



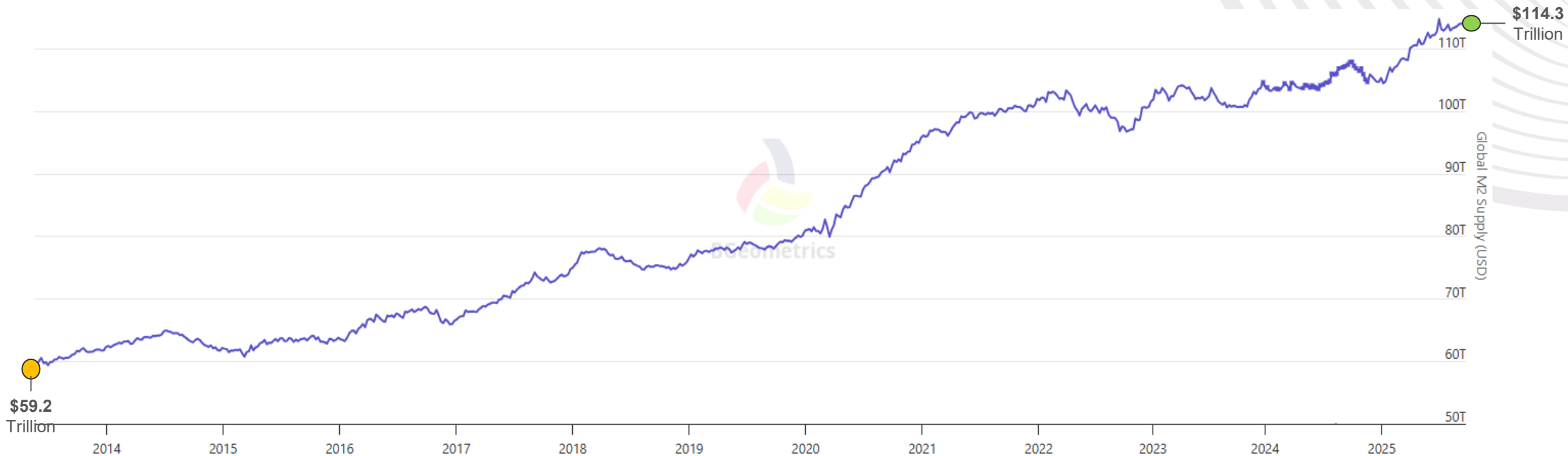
“Cash Is Trash”



مركز قطر للمال
Qatar Financial Centre

Persistent Increase in Global Money Supply Reflects Widening Fiscal Gaps

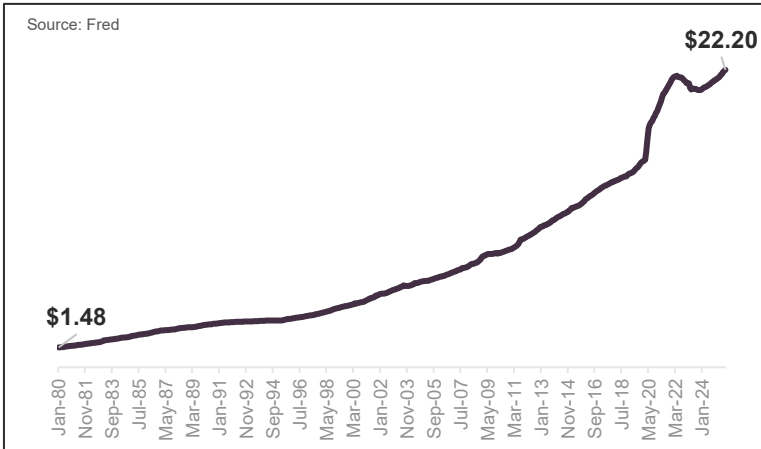
Global M2 Money Supply, in USD Trillion, (20 May 2013 – 22 September 2025)



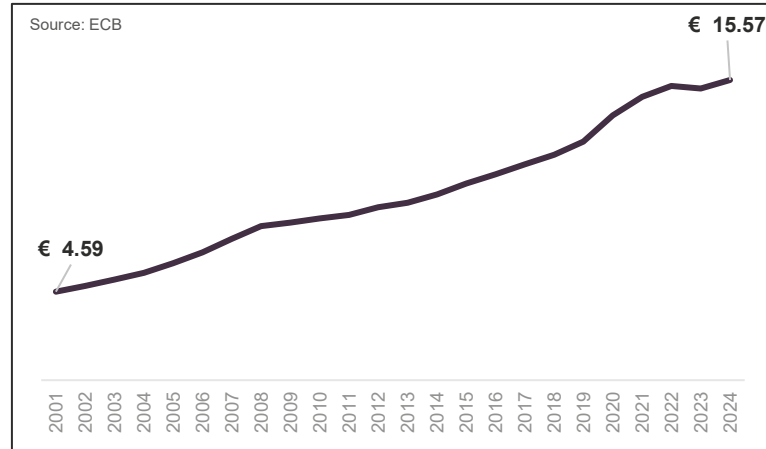
- Raising budget deficits M2 money supply which is a measure of a nation's **money supply** has **increased globally** from **\$59.2 trillion** in May 2013 to **\$114.3 trillion** by September 2025, representing a **~93%** rise.
- Owing to government spending outpacing government revenues, has seen countries resorting to increasing M2 money to mitigate against this shortfall.
- In the last ten years the budget deficits of major economies have widened as a percentage of GDP, highlighting the difficulties countries will face in trying to manage their deficits.

Central Banks Have Consistently Injected Liquidity to Offset Deficits and Economic Shocks

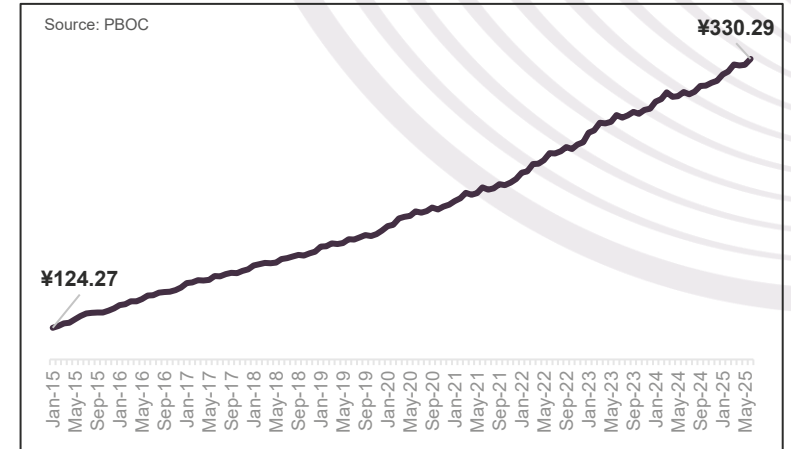
US M2 Money Supply, In USD Trillion, (1980 – 2025)



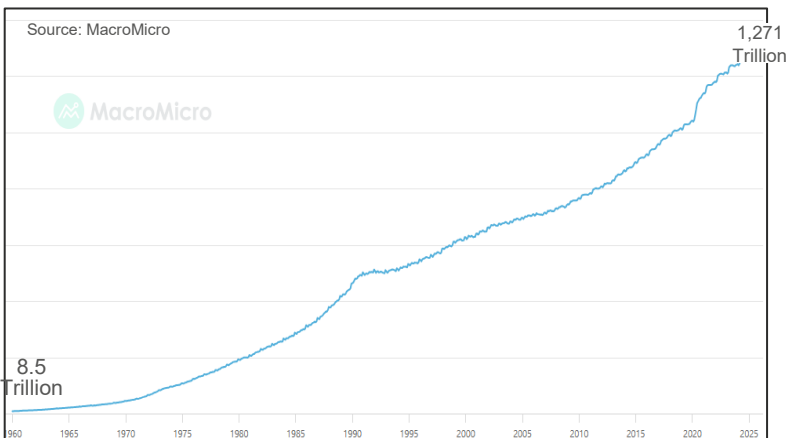
ECB M2 Money Supply, in EUR Trillion, (2001 – 2024)



China M2 Money Supply, In CNY Trillion, (2015 – 2025)



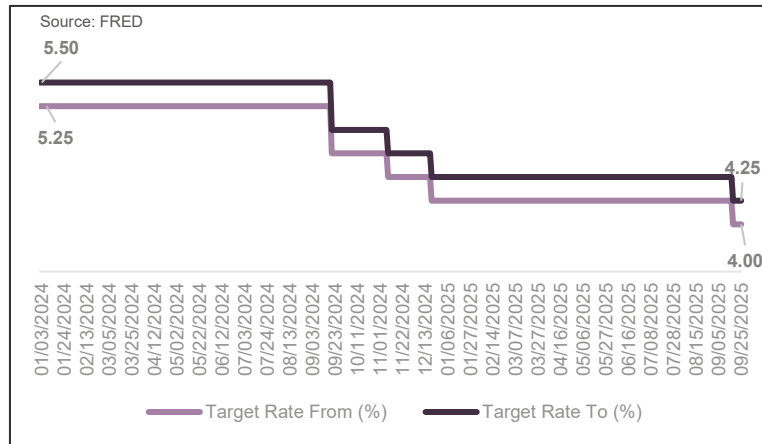
Japan M2 Money Supply, In Yen Quadrillion, (1960 – 2025)



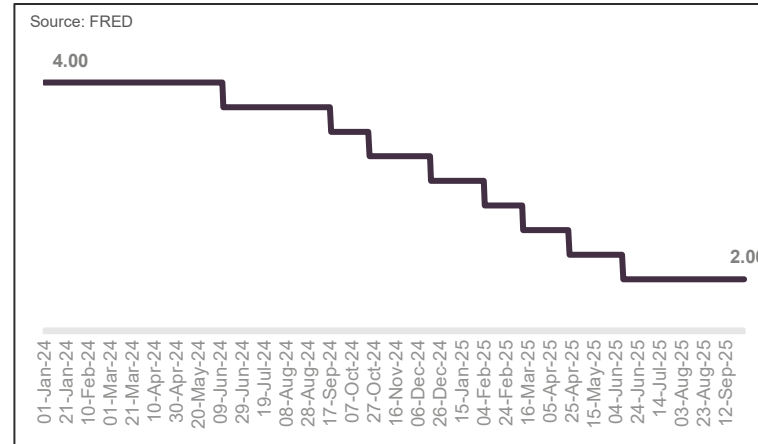
- Major central banks across the globe have consistently injected more liquidity into their economies over the years.
- Over a ten-year period (2015 – 2025), M2 money supply for the US Dollar, EU Euro, the Chinese Yen and the Japanese Yen increased by between **42%** to **266%**.
- Over time this sustained injection of liquidity by these respective economies will accelerate the erosion of their respective currencies.

Central Banks Combine Liquidity Injections with Rate Cuts to Stimulate Growth

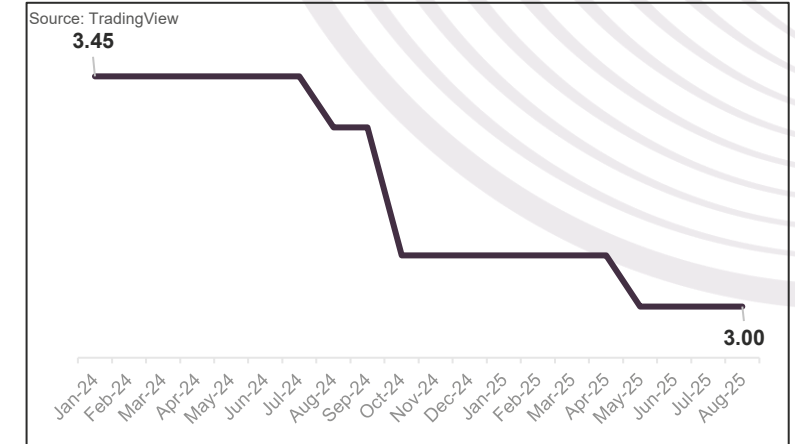
Fed Interest Rate, in %, (Jan'24 – Sept'25)



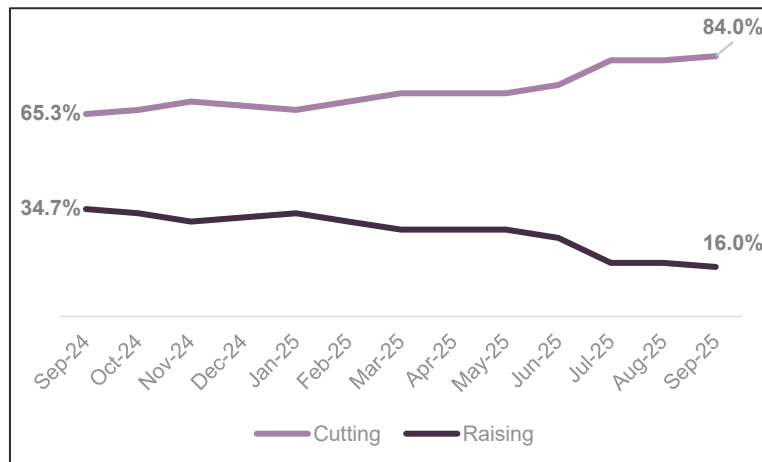
ECB Interest Rate, in %, (Jan'24 – Sept'25)



PBoC Interest Rate, in %, (Jan'24 – Aug'25)



Global Central Banks Tracker, in %, (Sept'24 – Sept'25)

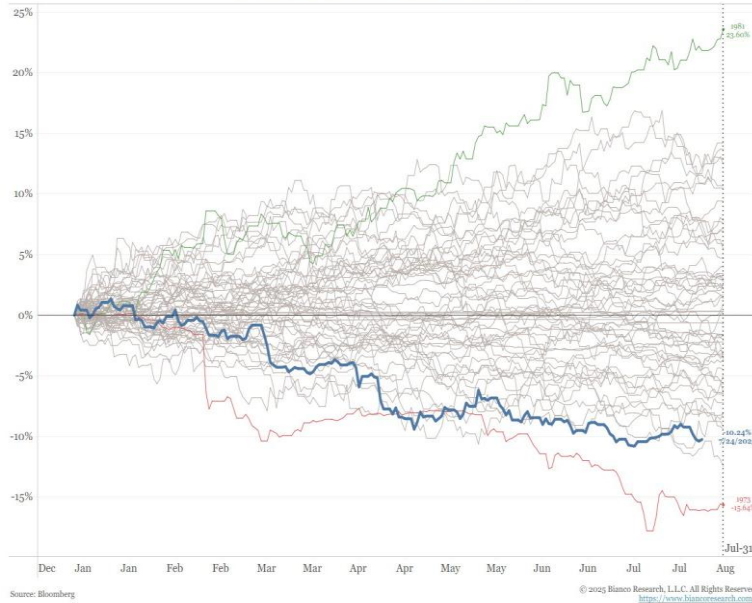


Source: MacroMicro. Note: Red = Cutting / Orange Increasing Rates

- As per Global Central Banks Tracker by MacroMicro, **84%** of central banks are currently cutting interest rates.
- On September 17, 2025, the US cut interest rates for the first time in 2025, while this is positive, US President Donald Trump and US Treasury Scott Bessent have hinted that rates should be lower.
- According to various sources, the US neutral interest rate ranges between **0.50%** and **2.15%**. This implies that there is further scope for interest rates to decrease from their current levels.
- The expectation of lower interest rates will provide the necessary tailwinds for the injection of additional liquidity into the market.

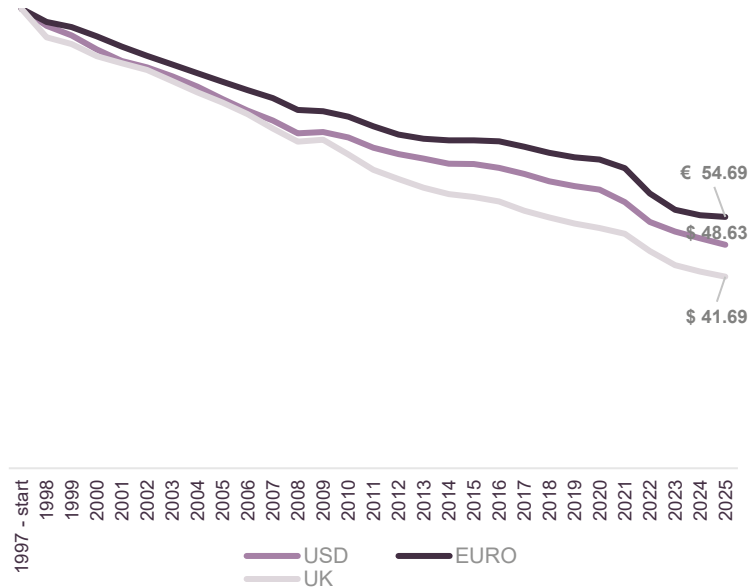
Rising Global Liquidity Is Driving Currency Devaluation and Eroding Purchasing Power

Year-To-Date Total Return For The US Dollar, in %, 1973 – 2025*



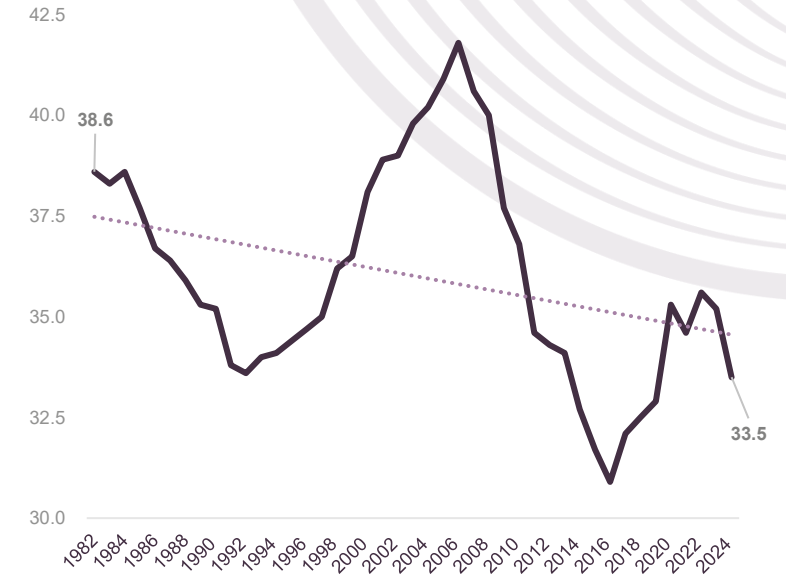
Source: Bloomberg, Bianco Research
Note: 2025 is as of July 24, 2025

Buying Power Of Currencies Over Time, in \$100, €100 and £100, (1997 – 2025*)



Source: Investing.com
Note: 2025 is as of September 25, 2025.

Homeowners By Age 25 to 29 Years, in %, (1982 – 2024)

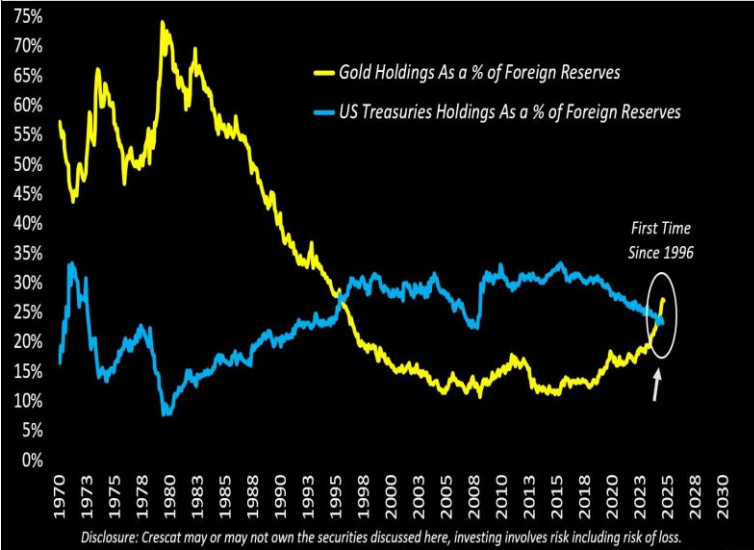


Source: Census Bureau

- **Global currencies depreciate over time.** In 2025, the US Dollar weakened by over **10%**, marking its **third-worst annual performance since 1973**.
- Between **1997 and 2025**, the US Dollar, Euro, and Pound collectively **lost ~50% of their value, eroding global purchasing power**.
- **Home ownership among young adults (25–29 years) in the US has declined.** In **1982**, **38.6%** of individuals in this age group owned homes; by **2024**, this fell to **33.5%**, reflecting affordability pressures.
- **The downward trend in ownership** underscores the **erosion of purchasing power** over time, driven by sustained currency depreciation and declining real income growth.

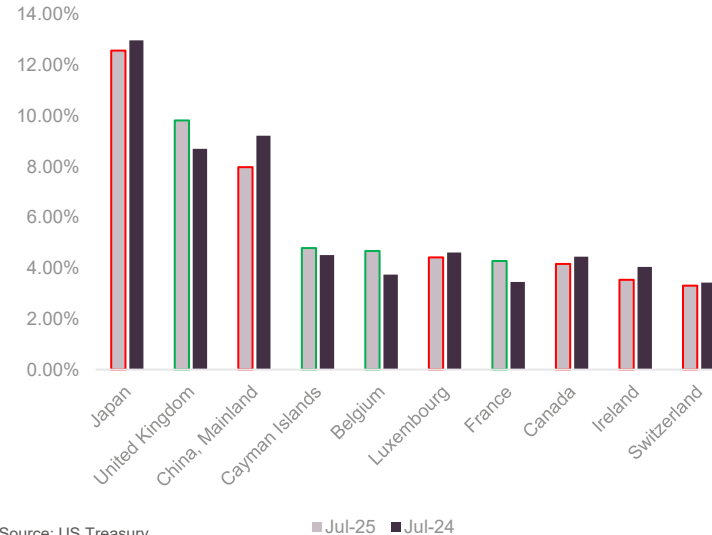
Countries Reallocate Reserves from US Bonds to Hard Assets like Gold and Commodities

Central Banks' Gold vs US Treasuries Holdings, (% of International Reserves) (1970 – 2025)



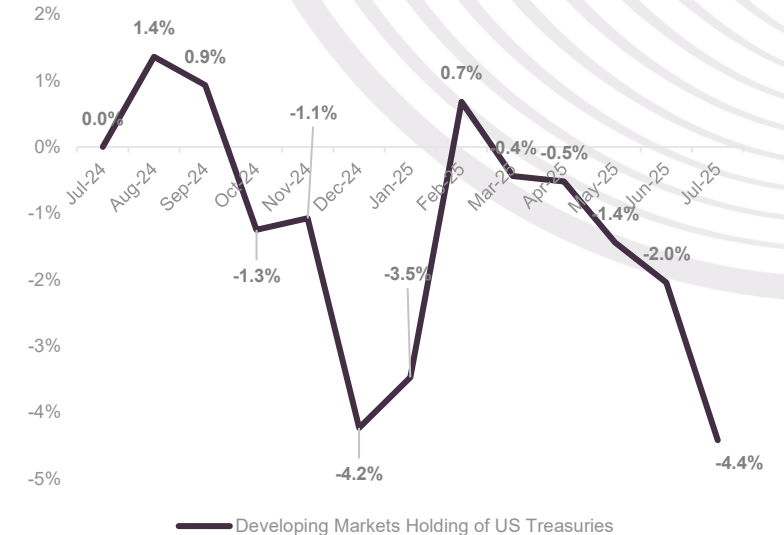
Source: Bloomberg, Tavi Costa, Crescat Capital

Major Foreign Holders of US Treasuries (July 2024 – July 2025)



Source: US Treasury
 Note: Red Border = Reduction in holdings. Green Border = Increase in holdings

US Treasuries Held By Developing Markets (July 2024 – July 2025)



Source: US Treasury
 Note: Red Border = Reduction in holdings. Green Border = Increase in holdings

- **Foreign central banks are reducing exposure to US Treasuries**, signaling a broader move away from fiat assets toward **hard assets like gold**.
- **10 countries hold ~60% of all US Treasuries**, nine of which are developed markets. Between **July 2024 and July 2025**, six of these top holders **cut their holdings**, reflecting a structural shift away from US debt.
- **Developing markets reduced their US Treasury holdings by 4%** during the same period, underscoring the **declining appeal of the US Dollar** as a reserve asset.

Currency Devaluation: Temporary Phase or Perpetual Trend?

THREE POSSIBLE WAYS OUT



**INCREASE
TAXES**



**SPENDING
CUTS**



**CURRENCY
DEBASEMENT**



Who Gains and Who Loses from Continuous Liquidity Injections?

Financial World

- Approx. **1% – 5%** of the global population
 - Derive their wealth from assets

Assets appreciate over time

- S&P 500 – **13.7% YTD**
- Bitcoin – **24.8% YTD**
- Gold – **45.4% YTD**

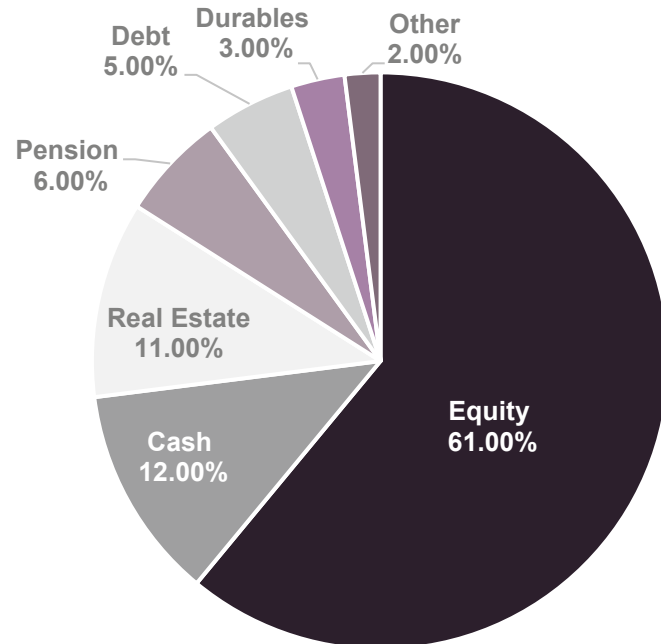
VS

Real World

- Mostly middle class and lower
- Includes a lot of upper middle-class households
 - Live pay-check to pay-check
 - Don't have assets, minimum savings
- Have seen their purchasing power erode over the last few decades

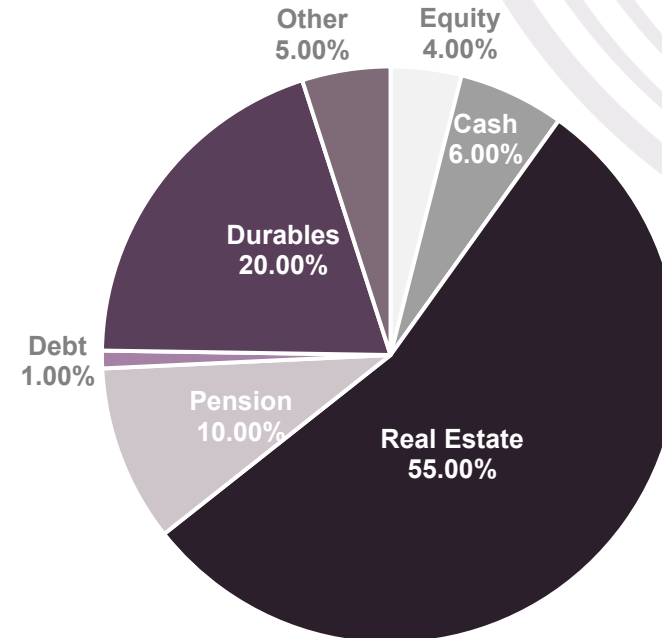
The Top 1% Build Wealth in Fundamentally Different Ways Than the Rest

**Top 1% Portfolio
(\$35 Trillion)**



Source: Federal Reserve Board, Goldman Sachs Global Investment Research.

**Bottom 50% Portfolio
(\$7 Trillion)**

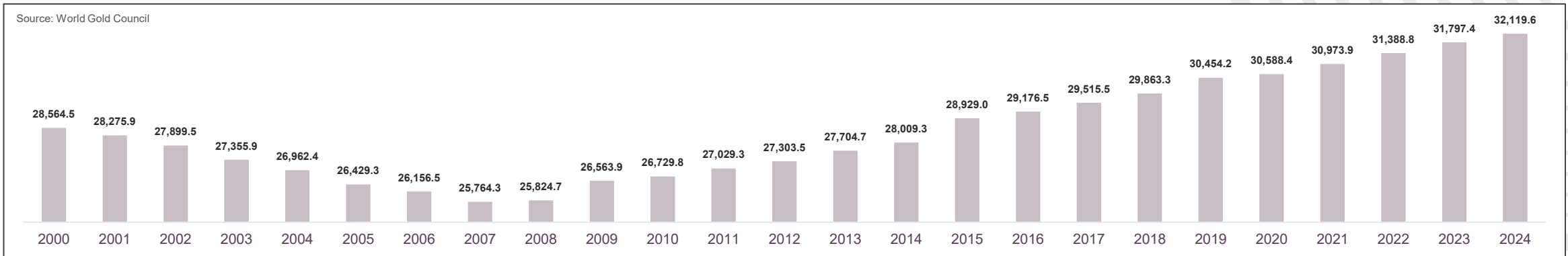


Source: Federal Reserve Board, Goldman Sachs Global Investment Research.

- The top **1%** own five times more (**\$35 trillion**) assets than the bottom **50%** (**\$7 trillion**). This with disparity can be attributed to how the top **1%** allocates their financial resources compared to everyone else.
- On average the top **1%** allocates **61%** of their wealth towards equities, while for the bottom **50%** allocate **55%** of their wealth in real estate.
- Increased liquidity in the market coupled with falling interest rates will bode well for equity holders – in this case the top **1%**.

Conclusion

Total Gold Reserves Held By Countries Globally, In Tonnes, 2000 – 2024



- **Global liquidity expansion is structurally entrenched, with M2 nearly doubling since 2013** — a trend set to continue amid persistent budget deficits.
- **Rate-cut cycles** across major central banks will act as **accelerants to liquidity growth**, with the inevitable outcome being **continued fiat currency erosion**.
- **Central banks are pivoting away from US Treasuries**, reallocating towards **hard assets like gold**. Global gold reserves have risen **~24%**, reaffirming its role as a **trusted store of value**.
- **Asset-holders (Top 1%)** continue to **compound wealth via equities and hard assets**, while the **asset-light majority bears the inflation tax**.
- **Policy choices are constrained** — tax hikes and spending cuts have failed, leaving **monetary dilution** as the **path of least resistance**.
- These dynamics create **ideal conditions for asset holders**, as **policy-driven currency decay fuels asset appreciation**.



“Cash Is Trash”

reflects the **structural reality** — fiat will keep losing value, while hard assets remain essential for wealth preservation.

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