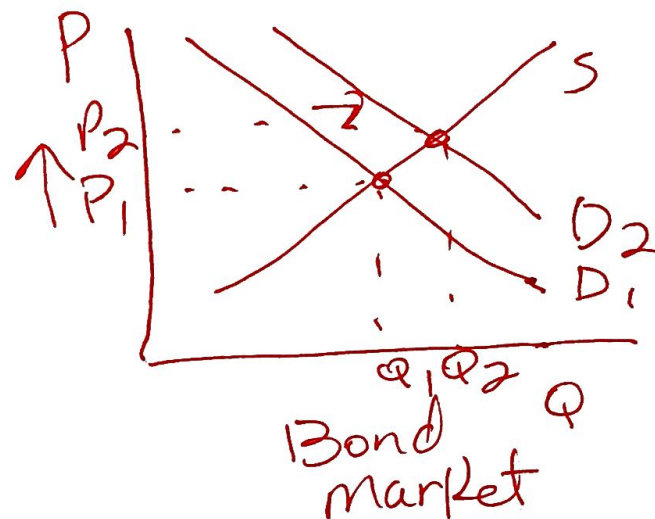
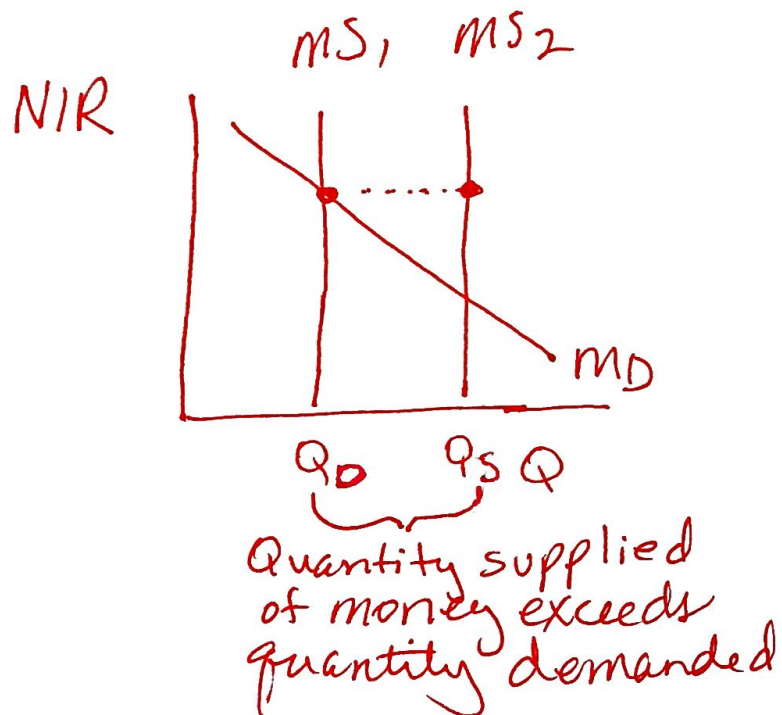


Scenario 2 : MS increases:



People buy bonds with excess money, increasing demand for Bonds

As the price of bonds ↑, the interest rate decreases.