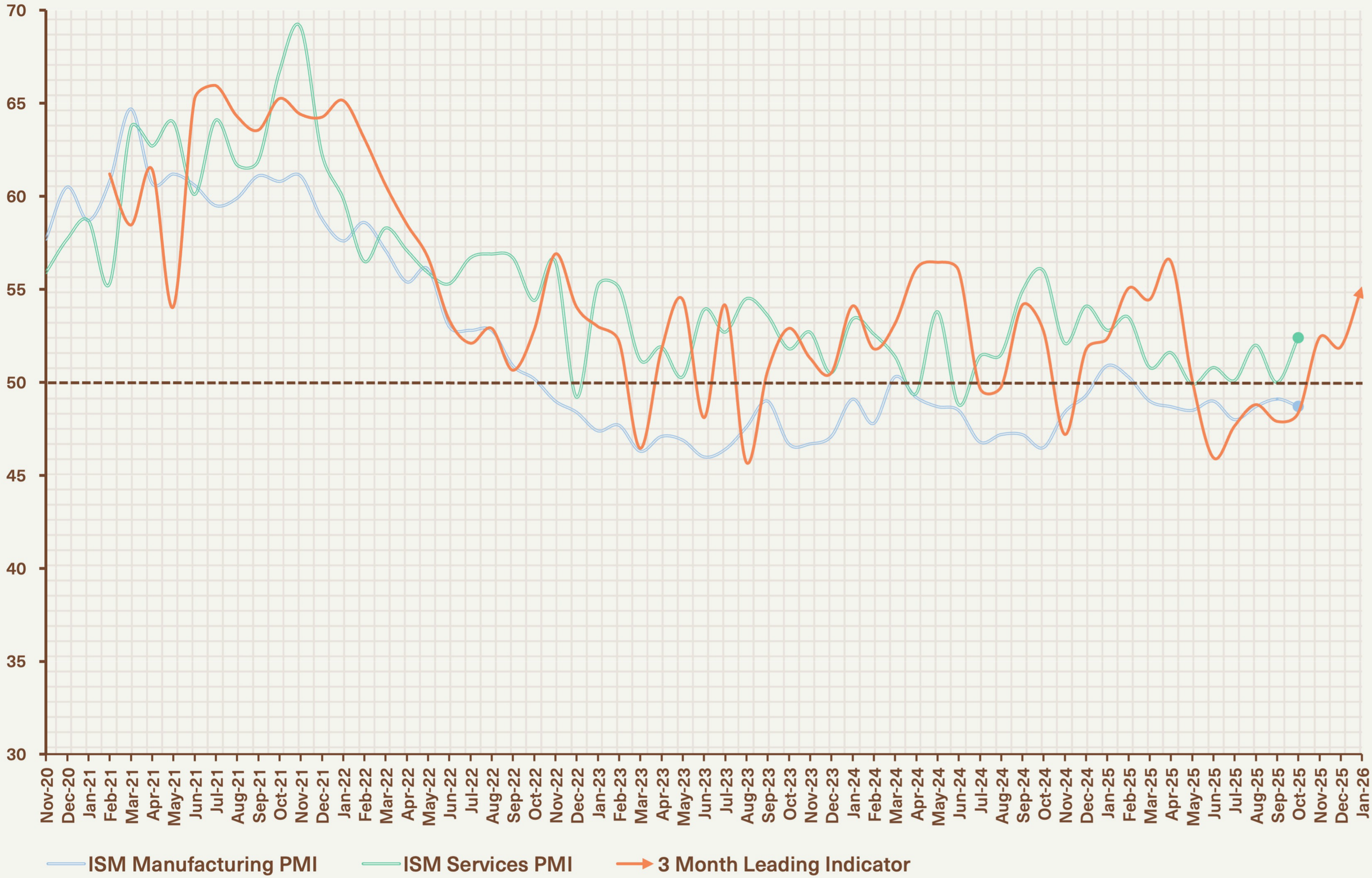
On a sectoral basis, global PMI data indicated that seven of the eight major industry groups registered growth in October, unchanged from September, with Telecommunication Services slipping into contraction after Healthcare the prior month. Financials took the lead, followed by Consumer Services and Technology, highlighting resilience in service-oriented areas.

In summary, while the global economy has gained momentum with services-led acceleration and easing inflation offering support, negative developments in trade and confidence pose risks. Broader sectoral growth and regional improvements signal potential for sustained expansion, but falling optimism and export downturns amid uncertainties highlight downside threats, particularly if geopolitical tensions persist without stronger demand recovery. The cautiously positive outlook warrants close monitoring ahead.

Source of Global PMI Data: S&P Global

U.S. Growth: 3 Month Leading Indicator – November 2025

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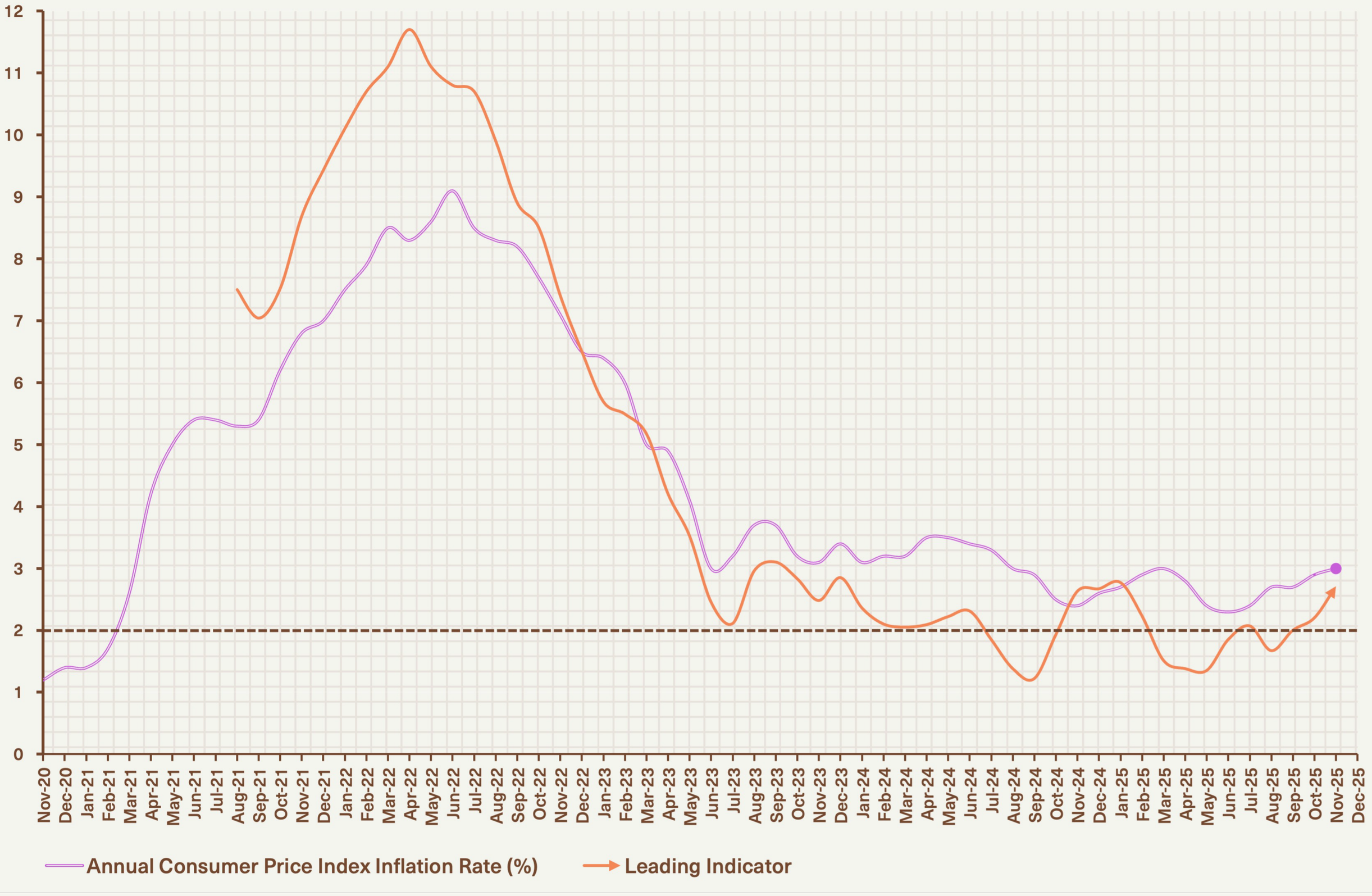


Source of U.S. Growth Data: Institute for Supply Management

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U.S. Inflation: Leading Indicator – November 2025

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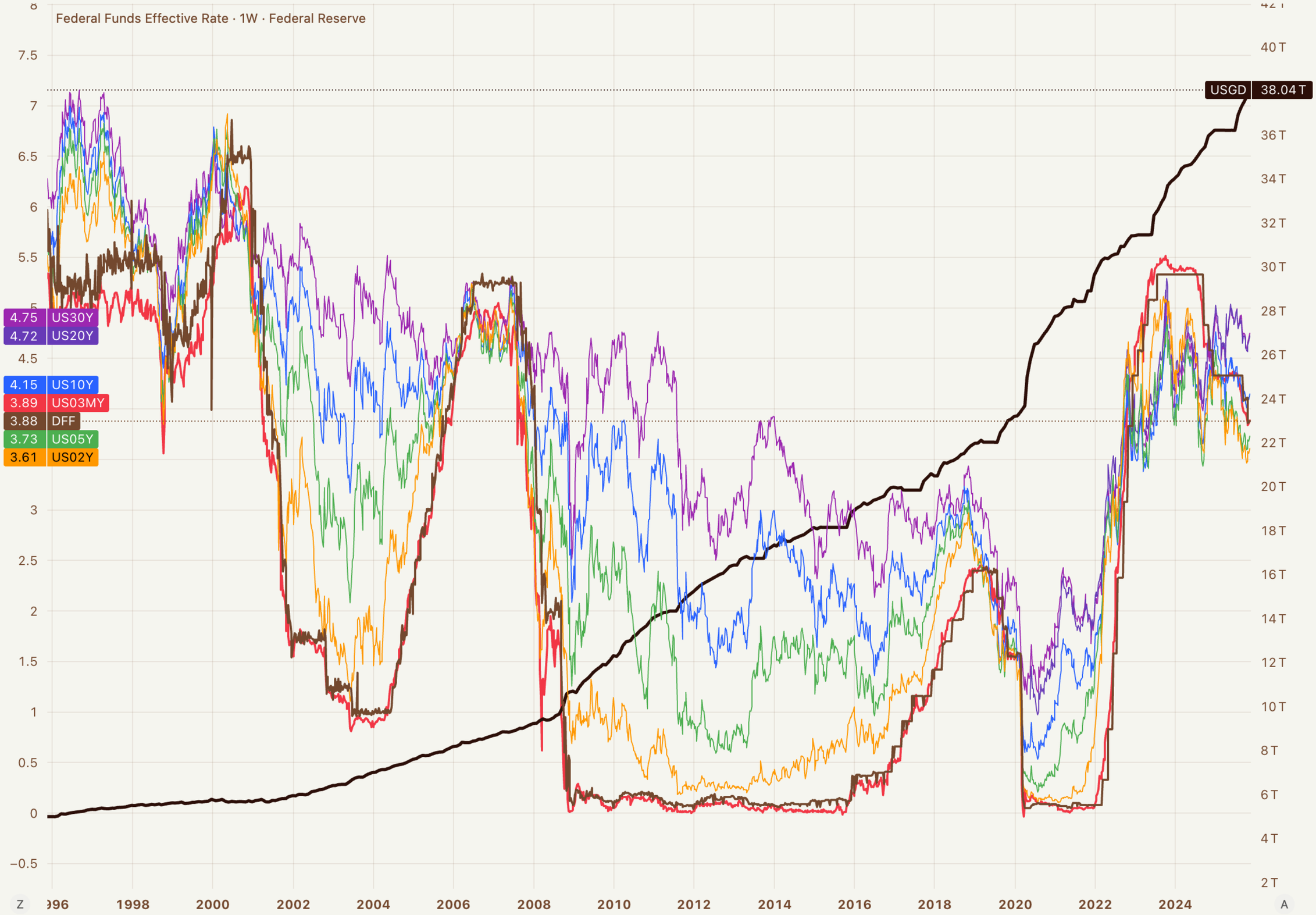


Source of U.S. Inflation Data: Truflation

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U.S. Government Debt and Yields: 30 Years – 17 November 2025

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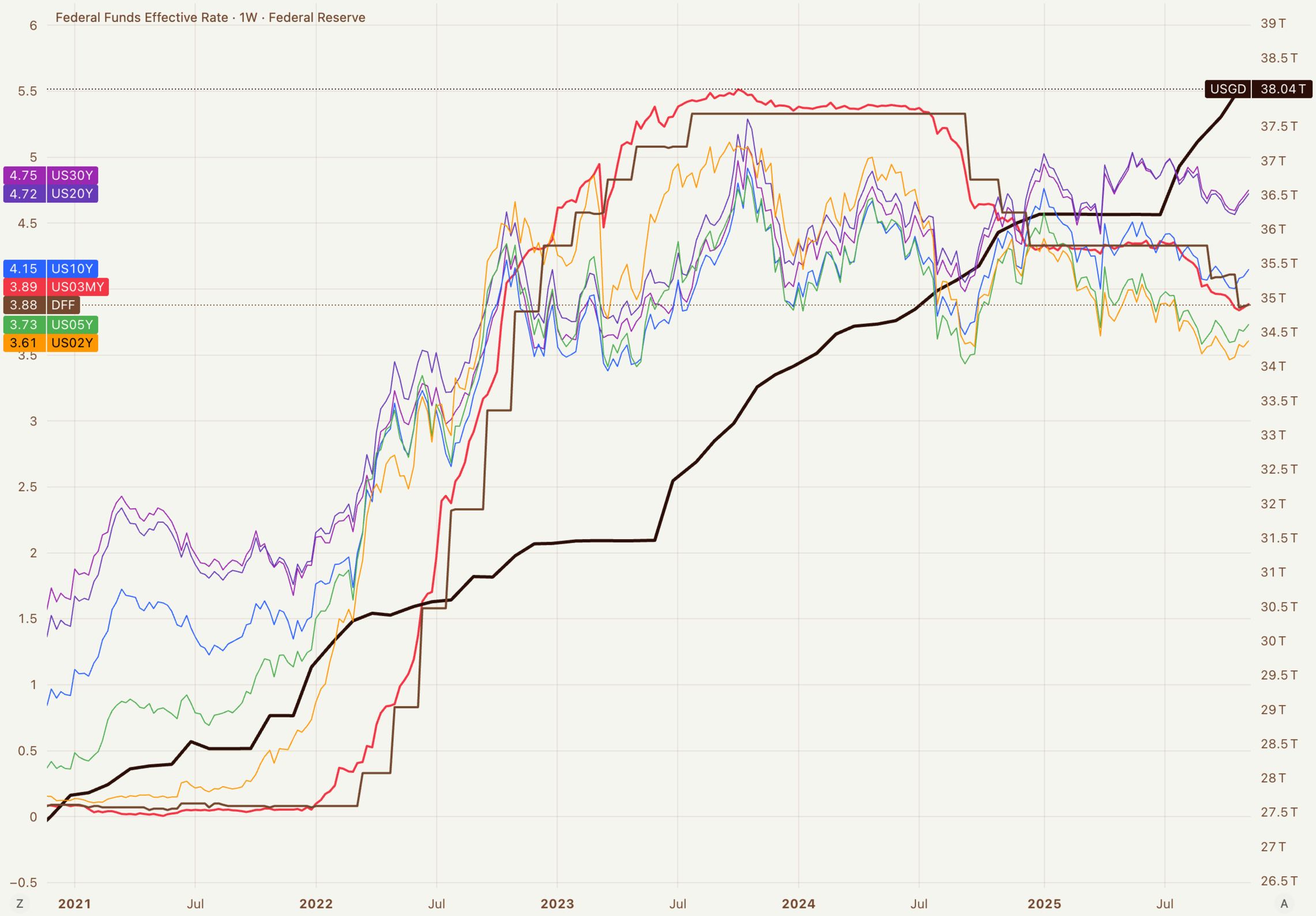


Source of U.S. Government Debt and Yields Data: U.S. Department of the Treasury

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U.S. Government Debt and Yields: 5 Years – 17 November 2025

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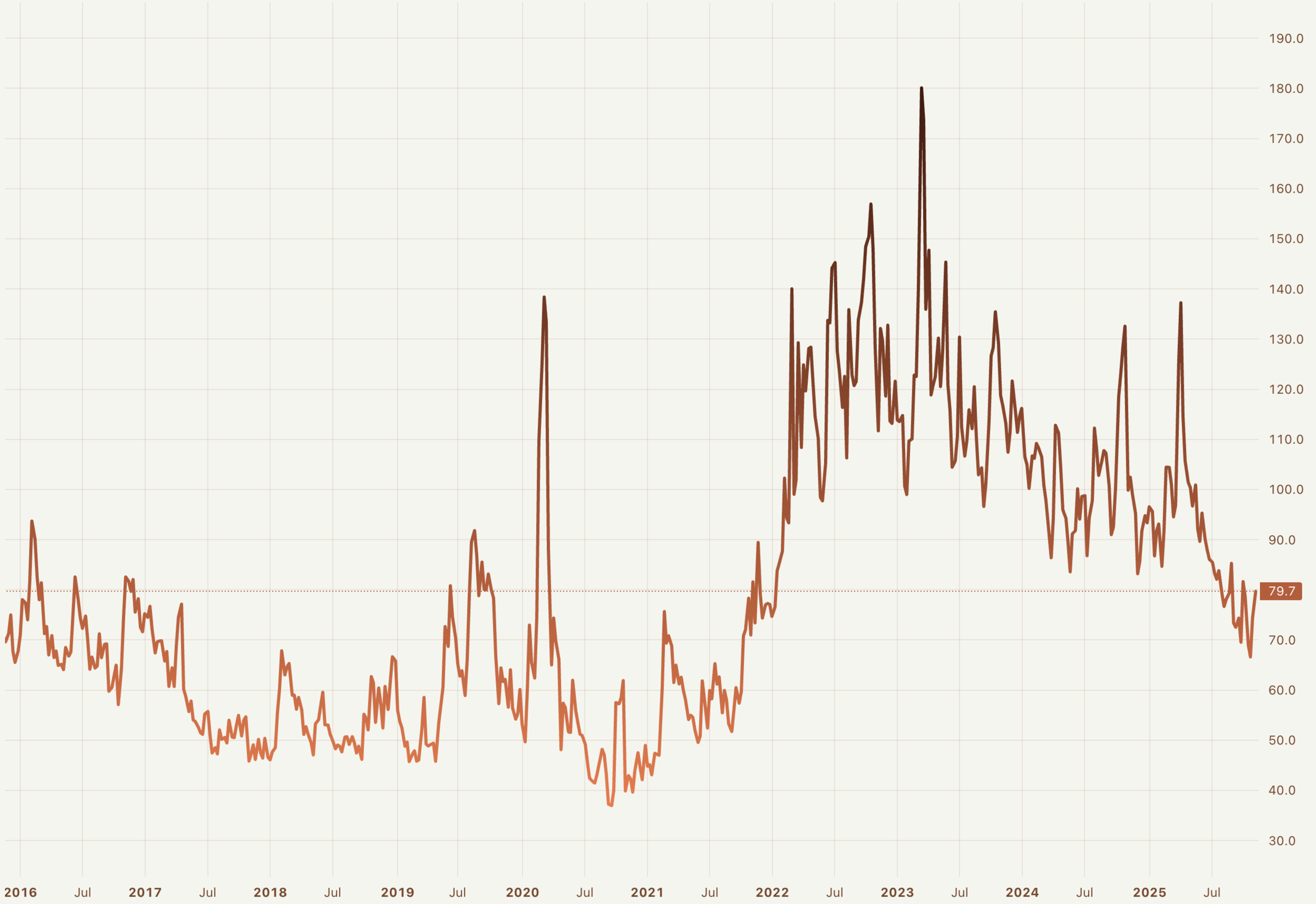


Source of U.S. Government Debt and Yields Data: U.S. Department of the Treasury

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U.S. Treasury Bond Volatility MOVE Index – 17 November 2025

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Source of U.S. Treasury Bond Volatility Data: Intercontinental Exchange

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U.S. Dollar Index Weekly Cycle Signals – 17 November 2025

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Source of Weekly Cycle Signals: Bob Loukas (The Financial Tap)

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Deep Dive on the Bitcoin Cycle

Global Liquidity Rate of Change and Bitcoin – 16 November 2025

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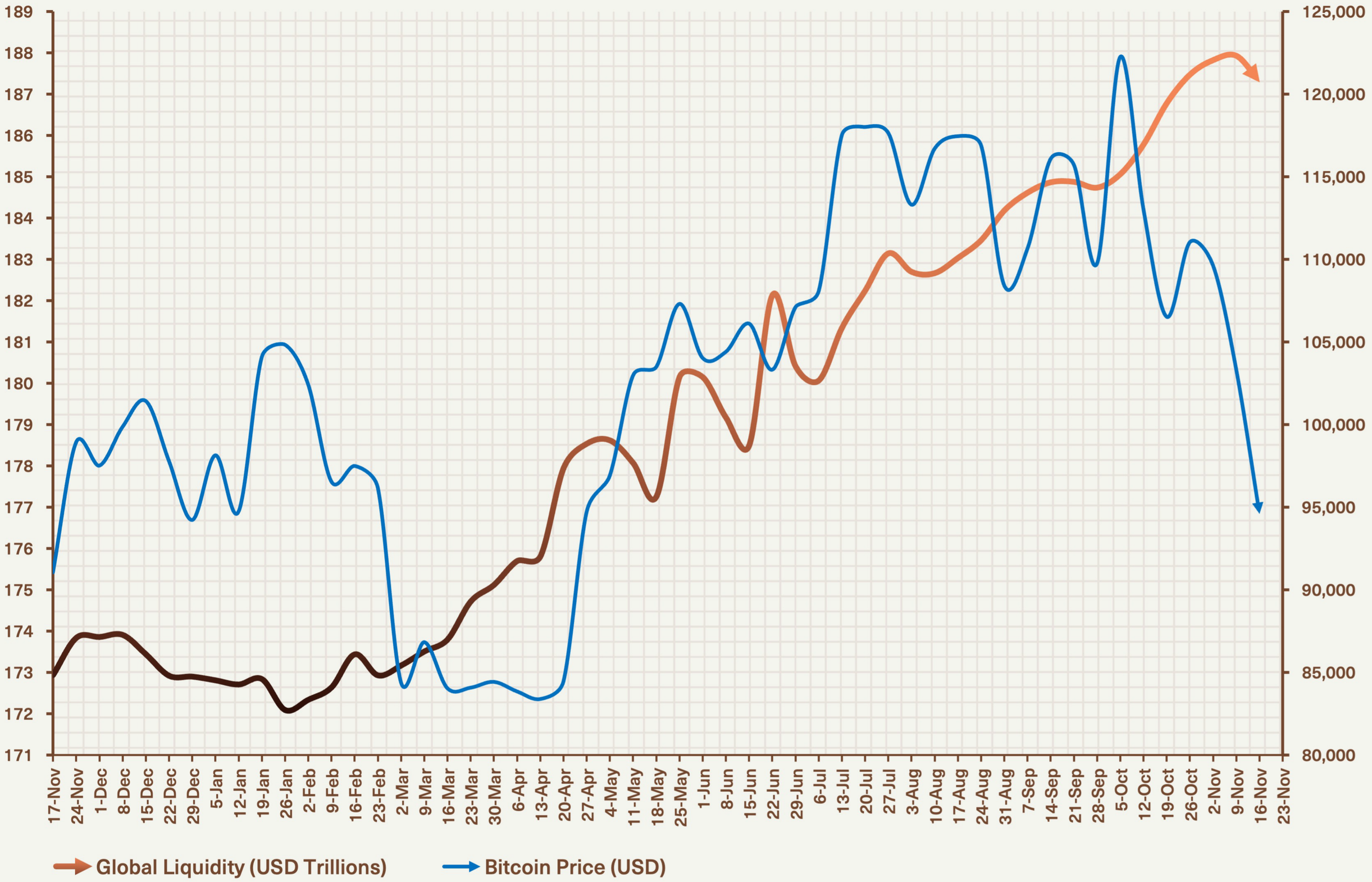


Sources of Global Liquidity Data: 15 Major Central Banks - Fed, ECB, PBoC, BoJ, BoE, SNB, BoC, RBA, BoK, RBI, RBNZ, SR, BCB, BNM, CBR

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Weekly Global Liquidity and Bitcoin – 17 November 2025

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Source of Global Liquidity Data: Global Liquidity Indexes

Bitcoin Daily Cycle Signals – 16 November 2025

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Source of Daily Cycle Signals: Bob Loukas (Bitcoin Live)

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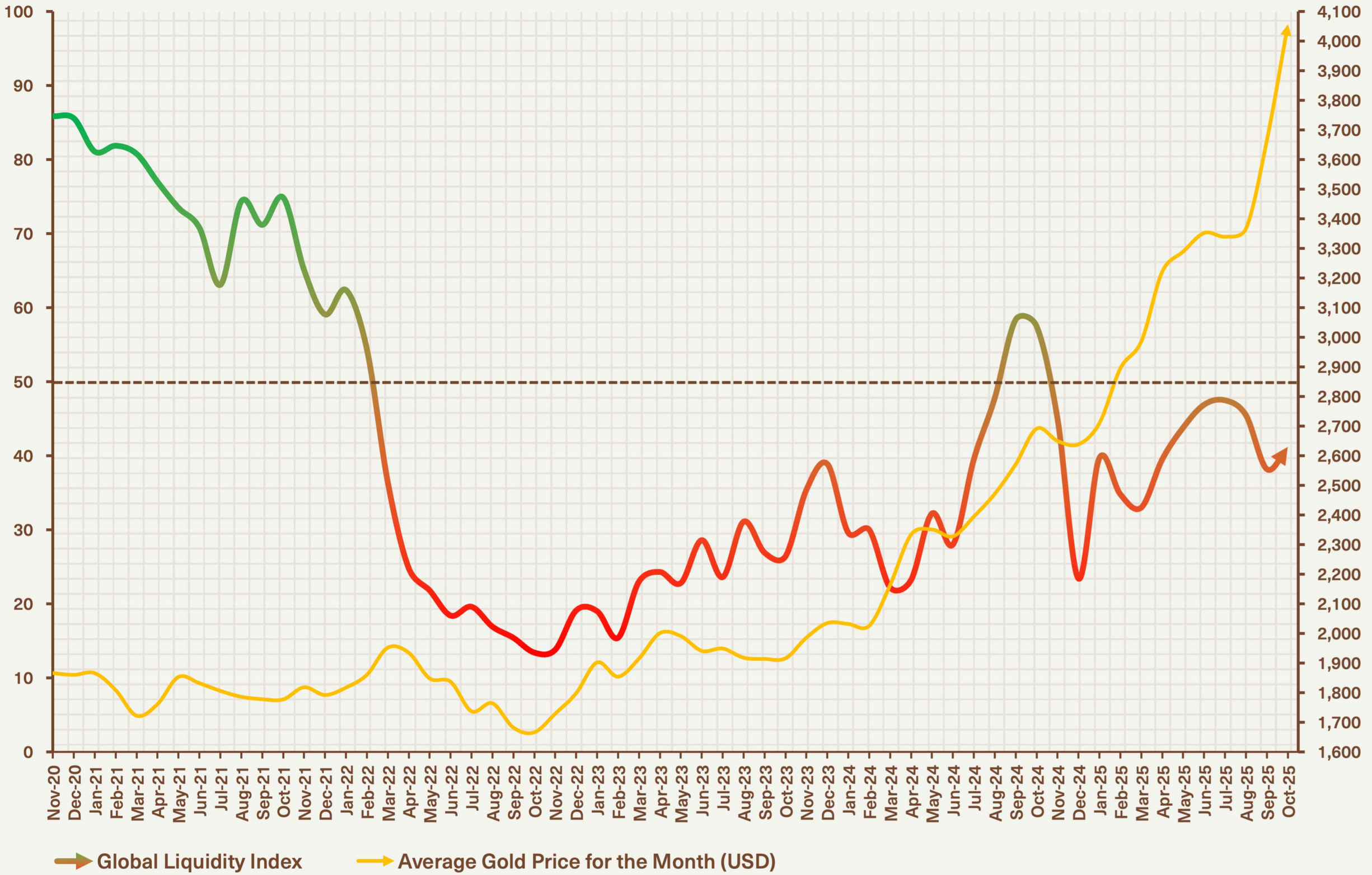
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Gold and Silver

We can take advantage of the Macro Cycles by strategically allocating between the Macro Assets (Bitcoin, Gold, and Silver) during the optimal cycle stages.

Global Liquidity Index and Gold – November 2025

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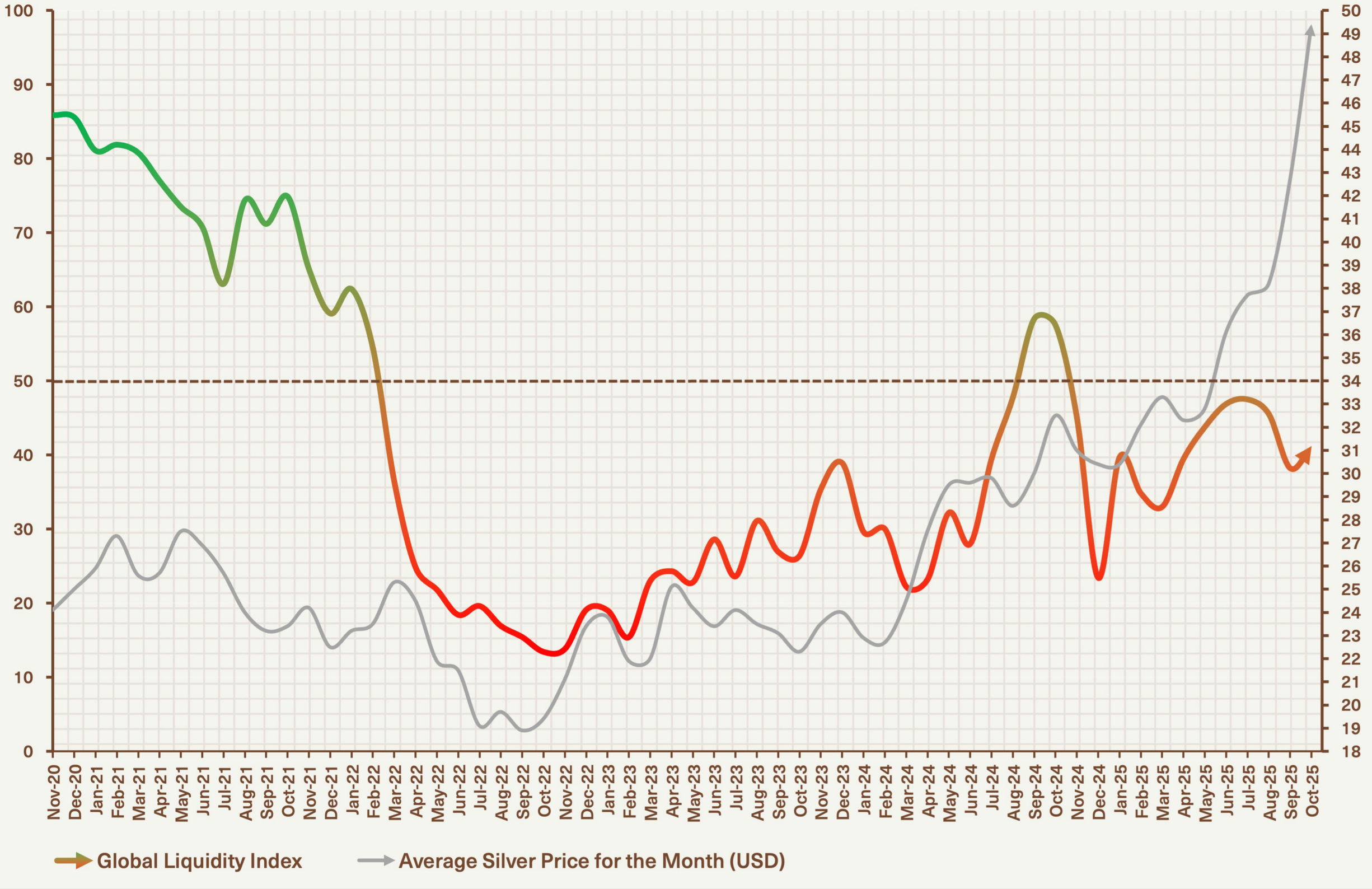


Source of Global Liquidity Index Data: Global Liquidity Indexes

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Global Liquidity Index and Silver – November 2025

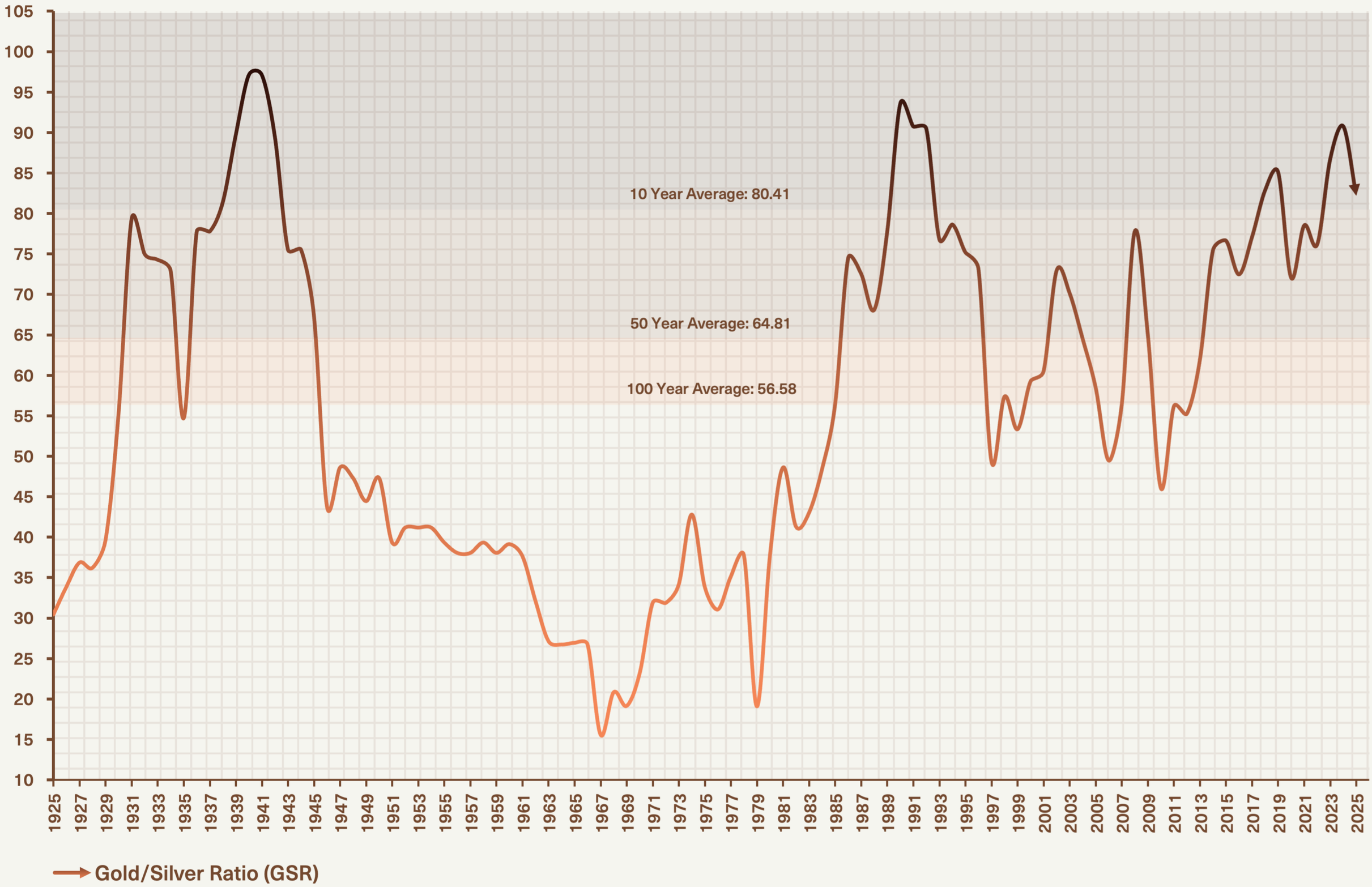
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Source of Global Liquidity Index Data: Global Liquidity Indexes

Gold/Silver Ratio – November 2025

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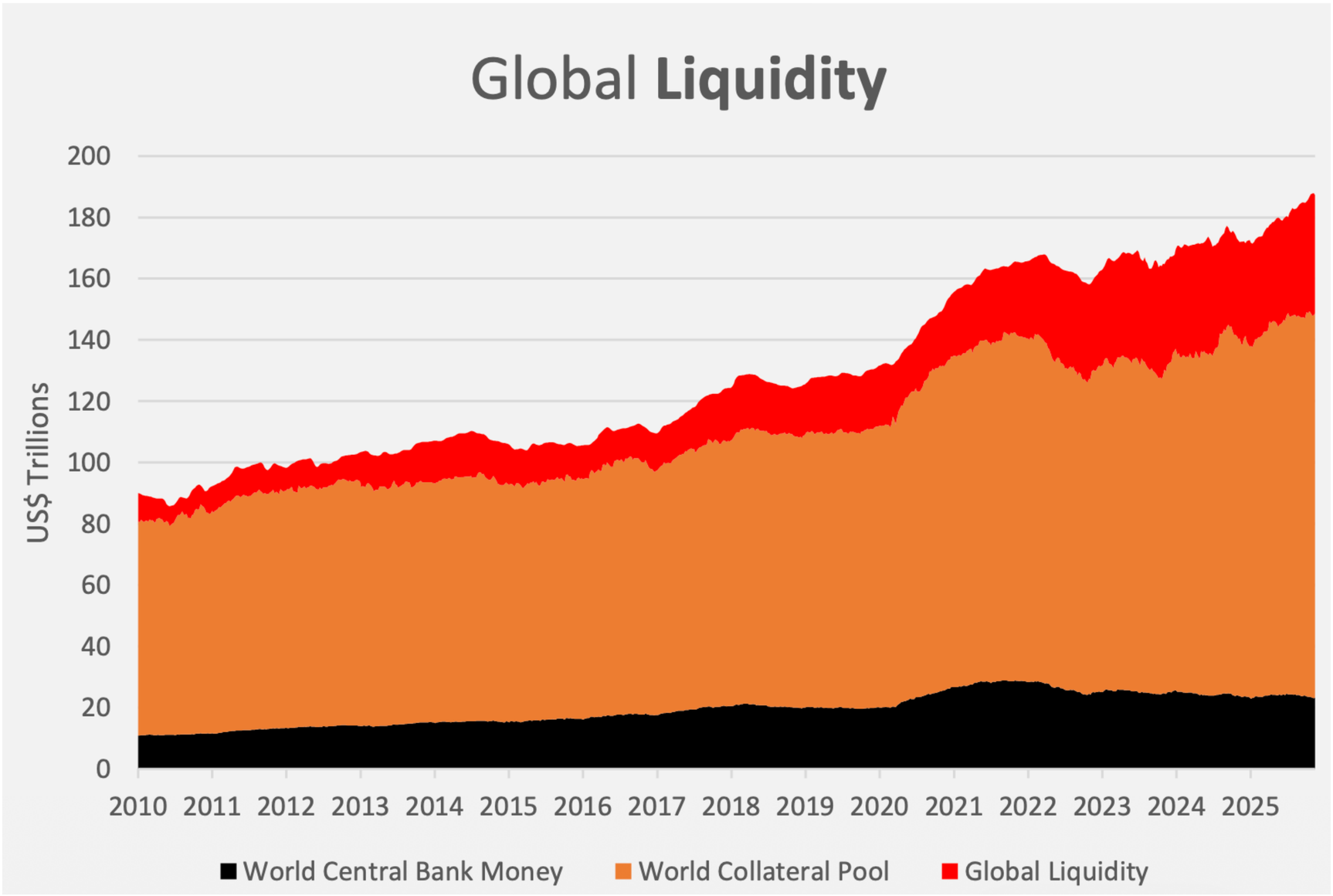
Third Party Supporting Charts

- The Sources of Global Liquidity
- World Central Bank Liquidity Heat Map
- Major Central Bank Liquidity
- Global Liquidity Indexes Feature Chart of the Month
- Bitcoin Market Positioning Clusters

The Sources of Global Liquidity

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It is important to emphasise that our Global Liquidity measures are large at over US$180 trillion and comprise all sources of cash and credit flowing through World financial markets. These measures embrace both private sector and Central Bank provision and, where applicable, include cross-border flows. They go far beyond what some providers have incorrectly termed Global Liquidity and made up of just the balance sheets of the major four or five Central Banks. For the record, this measure would be barely one-eighth, i.e., 12% of the true size.



Source: Global Liquidity Indexes

World Central Bank Liquidity Heat Map

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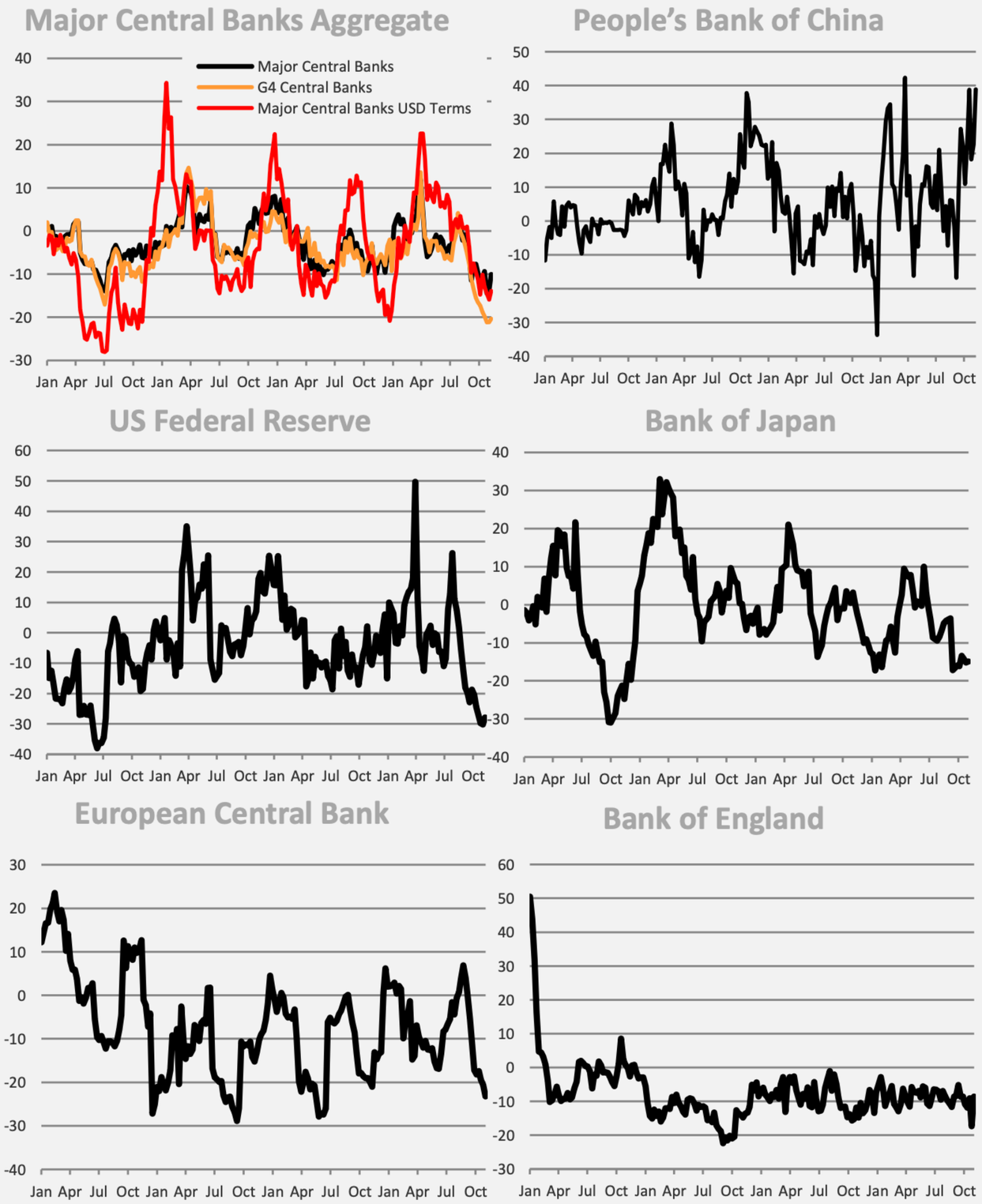


Source: Global Liquidity Indexes

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Major Central Bank Liquidity

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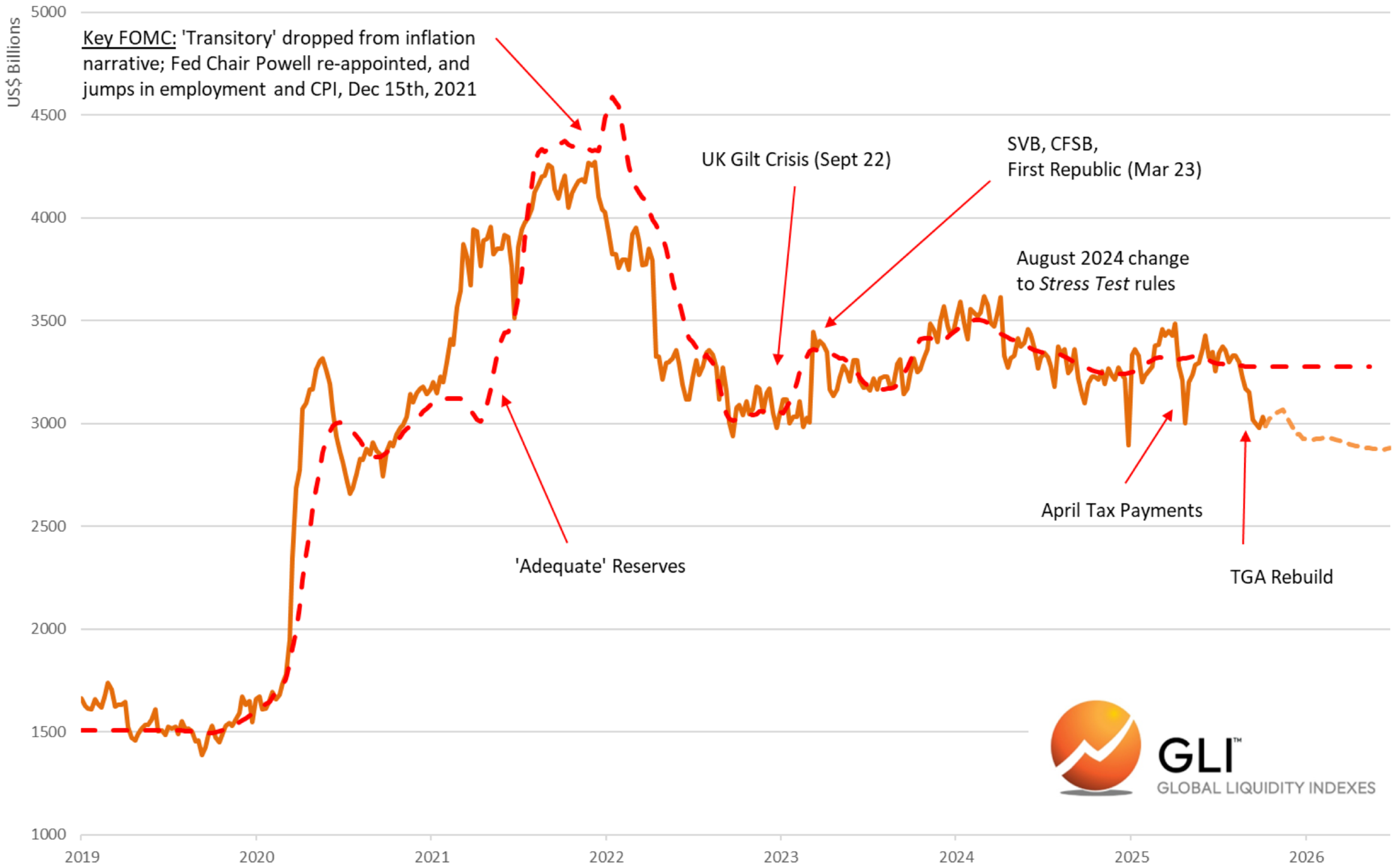


Source: Global Liquidity Indexes

Global Liquidity Indexes Feature Chart of the Month

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US Banks' Reserves



Source: Global Liquidity Indexes

Bitcoin Market Positioning Clusters

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Source: The Kingfisher

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x

Mastering the Markets

Chris Tipper

Chief Economist and Strategist
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x.com/TipperAnalytics