

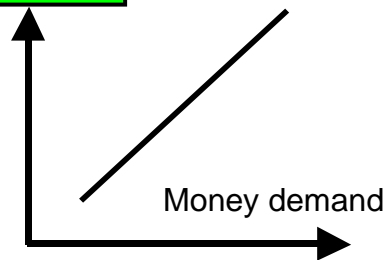
Money Market

1 Demand for money

11 Transactions demand (TD)

= money demand for buying goods and services

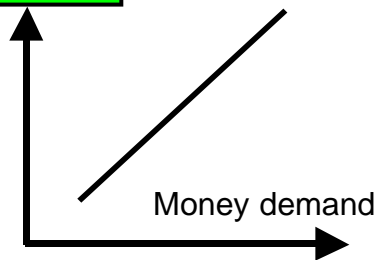
Income



12 Precautionary demand (PD)

= money demand for emergencies

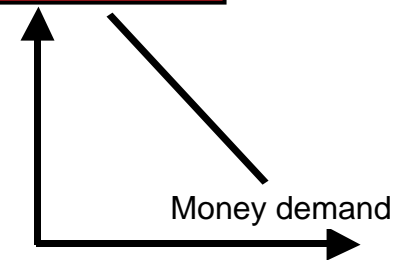
Income



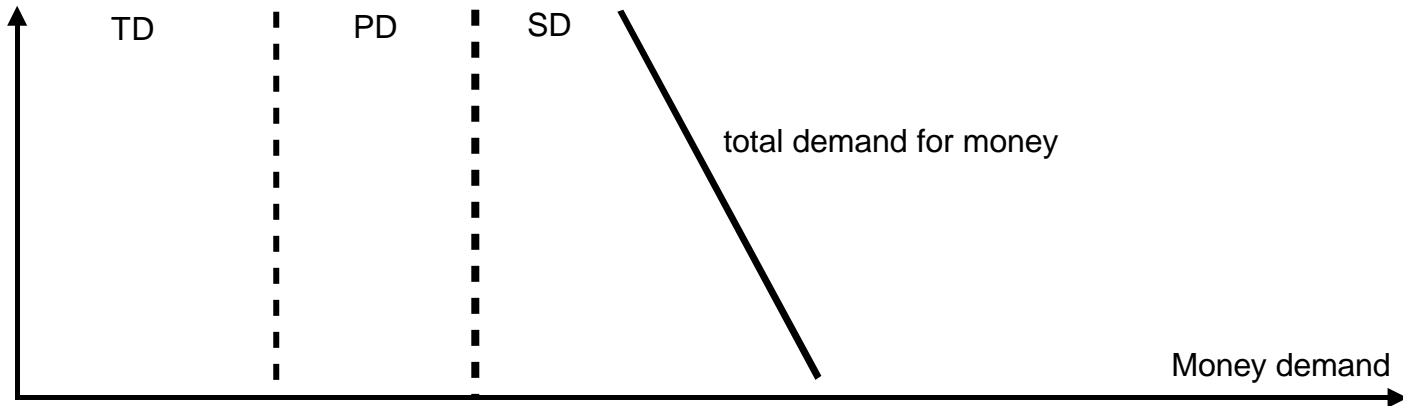
13 Speculative demand (SD)

= money demand for investing in bonds etc.

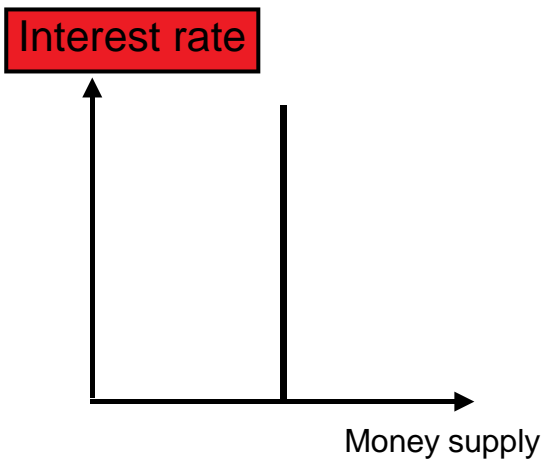
Interest rate



Interest rate



2 Supply of money by the Central Bank



3 The money market

