





Currency + Deposits

Feedseels Bonds:

M^s shifts left



M_0^S





M_1^S

Money Supply $M^s =$ Deposits + Currency

Reserves



Loans



Deposits



M^S



Interest Rate
to the
Public

The Money Market

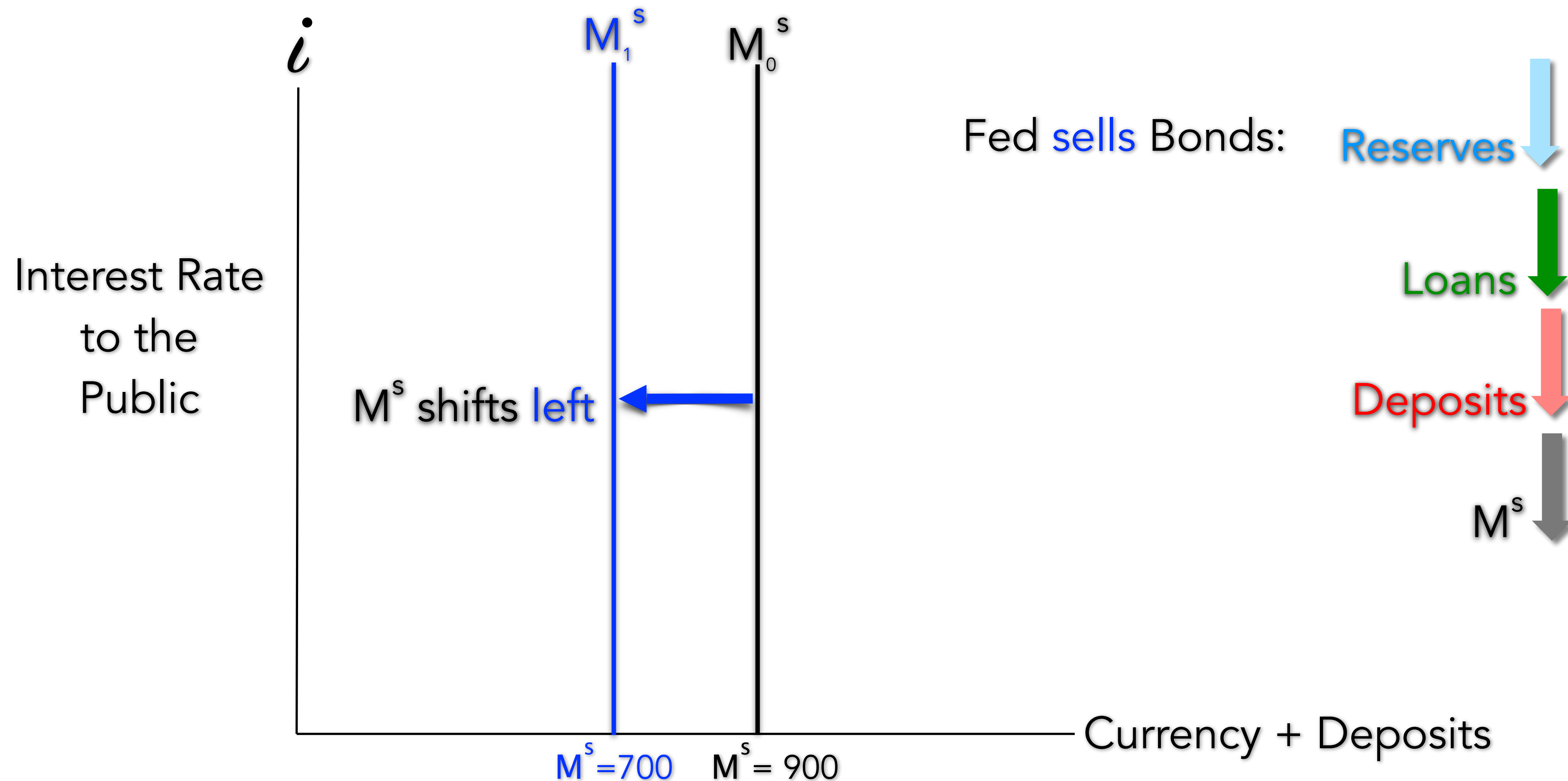
M^s = 9000

$$M^S = 700$$

i

The Money Market

Money Supply $M^s = \text{Deposits} + \text{Currency}$



The decision to save or spend